

EIR

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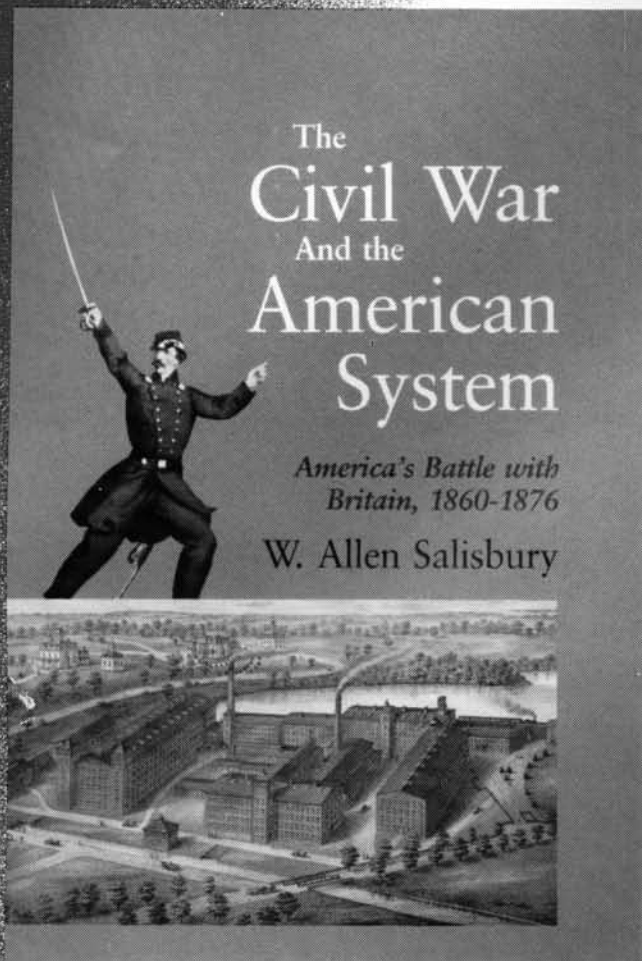
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Hague Court orders Serbia to halt genocide
Can Clinton survive politically?

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points to Lyndon LaRouche**



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From the Managing Editor

This magazine is one of the only press organs in the entire world that is covering a story of historic significance: the offer by Boris Yeltsin to Bill Clinton at the Vancouver summit to launch a joint U.S.-Russian program for strategic antiballistic-missile defense. The “major media” have not let out a peep; official Washington is keeping mum; top contractors for the Strategic Defense Initiative know nothing about it. British press commentaries, meanwhile, are chortling that the SDI is a dead duck.

In our issue of March 26, commemorating the tenth anniversary of the SDI, we featured a report on how Lyndon LaRouche’s conception of U.S.-Soviet ballistic missile defense cooperation was adopted by President Reagan in 1983—and then repudiated by Moscow, after months of back-channel negotiations. The Andropov-Gorbachov crew branded LaRouche and his policy a “*casus belli*,” and demanded that he be eliminated from the political scene.

Now, the situation has dramatically changed. Commenting on the latest developments in an April 8 interview, LaRouche said: “Today, the Russians have apparently reversed their field, and they have now, 10 years later, approximately, accepted the offer which I tentatively broached and which Reagan actually made, back in 1983. It is an *extremely significant development*, which can change the course of history.”

A U.S.-Russian program for anti-missile defense can be a “science driver” to revive both economies, while assuring the security of both nations. LaRouche devised this concept, and he is the one who knows how to make it work. If the promise of the new Russian offer is to be realized, LaRouche must be released from his political prison, and allowed to go back to work.

There is a growing international clamor for exactly that, as you will see in the reports from Italy and Ibero-America (pages 30-34), where parliamentarians are demanding his release, as being in their own national interest.

There is one *EIR* exclusive which, we are happy to say, has finally made it onto the “nightly news”: the story of the Anti-Defamation League’s illegal espionage and dirty tricks against its political opponents. As San Francisco authorities prepare to issue indictments against ADL officials, the story broke on ABC News on April 8. We’ll have more on that for you next week.

Susan Welsh

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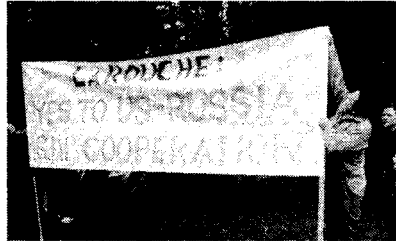
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Why was George Bush in such a morose frame of mind when the Berlin Wall came down, and communist domination over eastern Germany was ended? "I am not an emotional man," he said. "I will not dance on the Wall." Michael Liebig analyzes the axioms of geopolitics, dating back to Sir Halford Mackinder and Karl Haushofer.

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"The LaRouche banner" is hoisted at the Yeltsin-Clinton summit in Vancouver on April 3. The banner was shown on Russian television.

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The standard deviation that will kill us all

by Anthony K. Wikrent

Readers of *EIR* may have recognized that the cover story of the March 29 issue of *Forbes* magazine was the Anglo-American financial establishment's response to Lyndon LaRouche's proposal, issued on March 9, to impose a universal tax on all sales of financial derivatives. *Forbes*, of course, made no explicit mention of LaRouche or his proposal, referring derisively only to "critics who long for a simpler variety of capitalism—or for no capitalism at all," at the end of its seven-page paean to the goddess Fortuna.

Unfortunately, the irony of *Forbes*'s implicitly arguing that derivatives merely represent the latest, albeit bewilderingly complex, development of "capitalism," is lost on most people, since they mistakenly believe that monetary and financial processes alone comprise an economy. The fact is that the monetary and financial processes superimposed on the world economy by the financiers of the cities of London and New York do *not* represent capitalism. This is highlighted by two recently released reports, one from the Bank for International Settlements (BIS) and the other from the U.S. Federal Reserve. Both are part of an ongoing discussion about how to regulate trading in derivatives. The LaRouche "sales tax" proposal, one-tenth of 1% on the notional value traded, levied on every sale, would settle the matter quite readily, and permit the necessary re-regulation of financial markets.

\$1.7 trillion a day

What *Forbes* venerates is a financial and monetary system in which *\$1 trillion every business day* changes hands in the world's foreign exchange markets; \$600 billion in underlying values (notional principal amount) is traded in the U.S. futures markets; \$107.8 billion in U.S. government debt instruments is traded; and \$15.7 billion in U.S. corporate debt changes hands. And, oh yes, for those who still

follow the Dow Jones Industrial Average, \$5.2 billion in corporate equities changes hands on the New York Stock Exchange every day.

This is not capitalism. It does not even deserve to be called a "system." It is monetarism and usury, unleashed, untrammled, run amock. It is a parasite that has become tens of times larger than its host.

Back at the beginning of the U.S. republic, some had a good idea of what capitalism is. Alexander Hamilton, in No. 15 of *The Federalist Papers*, devised a test, succinctly expressed in only one sentence: "Is private credit the friend and patron of industry?" Of course, in those days, they also had a good idea of what industry is. There are today, for example, fools who talk, with completely straight faces, about the "leisure industry," referring to chains of hotels with too many rooms and too few vacationers; or the "gaming industry," referring to the vice of gambling; or the "entertainment industry," referring to a process of national menticide.

The point is, that the financial and monetary system must be subordinated to the primary task of the economy—which is the organization of the means and powers of production for the purpose of applying the scientific and technological fruits of creative human mentation to the useful transformation of nature and natural resources; "useful" meaning that it aids and abets the human race in the birth, raising, and sustenance of successive new generations. It is the same point made by Sony founder and chairman Akio Morita, when he says that finance should serve to smooth the way for production.

Pax Britannica

Part of the problem today is that the financial and monetary system is dominated by the enemies of Hamilton. Last

month, the BIS issued a new report, entitled "Central Bank Survey of Foreign Exchange Market Activity in April 1992," which shows that foreign exchange trading worldwide increased 42% from April 1989 to April 1992, to an estimated \$880 billion per business day. This \$880 billion is an adjusted figure, with double-counting netted out. The key feature to focus on is that London has increased its share of world currency trading, from 25% in 1989 to nearly 30% in 1992. London now trades more dollars and deutschmarks than the United States and Germany.

Trading in London is also increasingly concentrated, with the 10 most active banks in the city accounting for 43% of trading in 1991, compared to 36% in 1986, according to a report issued last year by the Bank of England. That means that 10 British banks alone account for nearly one-fifth of the \$1 trillion of world currency traded every day. (One trillion dollars is a new estimate by the BIS, issued for the Group of Seven meeting in December.) It gives an entirely new meaning to the adage, "The sun never sets on the British Empire."

Increasing risk, fewer firms

The financial derivatives market in the United States is similarly becoming more concentrated. According to a new study by the U.S. Federal Reserve, the Federal Deposit Insurance Corp., and the Office of the Comptroller of the Currency, entitled "Derivative Product Activities of Commercial Banks," increasing concern about the credit worthiness of counterparties to a derivative transaction is directing more and more of the business into fewer and fewer hands. As a result, the study found, the derivatives position of Citibank, Bankers Trust, and J.P. Morgan rose over 33% in 1992. The three banks had over \$2 trillion in principal notional value of interest rate-related derivatives at the end of 1992, up from under \$1.5 trillion a year before, and \$1.8 trillion of notional values in foreign exchange related derivatives, up from \$1.4 trillion at the end of 1991. This means that these three U.S. banks alone account for about one-third of all the interest rate and currency swaps outstanding.

A previous study by the BIS, "Recent Developments in International Interbank Relations," issued in October 1992, noted the reasons for increasing concentration in the derivatives markets. "Over the past few years, a number of wholesale markets have shown clear signs of greater concentration of activity among the financial firms with top credit status. This seems to be particularly true of those highly rated firms that have the capital to take large positions, and possess the technical expertise and the information processing and communications systems needed to manage books globally. There also appears to be a greater tiering among market-makers between firms that can handle the origination of very large transactions and smaller players which focus more on the distribution of instruments to their customers."

The BIS report mentioned, but did not detail, that the collapse of Drexel Burnham Lambert in 1989, which report-

edly forced the U.S. Federal Reserve and the U.S. Treasury to step in and help dismantle and offset tens of billions of dollars worth of derivatives contracts, and the U.S. bond-bidding scandal around Salomon Brothers in 1991, had created greater caution in the selection of counterparties and bank intermediaries. An additional consideration in the selection of a bank intermediary has been the implementation of the Basel Capital Accord, mandating minimal capital requirements for all banks whose countries are members of the BIS.

The BIS report warned that "the perceived credit standing of a financial institution can deteriorate rapidly. Since the failure of one such key player would entail larger losses to other participants in the markets than if exposures were more dispersed, increased concentration implies that financial market stability could be affected more heavily than in the past by the sudden decline of any such firm."

Among the recommendations of the October 1992 BIS report was that participants in the derivatives markets be compelled to mark their instruments to market value at the end of each business day. But in the United States, there has been strong resistance against the promulgation of such rules by the Federal Accounting Standards Board.

The third standard deviation

Business Week also carried an article about derivatives in its March 29 issue. Like the *Forbes* piece, it began with a discussion of Salomon Brothers.

Forbes began by enthusiastically describing how Salomon had sold Boeing warrants in Frankfurt on March 9, even though Boeing had never issued or authorized any warrants for sale in Germany. As *Forbes* happily described it, Salomon "created the security out of thin air, hedging itself by buying shares of Boeing and also buying unlisted puts from a source it won't reveal."

Business Week, however, noted that on March 4, Salomon announced it had lost \$250 million from trading for its own account. "What in God's name could you do in two months to lose a quarter-billion?" *Business Week* quoted one Salomon rival asking rhetorically.

The question was answered at the end of the article: The assumptions used to program the computers on Wall Street are proving to be all wrong. "The models are fine, given the right volatility assumptions," said First Boston Corp. director Andrew S. Carron. But, "there's no way of knowing for certain that you've put in the right assumptions."

Stephen Robert, chairman of Oppenheimer and Co., told *Business Week*, "Risk managers at brokerage firms talk about [being hedged enough to protect themselves if prices move] two standard deviations from the norm. However, it's the third standard deviation that happens once in a blue moon—that's what kills you."

The real problem, of course, is that until it's understood that those processes are actually "cancerism," there are going to be a lot more blue moons.

Dieter Bock: front man for the Stasi?

Secret documents from East German files link the Lonrho conglomerate with the former East German secret service. William Engdahl reports.

In March, Britain's controversial Tiny Rowland raised eyebrows when he sold the largest part of his ownership of London's Lonrho, Ltd. conglomerate. The man who bought it and is now playing a major role, beside Rowland, in Lonrho, is an all but unknown German businessman, Dieter Bock. In announcing his selection of Bock as his heir apparent at Lonrho, the 75-year-old Rowland made a most curious statement, passed over by most at the time. Rowland cited as among Bock's main attractions the fact that Bock had "marvellous business connections, especially in eastern Europe."

Bock, a taciturn, 53-year-old lawyer turned international business mogul, succeeded in his curious bid to take a major share in the troubled Lonrho group, leaving an even larger question mark about the actual state of affairs at the controversial Lonrho. According to what could be learned from detailed investigations among German businessmen, Bock is indeed quite a "mystery man" in all respects.

Bock's firm, Advanta, was started in 1985. Then, according to the German business weekly *Wirtschafts Woche*, "suddenly out of the blue, Bock emerges with the liquidity to make a surprise purchase of some 10% of the shares of the large German Holzmann AG construction group, at a time no one in Germany really knew who he was." Bock also bought up 50% control of the luxury Berlin-based Kempinski Hotel Group.

There are more than a few suggestions floating around the business community in Frankfurt, as well as in Bonn, that Dieter Bock may be little more than a straw man for some dubious business interests which seek western vehicles to launder large amounts of funds from former communist areas of eastern Europe.

One German investigative journalist who had attempted to get a better picture of the elusive Bock told *EIR*, "I am convinced Bock is a straw man for elements of the old East German Stasi [East Germany's secret police] mafia. Western intelligence agencies have indications that a large capital flight out of East Germany and other East bloc states began around 1985, approximately the time Bock set up business at Advanta, with offshore ownership difficult to trace. Furthermore, Bock's investments are in precisely the areas known to be favored mafia targets for laundering large sums into legitimate enterprises, namely construction and luxury hotels."

According to a recent joint report from the German Criminal Police Association and the Italian SISMI intelligence

service, the former East Germany today is being flooded with illegal mafia money being laundered from sources such as Italian cocaine and heroin activities. As well, there has been ample documentation of former Stasi intelligence agents after 1989, selling their services to the "highest bidder." In short, there is more than a smattering of money laundering going on in the former East Germany and with various "safe haven" western banks. Most recently, according to one reliable report from Bonn, "money which was salted away since about the mid-1980s into secret Swiss accounts and such, when the top levels of the Stasi first realized their edifice was collapsing and rushed to get as much out as possible for future use, some of this money is rumored to be coming back into Poland and eastern Germany."

While firm proof of Bock's connection to former Stasi networks or other organized criminal enterprises is not available, his cited "excellent East European connections," his meteoric rise from an obscure Frankfurt lawyer and tax adviser to a reputed billionaire in less than seven years, and his unwillingness to be more forthcoming in the present situation with Rowland, provide grounds for U.K. stock market regulatory authorities and for Lonrho shareholders to at least give close scrutiny to what the Lonrho share deal is all about. Bock has refused all but the most perfunctory press interviews since he came into the London spotlight last December.

Lonrho's ties to East Germany

The Bock mystery takes on an added dimension when put into the context of official East German documents, copies of which have been obtained by *EIR*, regarding earlier Lonrho dealings with top officials of the communist regime. There is remarkable information contained in the Ministry for Foreign Trade files, specifically its Coordination Committee, or KoKo as it was known, as well as material contained in Stasi files. These documents are now being systematically reviewed by a committee of the German Parliament.

According to material made available to the London *Guardian* from such files, since at least the end of 1985, R.W. "Tiny" Rowland, Sir Edward du Cann, and other top people at Lonrho had been in business dealings with the infamous KoKo of Alexander Schalck-Golodkowski, known in Stasi circles as "Big Alex," not merely because of his 220-pound weight and his commanding size.

Comrade Schalck, a major general in the Stasi, was responsible for all foreign hard currency operations of East Germany. Through a complex web of front companies and bank accounts from Switzerland to Liechtenstein to then-West Germany and other places abroad, Schalck's job was to run the international business infrastructure which provided hard currency for the Stasi subversion operations.

Schalck's more profitable activities during his heyday between 1967 and 1989, until the fall of the Berlin Wall abruptly changed things, involved multibillion-dollar international arms smuggling, including for Col. Oliver North's Enterprise, as well as for Sweden's Karl Eric Schmitz, and for Belgian, Italian, West German, and other arms firms. Schalck's main vehicle for the deals was the East Berlin-based IMES Import-Export GmbH firm. According to German media reports, narcotics traffic was among the specialties of Schalck's KoKo. In 1982, communist dictator Erich Honecker awarded Schalck the Order of Karl Marx and, in 1984, the even more prestigious Great Star of the People's Friendship.

A remarkable business trip to London

According to the documents from Foreign Trade Ministry files dated January 1986 in *EIR*'s possession, Schalck's trusted emissary Dieter Uhlig was sent on a carefully prepared secret trip to London. Uhlig, who held the rank of colonel in the Stasi, spent Jan. 13-16 in London at the headquarters of Lonrho Ltd. Sitting at the table with Uhlig for three days of business negotiations, were Lonrho chairman Edward du Cann, R.W. Rowland, R.F. Dunlop, A.H. Ball, T.J. Robinson, R.E. Whitten, and Peter Youens.

The official Berlin report on the talks, dated Jan. 17, 1986 and signed by both Uhlig and his boss Schalck, was sent on to East German Deputy Foreign Trade Minister Claus Gaedt, for discussion with the East German communist leadership because of its importance.

Uhlig gave the following profile of several of the Lonrho representatives present. Du Cann was described as a "member of the Conservative Party in the House of Commons, a party leader who enjoys a very close relationship to the present British government, including to Prime Minister Thatcher." The report described Lonrho's A.H. Ball as a "member of the Conservative Party, scion of a political family, whose father was chief of MI-5 after the war until 1961." R.F. Dunlop is characterized as a "years-long companion of Rowland (over 30 years), in practice, his right hand." Rowland is described: "As managing director, he is the dominating personality in the board, who determines policy in business dealings."

All of Africa discussed

The discussions between Lonrho and the East German communist regime covered virtually all of black Africa. A document appended to Schalck's confidential memo of Jan. 17, 1986 signed by Rowland, summarizes Lonrho's view of the negotiations. It is titled "Joint Memorandum of Discus-

sions in London Between Delegation from the Ministry of Foreign Trade, G.D.R. [East Germany] and Lonrho."

In the memorandum, Rowland states, "The letter of 30th December 1985 from Deputy Minister of Foreign Trade of the G.D.R., Herr Gadt [sic] to Sir Edward du Cann served as a framework for the discussions. . . . It was agreed that Lonrho's senior representative in the following countries would make in the course of January 1986, direct contact with the Commercial Counselor of the G.D.R. Embassy and explain Lonrho's operations and explore potential areas of business. The countries concerned are: Angola, Ghana, Mexico, Mozambique, Nigeria, Tanzania, Uganda, Zambia, Zimbabwe."

According to German parliamentarian von Bülow, following the January 1986 London talks, "Rowland took Uhlig all over Africa in his business jet. What was it all about? We know that since about 1981-82 the old East German apparatus knew they were effectively bankrupt. They acted a lot like the old Nazis. When it was clear the war was lost, the Nazis began to get as much as they could and get it out of the country into various safe havens. Did Lonrho help the Stasi to launder these funds out of the G.D.R. under the guise of vast business negotiations across Africa and elsewhere? Our parliamentary committee interviewed Uhlig, who today sits in Berlin as a 'private businessman.' He refused any comment."

Among the deals discussed in the January 1986 London meeting between Uhlig and Lonrho:

- Lonrho informed Uhlig of plans to take a share of Chevron's exploration rights in Cabinda province in Angola. At the time, Chevron held 49% and the Angola regime 51%. Lonrho said it expected to buy the Chevron share. "After signing that deal with Chevron, reported Lonrho, its share would be further divided, notably among various African countries interested in a long-term oil supply from Angola. . . . During our talks, a proposal was advanced that the G.D.R. participate in the exploitation of this oil agreement," wrote Uhlig to his superiors in Berlin. Lonrho indicated that it was amenable to letting East Germany take up to half its expected Cabinda share.

- The parties discussed joint ventures in Zimbabwe including delivery of East German W-50 trucks "and special equipment for the Zimbabwe Army" in return for deliveries of raw materials including copper, nickel, and ferro-chrome. "Lonrho is interested. There exists the possibility of a later assembly for W-50 trucks in Lonrho's Zambezi Coach Works factory," Uhlig reported. "In London, it was agreed that Gen. Rex Nhongo, commander in chief of Zimbabwe's Army and Politburo member of ZANU/PF, would visit Berlin and Ludwigfelde and have direct dealings with IMES and the Trade Ministry in Berlin."

The negotiations over Libya

Among the more intriguing parts of the Lonrho-East German talks concerned Libya. Uhlig reported to his superiors

in Berlin: "During the negotiations with Lonrho on 14-15 January 1986 in London, Mr. Rowland put forward his connections with Dr. Ashraf Marwan. Dr. Ashraf Marwan is married to the daughter of President Nasser. Rowland indicated that under Sadat, [Marwan] was chief of Egyptian intelligence. In addition, he has a very close connection to Libyan revolution leader [Muammar] Qaddafi. . . . Rowland said Dr. Ashraf Marwan had access at all times to Qaddafi. It would be possible [for us] to solve certain problems through this means." Rowland reportedly told Uhlig that through Marwan, then living in London, East Germany would be able to enter into "certain business deals in Egypt."

Among the followup actions reported by Schalck and Uhlig in Berlin after the London talks, were to put in motion plans to put Marwan on an East German financial retainer, to explore "possible contracts in Egypt or Libya, for example, more W-50 trucks to the Egyptian Army."

Uhlig and the East German representatives were extremely interested in Rowland's connection with Iranian arms dealer Adnan Khashoggi. "Through the mediation of Mr. Rowland a meeting with Adnan Khashoggi took place," reported Uhlig. East Germany was especially interested in Khashoggi's ties to the Saudi royal house, to Jordan, Morocco, and Iraq. Khashoggi was invited to come to East Berlin for further talks at the end of February 1986. "He asked though, that we not stamp his passport because of Saudi laws forbidding visits to communist countries."

Among the items discussed with Khashoggi in Berlin were the financing of a tank repair facility in Peru, delivery of East German AKM rifles to the Peruvian Army, as well as "delivery of 400,000 Kalishnikov rifles, uniforms, and special equipment to the Jordanian Army."

Chevron and Sudan

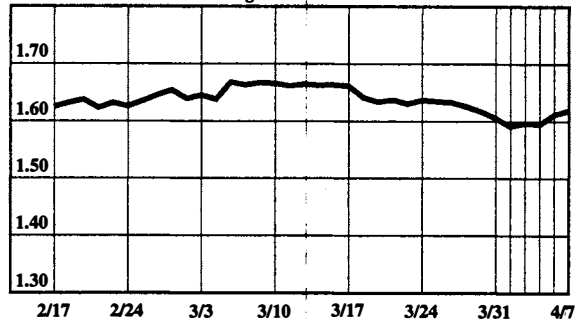
Uhlig added an interesting note regarding Rowland's dealings in Sudan: "Rowland sees Col. [John] Garang as the future President of Sudan. He stated the necessity to further assist Garang." Among the reasons Rowland showed such concern for the head of the Sudan People's Liberation Army, Uhlig reported, was that "the readiness of the American oil company, Chevron, to discuss its oil holding in Cabinda is dependent on developments in Sudan. Chevron has invested \$1.3 billion in southern Sudan. Because of the military situation this investment is presently standing idle." Uhlig wrote, "Chevron, apparently knowing Rowland's close personal connection to Garang, seeks to link the two projects."

These hitherto unknown business dealings between Rowland's Lonrho and the former communist regime suggest, at the very least, that a full official scrutiny of the Dieter Bock-Lonrho transaction is in order. Lonrho Plc is a publicly traded stock company on the London Stock Exchange. Could it be that certain British officials are willing to close their eyes to Bock's potential dirty dealings in return for other favors from Lonrho?

Currency Rates

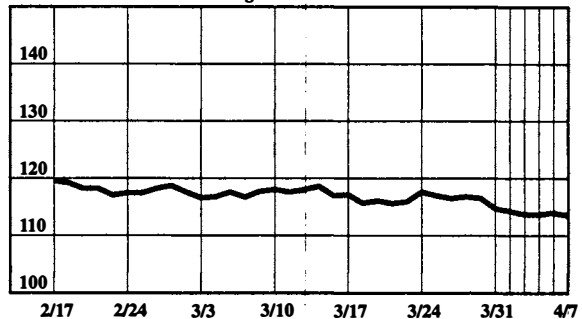
The dollar in deutschemarks

New York late afternoon fixing



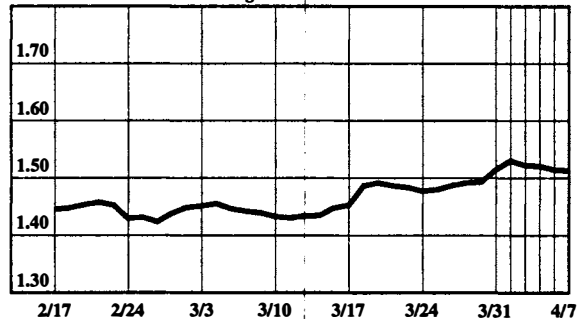
The dollar in yen

New York late afternoon fixing



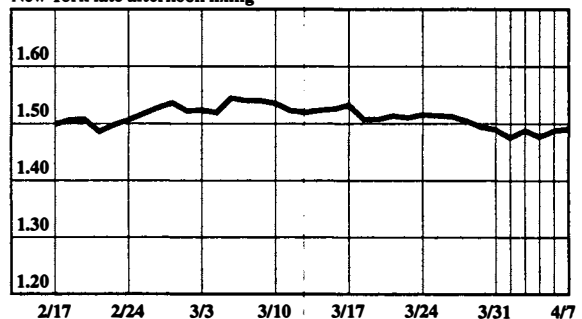
The British pound in dollars

New York late afternoon fixing



The dollar in Swiss francs

New York late afternoon fixing



India cancels World Bank loan, continues Narmada dam construction

by Ramtanu Maitra

On March 30, the Indian government announced its decision to cancel the \$170 million balance of the World Bank loan for the Sardar Sarovar dam project. India has been under severe pressure from the bank to fully implement certain resettlement and rehabilitation aspects of the project, as highlighted by the World Bank-initiated independent Morse Commission report in 1992, within a specified period. A bank review team was due to land in New Delhi in April, and the prospect that the bank would suspend the loan on the grounds of India's tardiness in meeting bank dictates was a live one.

India's decision to forgo the rest of the World Bank's \$530 million project loan and complete the dam project on its own may have merit. But it is also clear that the suspension of the loan by the World Bank during the upcoming review would have embarrassed both India and the bank. The undischursed balance has, in effect, become ransom for international environmentalists and non-governmental organizations (NGOs) which fought to make a test case of the Sardar Sarovar Project. Their first tactical victory, a kind of "sting" operation launched by former World Bank President Barber Conable, came with the constitution of the "independent" commission under Bradford Morse to second-guess both the bank and Indian government on environmental and "human rights" impacts of the massive project. The ensuing bank policy paper, besides demanding comprehensive resettlement plans for those who would be displaced by the dam, had asked the Indian government to provide "improved institutional arrangements over the management of the resettlement and rehabilitation programs, particularly providing a role for the local NGOs."

Though local environmentalists are claiming a victory, it may be pyrrhic. India's decision to discontinue World Bank involvement has suddenly removed the project from the international arena where it had become a rallying point for anti-development activists. At a press conference held on March 30, after the Indians had asked for the loan cancellation, the bank's director in charge of India, Joseph Heinz Vergin, said that at no point did New Delhi ask for extension of time to meet the benchmark requirements and that the bank is "satisfied that the government of India is moving on all fronts that have been identified" in the bank's policy paper.

Massive power and irrigation project

The Sardar Sarovar Project, which is a major part of the Narmada River Valley Development Program, the largest river valley development program in the world, provides for a dam 1,210 meters long and 139 meters high, with a peak power-generating capacity of 1,200 MW in River Bed powerhouse and 250 MW in Canal Head powerhouse. The 460 km canal system would, when completed, irrigate 1.8 million hectares in the state of Gujarat and another 75,000 hectares of desert land in Rajasthan. The main canal has 31 branches, and many, such as Miyagam, Vadodara, Saurashtra, and Kutch, are bigger than the main canals of most irrigation systems in the world. These branches serve another 40,000 km of canal network and will handle 40,000 cubic feet per second of water. The Rs 90 billion (\$3 billion) project, whose cost may escalate to Rs 110 billion, is nominally dependent on World Bank and Japanese loans. Together, the loans amount to \$700 million, of which the bank has already disbursed \$360 million, and Japan has assured, as recently as November 1992, that it would disburse its share this year via the Organization of Economic Cooperation Fund, the channel for routing Japan's bilateral assistance to India.

A central feature of the project is that it breaks with the traditional planning of water development projects in India. As a former member of the Planning Commission, agronomist Dr. Y.K. Alagh, pointed out, the project envisages intensive use of modern technology to support densely populated Asiatic peasant-based agriculture. Thus, for the first time in India, computer-controlled canal and distributory systems up to the village level, real-time monitoring of surface and groundwater regimes for aquifer conjunctive use systems, and information systems based on acreage response and agriculture costs, yields, and benefits data from the behavior of peasant households, have been used to design the engineering capacities and work out the economic choices. Second, considerable expertise was used to subdivide the command area into 13 regions and work out irrigation plans and environmental and sustainability strategies at a high level of disaggregation. Third, considerable emphasis was laid on a realistic estimation of project costs and benefits. The project was identified by components up to the field level and costs

and benefits were estimated on the basis of the actual achievements of Gujarat farmers.

No wonder that even the World Bank, according to Alagh, declared that the project represents a break with the past approaches to planning, design and construction, and operation of irrigation projects in India. The bank had also said earlier that "within a period of three years, an impressive array of high-quality studies and designs have resulted, including a comprehensive framework plan by the Narmada Planning Group and production by the Irrigation Department of high-quality designs, specifications and procurement documents."

Green light to environmentalists

The sting operation, a parting shot by Barber Conable, was launched on Sept. 1, 1991, when the World Bank set up an independent review of the Sardar Sarovar Project, under Conable's buddy, former U.S. Rep. Bradford Morse. The review, the first of its kind among the thousands of projects funded by the World Bank, was completed on June 18, 1992 and was made public at a press conference in Washington. Its recommendations were couched in vague phrases, such as that the World Bank should "take a step back" and that "it would be prudent if the necessary studies were done and the data made available for informed decisionmaking before further construction takes place." Incredibly, there was no mention of any positive aspects of this unprecedented project, which had earlier been hailed by bank engineers.

On Oct. 23, 1992, the executive board of the bank had an unusual seven-hour meeting to determine whether to continue funding in light of the Morse Commission report. Although the board, on a split vote, supported continued funding, it also stipulated that the Indian government would be given six months to implement an "action plan" and an agreed set of benchmarks to remove "deficiencies" in the project. The bank mandarins decided that a review team would visit India in April to assess the progress in implementing the "action plan," and the bank would then decide whether to back the project or abandon it.

The decision to set up the review in itself was a signal to the environmentalists that the bank pays more attention to the greenies than to the Indians. This became evident following the publication of the report.

On June 18, the same day the report was made public, the well-heeled Environmental Defense Fund, in conjunction with Asia Watch and the International Rivers Network, held a press conference, where EDF lawyer Lorie Udall, a prominent spokesman for the greenies against Sardar Sarovar, called for the complete withdrawal of the bank from the project and predicted that it would never be completed. Incidentally, Udall's good friend Medha Patkar, leader of the Save Narmada Movement (Narmada Bachao Andolan), is in the forefront of instigating those who would be forced to move by the dam not to leave their homes. Subsequently, the NGOs and environmentalist groups sent a letter to World

Bank President Lewis Preston, who showed little enthusiasm for withdrawing support from the project, accusing the bank of failing to address major environmental, social, and technical problems with Sardar Sarovar, complaining of human rights violations in the Narmada River Valley, and charging the bank with poor resettlement and overall performance in other large-scale irrigation projects in India. They, like Udall, also predicted that Sardar Sarovar could not be constructed according to bank standards, policies, and agreements. The letter's signatories included the EDF, International Program of the National Wildlife Federation, International Program of Friends of the Earth, International Water Project of the National Audubon Society, International Program of the Sierra Club, International Rivers Network, Center for International Law, Development Group for Alternative Policies, and Rainforest Action Network.

With the cancellation of the undisbursed loan, the greenies in India have claimed victory. Medha Patkar, the queen bee of all anti-Narmada development groupings, has announced that the suspension of funds is the "first step" taken by the bank "in the interest of the nation—the project should now be reviewed." Smitu Kothari of Lokayan, who was given a foreign junket by International Rivers Network, has noted that the government's decision would "sharpen the struggle."

Cutting out the middle man

Although there is little doubt that the NGOs would have seized upon the government's decision to force yet another review of the project, a consensus has developed among officials involved with the Sardar Sarovar Project to go it alone. The officials have pointed out that the political and economic cost to India of allowing the highly publicized debate to continue indefinitely would be far greater than the remaining \$170 million of the World Bank money. The officials were particularly upset that, because of a paltry amount of foreign exchange, the whole project had been opened for continual evaluation and a mountain of useless paperwork. However, some officials also feel that discontinuation of World Bank assistance could be construed as an indictment of the validity of the project. Keeping these two viewpoints in mind, perhaps, the Indian government took the decision to cancel the loan balance.

Meanwhile, the project work is moving steadily ahead. According to former chairman and managing director of Sardar Sarovar Narmada, Ltd., Dr. C.C. Patel, more than 40% of the pouring of concrete on the 139-meter-high dam has been completed. Tunnel work for the 1,200 MW powerhouse is completed and transmission lines are laid. As for the canal system, work is going on simultaneously on a vast terrain, and more than 80% of earthwork and almost 50% of lining work for the main canal system has been completed. Main canal work is expected to be completed by 1994 and about 200,000 hectares of unirrigated land will be brought under canal irrigation by July 1995.

Will India avoid environmentalist traps of the Montreal Protocol?

by Siddharth Singh

The Constitution of India has a strange flaw. There is no obligation on the government to seek approval of the parliament or hold a debate or even inform the members before signing an international treaty. Thus, India agreed to sign the Montreal Protocol in 1990. The protocol, first promulgated in 1987, set phase-out dates for chlorofluorocarbons (CFCs) and other allegedly ozone-depleting substances used in refrigeration and air conditioning.

India's decision to sign on was taken by Maneka Gandhi, who was then minister in charge of environmental affairs. When questioned as to why she made the commitment without first organizing a public debate, she argued that the Indian public had till then not shown any interest in the subject. The fact, according to her own admission, is that she was a believer in "green" ideology, affected by the fear of skin cancer spread by the anti-CFCs lobby.

A well-publicized piece of propaganda was also aired by her to the effect that India has scored a major victory by making rich countries part with \$80 million, which would otherwise have all gone to China, toward meeting the cost incurred in switching over to production of CFC substitutes. In reality, no such fund existed at that time, and she was merely exploiting the concern among Indian policymakers that entry of China into the mainstream of the world economy would result in diversion of developmental aid away from India.

A similar farce is again being enacted today. The rumor doing the rounds this time is that if the Indian government delays in finalizing a switchover program and submitting it to the administrators of the Multilateral Fund (MF) set up under the Montreal Protocol, the limited funds will be cornered by whosoever has a head start, like China, Brazil, or Thailand. This thesis was further substantiated by Dr. Omar E. el-Arini in New Delhi recently, when he presented a table giving the breakdown of the \$39 million disbursed so far by the MF to 15 developing countries. China came first with a grab of \$10.64 million and Turkey second with a collection of \$5.9 million. India scored zero.

Despite the confusion and contradictions, India is well on its way to entangling itself in the web spawned by the environmentalists. The signing of the Vienna Convention for the Protection of the Ozone Layer in March 1991 was

followed by the appointment of a task force in the Industry Ministry to formulate the basic approach for phasing out substances such as CFCs.

Task force's missionary zeal

The report of the task force submitted in March 1992 is not devoid of the element of missionary zeal in the cause of the environment. The report recommended, for instance, signing the Montreal Protocol, though its opinion on this subject was not sought. India had withheld signing until the 1990 amendments requiring transfer of substitute technologies and compensatory funds from the developed countries to developing countries came into force. India signed the protocol in mid-1992, when the minimum requisite number of developed countries had ratified the amendments. However, the task force report also reflects an effort to protect India's national interests, and therefore simultaneously raises a number of issues that challenge the core of the Montreal Protocol.

The task force report says that the switchover cost may be at least \$1.4-2.45 billion—far higher than is generally estimated. The remark that up to 85% of this amount is accounted for by the cost incurred by the consumer, itself reveals much about the way these calculations have been made—i.e., by roughly estimating the total value of all refrigerators and air conditioners in the country. This approach was also facilitated by a notion popularized by the socialist economists, that this is just a luxury goods sector. In fact, it is for the first time ever this year that the taxes on this industry were brought down. Unfortunately, the underlying reason was a recession-induced stagnation in production, and not a recognition of the crucial role of the refrigeration industry in agro-economic development.

This neglect is duly reflected in the composition of the task force, whose members were drawn from the ministries of Industry, Petroleum, Home, Defense, Science and Technology, and Environment and Forestry, but none from the Ministry of Agriculture. This apathy is the chief reason behind the absurdity that, despite being self-sufficient in CFC production and application technology, total CFC production in India is less than 10,000 tons per annum.

The per capita consumption of CFCs in India in 1990 was

a measly 0.0088 kilograms, compared with 8.5 kg in the United States. The task force suggests that India should seek further amendments in the Montreal Protocol to the effect that those countries having per capita CFC consumption less than 0.3 kg should be free to decide their own mix of hydrochlorofluorocarbons (HCFCs), CFCs, halons, etc. so long as they do not cross this limit. India would then be free to increase its CFC production by 30 times over, and the report cites a NASA observation that no harm would be done to the ozone layer under such conditions. This suggestion, however, finds no correlation in the actions suggested in the report to implement the protocol, which recommends a complete ban on use of CFC-12 in air conditioners, large water coolers, and cold stores, effective Jan. 1, 1988, and a total ban on all CFC use by 2010.

The report also notes that even after the switchover by the developed countries to HCFCs, their contribution to ozone depletion is likely to be more than that of developed countries. This view is based on a table of the supposed ozone-depleting potential of even HCFCs given in protocol documents, and the ruling that each country can enhance its HCFC production only up to, but not more than, the level of its erstwhile production of CFCs. The protocol, therefore, is currently designed to continue the wide disparity. The report advocates seeking amendments in the protocol which would allot a population-based production quota to each country that is calculated by setting absolutely fixed per capita consumption levels uniformly all over the world.

The task force's zealotry is further evident when the report foresees extension of protocol controls to cover substitutes believed to have greenhouse warming potential. It recommends that developing countries like India should insist on getting an extra grace period of five years, so that the economic burden of the two switchovers can be "avoided." It has apparently escaped attention that "postponement" does not amount to "avoiding." Anyhow, the report further asks India to insist on a clear reaffirmation that until 2040, the status of the HCFC-22 as a transitional substance will not be altered, even if global warming potential becomes a determining factor in the choice of ozone-depleting substances.

Needed: a rational policy

The task force report is particularly flawed in discussing substitutes. What a nation like India, which has a very low per capita consumption of CFCs, should point out, is that CFCs or halons or any substitute must be acceptable to all the signatories of the Montreal Protocol. Such acceptance will result from a thorough evaluation of the substitute, including its production cost, production complexity, energy consumption in production, inflammability, and toxicity. The substitute must be tested out for a minimum of two years before it can be presented for approval. The signatories then require 15 years to convert to the new system.

Notwithstanding the tortured efforts of the task force to

protect the national interest, the fact remains that the country will pay dearly for falling into the environmentalist trap on the Montreal Protocol. To prevent this from happening, it would be essential to develop a well-funded and scientifically organized mechanism to investigate the unending barrage of issues raised by the environmentalists concerning ozone depletion, global warming, and the rest. India has a quite advanced meteorological department, and there is no reason for isolating it from an issue which lies within its area of competence.

The biggest obstacle in the way of adoption of a rational outlook is a growing interlinkage and interdependence between the environmental-related officialdom, the non-governmental organizations pushing the environmentalist agenda, and the United Nations organizations. The omission of the agricultural and meteorological departments from the deliberations is one consequence of this development. The presence of U.N. bodies has lent a degree of respectability to this nexus and helped in preventing a detection of the farce so far.

Since the signing of the protocol in June 1992, \$430,000 has been approved to India by the U.N. Development Program for establishing an ozone desk in the Ministry of Environment and Forests, to act as a nodal unit for all matters relating to the Montreal Protocol. The results are already forthcoming. A notification was issued in January by the Commerce Ministry banning CFC trade with non-protocol countries, as per the implementation schedule.

The Indian government has initiated a national project to develop alternatives to "ozone-depleting chemicals," with four national laboratories assigned to work on various aspects of the project. But the program has yet to take off, and no funding requests have been made. There does seem to be a realization that the country's resources do not permit fair competition with the multinationals in development of substitutes, and hence the focus is on duplicating processes identified abroad. Indian patent laws allow this, much to the dismay of the multinationals. But why this exercise is necessary at all, when India agreed to sign the protocol on the condition of unrestricted transfer of technology in the first place, seems to have escaped everyone's attention.

Indian industries have shown little interest in phasing out CFCs. The Ministry of Environment has received so far only four proposals from CFC users for funding to prepare plans for phasing out CFCs. "We need at least 20 proposals from CFC makers and users. . . . We could then select the best projects which stand a good chance of being accepted for funding," said an official.

In fact, the Indian refrigerator industry never geared itself to challenge the bigwigs on ozone depletion or any other issue. The industry is content to note that there is still some time before the axe falls; until then, the existing producers will enjoy a kind of monopoly, and the cost of switchover will be reimbursed to them anyway.

Bad news for Menem: IMF plan is failing

by Gerardo Terán Canal

As of the end of the first quarter of 1993, all the optimism displayed by Argentine President Carlos Menem over the "success" of his economic program, the so-called Convertibility Plan, has dissipated. The Convertibility Plan, announced by Finance Minister Domingo Cavallo in April 1991, is based on dollar-peso parity, and is heralded by the international banking community for lowering inflation and stabilizing the economy.

In early 1993, Menem himself had boasted on several occasions that because his economic program had yielded such excellent results, this would be the year of increased social spending. "We are going to spend because we have the money," he shouted. However, the International Monetary Fund (IMF) delegation which visited Buenos Aires in mid-February to review the government's compliance with guidelines set by the debt reduction plan named after former U.S. Treasury Secretary Nicholas Brady, threw cold water on this enthusiasm.

The IMF mission determined that the fiscal surplus target of \$3.1 billion which Cavallo promised for 1993, would now have to be \$4.4 billion because the government had failed to meet certain agreed-upon goals.

First, Menem had promised to have the Pension Reform bill for the privatization of the pension system approved in the Congress by the end of 1992. But as of early April, that hasn't happened. The reform would guarantee between \$3 and \$4 billion annually in internal savings.

The Fund is also worried about the fact that the government's goals for 1993 tax revenues had to be altered in February. According to the new projections, revenues will be 10% lower than estimates made at the end of 1992. Tax revenues dropped during the first two months of this year, due largely to the drop in imports of consumer goods. Income tax revenues increased by 12% in 1992, covering only the inflation rate, but revealing that so-called industrial productivity has not yielded positive results. The only revenues which increased were those from the Value Added Tax (IVA), which are dependent on consumption which is now contracting.

Debt and deficit growing

Argentina's 1992 trade deficit of \$2.9 billion is also a problem for the Fund. The Menem government promised at the beginning of 1992 that its trade deficit would be \$1 billion at most for that year. But imports increased from \$8.3 billion in 1991 to more than \$14.3 billion for 1992, while exports

remained at the level of \$12 billion. This means that for 1993, Argentina will need foreign financing of at least \$8 billion, since servicing the debt will require about \$5 billion.

Then there's the \$30 billion in internal debt, of which \$15 billion exists in the form of dollar-denominated bonds whose value could increase exponentially should there be a currency devaluation. This is very short-term debt, largely acquired to pay the \$8 billion the government owes to retirees, and \$7 billion to suppliers. This year, the first \$2.5 billion in dollar-denominated Bocon bonds held by retirees, issued in 1989, will come due.

An additional problem is the fact that there is not much income to be obtained from privatizations. The only non-privatized companies remaining are the state oil firm, Yacimientos Petrolíferos Fiscales (YPF), a few petrochemical companies which have no buyers, and a small number of provincial companies, whose sale proceeds would be used to cover provincial expenses. What has the banks worried is that the goals established by the IMF for 1991 and 1992 were met because of income from privatizations.

Looting pension funds

At this point, it would appear that President Menem will be forced to pass the Pension Reform by decree. The political opposition, the Radical Civic Union (UCR) and even congressmen from the ruling Justicialista Party, have forced the government to amend the initial plan and allow the state-run Banco de la Nación to also compete in the market for the Private Retirement Financial Administrators, or AFJP. These are the entities which will manage the funds of the privatized pension system. This amendment caused "a drop in banker optimism," commented *El Economista* on March 5, because the "Banco de la Nación can absorb a large part of the contributors to the system, squeezing out the private sector." According to the weekly, statistics show that "state banks have significant support among the population."

Estimates show that by the year 2000, liquidity in the pension system could reach \$40 billion; banks such as Citibank, Roberts Bank, and First Boston, all linked to local capital and banks, hope to have total control over these funds. Some financial analysts are warning that the currency run which occurred last November could happen again if "free market and free competition" in the AFJP markets is in any way hampered.

Immediately after the government made known the new fiscal goals established by the IMF, Menem demanded a 10% reduction in the 1993 budget, even though it had already been approved by Congress.

There is only one solution for the problem of the trade deficit: reduce imports—which would violate the IMF's model of an "open economy" and also affect tax revenues—and increase exports. But Finance Minister Cavallo says he has no intention of making any changes in government economic policy.

Wanted: a science driver

There is no dearth of projects to spur new industrial efforts, but certain elite biases must be forcefully countered.

In an interview with the London *Financial Times* of March 29, Hilmar Kopper, the chairman of Deutsche Bank, demanded that there be an end to "indulging in what I call *monument production*—support for smokestack industries." The banker spoke out against plans for rebuilding industries like steel, homebuilding, automaking, and shipbuilding in the five eastern states, which is in line with his repeated assertions that only a third of the industrial jobs in eastern Germany would survive the 1990s.

Kopper recommended that the government seize the "chance to use all the money—currently intended to protect industrial dinosaurs—to develop new industries for the future."

By contrast, Norbert Walter, chief economist at Deutsche Bank, in an April 4 interview, called on the state to play an active role, not by imposing new taxes or more bureaucratic regulations on investors, but in the promotion of public infrastructure. Walter said that the government should present a definite timetable for moving vital administrative functions to Berlin, so that it can assume its role as Germany's capital, and encourage industry to invest there.

Such a timetable would imply decisions for vital infrastructure projects such as construction of a new international airport and linking Berlin to the "major east-west transportation routes, for example from Hamburg to Berlin, to Prague and Vienna," Walter explained. He recommended that "most urgently, railway projects, especially high-speed trains, maybe also

magnetically levitated trains, should be constructed." With the giant volumes of steel, concrete, electronic components, and electronics that such projects require, Walter's remarks reflect quite different views from Kopper's. The construction of the 290 kilometers of maglev track from Hamburg to Berlin alone will require 650,000 tons of steel and 1.5 million cubic meters of concrete, from Kopper's industrial "dinosaurs."

However, most of the nation's productive branches are operating on the basis of technologies developed in the 1950s and 1960s. Under the cumulative impact of radical ecologism, which penetrated the country's elites in the 1970s and succeeded in banning not only any in-depth discussion of new projects, but also the notion of "technological progress," Germany has not been able to tap the industrial potential of its own advanced nuclear know-how in the high-temperature area, a pioneer technology developed in the 1960s.

The sentiment among elites against technological progress is a major obstacle that must be removed before any serious discussion of new projects, even relatively traditional ones such as those proposed by Norbert Walter, can take off. If the bias is not confronted, the self-amputation of German industry will continue.

For example, at the same time that Kopper was speaking about "dinosaurs," Siemens Corp., Germany's leading maker of power plants and power-generating equipment, announced its intention to "phase out"

another 1,100 nuclear engineers. Eastern Germany certainly needs modern power plants, but, under the influence of "greenie" views, Bonn has decided not to allow any nuclear power facilities in the east. This has already caused about 4,000 layoffs among engineers and nuclear technology specialists of the former East Germany. And there have been no new nuclear projects in western Germany since 1978, where a lot of money is being sunk into "clean" coal technologies. Development of thermonuclear fusion, once discussed in the 1960s and 1970s, is presently as distant as the Milky Way.

In addition, given self-imposed fiscal austerity, the government is taking steps to walk out on space technologies and invest into even more ecologism-tainted projects. In that sense, Kopper's remarks may be reflecting the views of the "mainstream" of Germany's elites, an attitude that will get Germany nowhere if it wants to defend its position among industrial nations in the next century.

However, the U.S.-Russian discussion of joint ballistic missile defense development, which became public just prior to the summit between Clinton and Yeltsin, is certain to send shock waves through Germany's elite, just as did Reagan's announcement of the Strategic Defense Initiative 10 years ago. As soon as these two powers begin to build a science-driver into their industrial policies, Germany will, by sheer opportunism, feel compelled to become part of it.

This is what happened when, after years of fruitless debate, the German government finally decided last autumn to build a maglev line between Hamburg and Berlin: Rumors that Japan was increasing research funds and planning to sell maglev trains on world markets by the late 1990s, had caused "productive panic" in Bonn.

Hollywood to the rescue?

"Country music" star Willie Nelson is staging a Farm Aid VI benefit as a cover for subversion in farm belt.

If you need something to cry into your beer about, feel bad that Hollywood still gets away with foisting the likes of Willie Nelson and his outfit, Farm Aid, as a friend of the farmer. Right from the start, Willie Nelson's I-feel-for-farmers pose was one of a number of Hollywood ploys intended to sow demoralization, and worse, in the farm belt. On April 24 in Ames, Iowa, Willie Nelson and fellow "country music" stars will stage a benefit concert ostensibly to raise money to help farmers. Called "Farm Aid VI," the program features names ranging from Ringo Starr to Tammy Wynette.

Regardless of how many do or don't attend the April 24 concert, and how much money is or isn't raised (the popularity of these bashes has fallen dramatically), the publicity stunt is intended to give an air of legitimacy to Farm Aid, which doles out money to a variety of subversive outfits in the farm belt. The theme of the Farm Aid-type activities is: Raise money for poor farmers, give them a hand-out, but *don't get involved in effective political action to change economic policy.*

Farm Aid was incorporated in 1985, and describes its purposes as being "to raise public awareness about the plight of the family farmer and to provide assistance to those families whose livelihood is dependent on agriculture." Willie Nelson is the figurehead. Farm Aid concerts were held in 1985 (Illinois), 1986 (Texas), 1987 (Nebraska), 1990 (Indiana), and 1992 (Texas).

According to its own reports, Farm Aid has given out about \$10.5 million since 1985. Only about \$2.5 million has been given in direct grants to farm-

ers for groceries, medical care, fuel, and other aid.

The bulk of the Farm Aid money has gone to a special network of programs located in rural areas that are part of a community control and dirty tricks operation directed by such agencies as the Anti-Defamation League of B'nai B'rith (ADL).

Recipient groups include Oklahoma Ag-Link Farm Crisis Hotline and the Farmers Legal Action Group (FLAG) of St. Paul, Minnesota. Grants range from \$20,000 to author Al Krebs for a book exposing corporate agriculture, to \$3,000 for a California Institute of Rural Studies project to help farmers switch to "organically grown" cotton, which is so in vogue among the Hollywood set. Farm Aid gave \$22,500 to the Nebraska Peace Foundation to pay for videotapes and pamphlets linking the existence of the farm crisis with the nuclear arms race.

All the grants have the common characteristic of encouraging farmers in protest and self-help activities that do not threaten the financial and political objectives of the food cartel companies, such as Cargill, ConAgra, ADM, Continental, and Louis Dreyfus, or the "Minneapolis mafia" organized crime and its front groups, such as the ADL.

Look at one recipient of Farm Aid funds, the group called PrairieFire Rural Action, which is based in Iowa. Started about a decade ago, PrairieFire has concentrated on keeping tabs in the farm belt of who was becoming too great a threat to the Minneapolis powers-that-be. Farm Aid has given a reported \$159,000 to PrairieFire.

The director of PrairieFire for the first few years of its operations was one Dan Levitas, an easterner whose father was involved in activities of the New York Council on Foreign Relations. When farmers in the mid-1980s began associating with Lyndon LaRouche's movement for economic change, running for office, and winning significant support, Levitas conducted all manner of dirty tricks operations against them. Levitas escalated his attacks after the 1986 Democratic Party primary in Illinois, when two LaRouche associates won the primary for the Democratic nomination for lieutenant governor and secretary of state.

Typical of a Levitas action was the leaflet he distributed in December 1988 in Chicago, denouncing "Lyndon LaRouche's Food for Peace Campaign" as "dangerous deception," from people he characterized as "far right," and organizations "that promote racism, anti-Semitism, and violence." The statement was signed by PrairieFire and others funded by Farm Aid, such as the Illinois South Project (\$173,000). A host of ADL co-groups signed the statement, including the New Jewish Agenda and the American Jewish Committee in Chicago, and the Center for Democratic Renewal (CDR) in Atlanta.

In the late 1980s, Levitas moved to Atlanta to head up the Atlanta CDR and concentrate on curbing the black civil rights movement, and left dirty tricks in the Midwest to others.

It is expected that, since the news broke on April 8 that the ADL is under investigation by the San Francisco District Attorney, in a case involving an international apparatus spying on thousands of Americans, the ADL-connected farm belt network will be a prime target for indictments. Willie may have to send his checks to some real farmers for a change.

Business Briefs

Space

Evidence suggests Venus may have had oceans, life

In its last hurrah, the Pioneer space probe spewed out evidence of oceans on early Venus, raising the possibility that Earth's twin planet may once have harbored life, scientists reported on March 24, according to UPI.

"The data we have suggest conditions were such as to allow the formation of primitive lifeforms," Thomas Donahue of the University of Michigan said at the National Aeronautics and Space Administration's Ames Research Center.

The Pioneer spacecraft, which had been orbiting Venus for 14 years, burned up shortly after bursting through the cloud-enshrouded planet's atmosphere on Oct. 8, 1992, when it ran out of fuel. Its final data show that the arid, searingly hot planet once was drenched with 3.5 times as much water as thought earlier, enough to cover the entire surface with 25-75 feet of either liquid or vapor.

Africa

Kenya rejection of IMF watched by continent

Kenyan President Daniel arap Moi's decision to try "to build up its economy without western aid" and without the advice of the International Monetary Fund (IMF) is being watched with interest by other African countries, according to the London *Observer*, the April 2 *Washington Times* reported.

"Now it's apparent that in many cases the medicine is killing the patient," the *Observer* article admitted. The "most damaging effects are seen in the world prices of export commodities. . . . Prices are at an all-time low in real terms, and the [IMF] 'adjustment' policies are seen as one of the main reasons for the fall" in prices.

The paper acknowledged that "African countries may now consider that they have little to lose by looking for alternative policies. Refusing to pay foreign debt, because the mon-

ey is needed for anti-poverty projects, is one option. . . . If African countries don't repay their debts, they are likely to lose foreign aid. But the West's aid carrot is smaller than Africa's debt burden. . . . While Africa is expected to pay out \$26 billion a year in debt repayments, it receives less than \$20 billion a year in aid."

A letter to the editor to the London *Times* from the acting high commissioner for Kenya, strongly rejected a *Times* editorial attacking President Moi's move against the IMF. The letter read in part: "Your editorial is dictatorial and insensitive. President Moi is not the first African ruler to reject the unrealistic conditions imposed by the IMF. They have clearly not worked elsewhere. The highest responsibility of any government is to its citizens, not foreigners, and it is time our economic reforms were honestly reappraised abroad rather than blindly condemned."

Banking

Denmark bank hit with lending problems

Denmark's largest bank, Den Danske Bank, is being hit with a rash of billion-kroner lending problems as the financial depression is being felt in the smaller satellite economies which have until recently been propped up on the short-term east German consumer boom.

Den Danske Bank, according to Danish banking sources, while it is trying to create the impression of having negotiated itself out of a looming crisis over the collapse of the country's two largest insurance companies, is far from damage free. "Danske Bank will have to write off DK 1 billion in the sale of Hafnia insurance to the British Sun Alliance. But before all is done, reliable reports are they will take an added DK 3-4 billion loss."

Den Danske Bank, which prides itself for having avoided the rush into real estate speculation which has recently hit rivals like Uni-bank and the Swedish and Norwegian banks, is the major lender to the two recently collapsed Danish insurers, Baltica and Hafnia. It is also the lead creditor to the collapsing large Danish holding, East Asiatic Co. which, with DK 9

billion in debt, is unable to meet debt payments, and on March 30 announced the sale of its shipping arm to Maersk, the Danish shipping giant which is the world's second largest shipping group.

Russia

Shock therapy said to be 'wildest social surgery'

The "shock therapy" economic program of Russian President Boris Yeltsin and former acting Prime Minister Yegor Gaidar is "the wildest imaginable social surgery without anesthesia," Robert J. McIntyre, professor of economics at Smith College in Massachusetts, charged in a commentary entitled "Shock Therapy Disguised as Science" in the March 31 London *Financial Times*.

"The Yeltsin program is constitutional-level social decisionmaking disguised as the application of neutral economic science. Public discussion of these policy choices is discouraged. . . . The resulting 'shock therapy' has been an equal mixture of policy incompetence and uncontrolled corruption, causing immense structural damage of a particular type which has proved to be effectively irreversible in eastern Germany. Regardless of political motive, this tactic destroys the institutional bridges that could lead to . . . future performance. It is the failure of the Yeltsin government to deal with the core organizational and structural realities of economic transition that should earn it contempt."

"Popular support for such shock measures is virtually non-existent," McIntyre reported.

The author concludes that the more sensible group is the Civic Union. "Many of the positions of the parliamentary conservatives, especially the Civic Union group headed by Arkady Volsky, represent a more coherent analysis of the realities of the current situation than can be found in the government program. Civic Union correctly points out that without an integrated industrial transition strategy, International Monetary Fund-style macro-level adjustment policies create only ruins. . . . The Yeltsin-Gaidar program simply will not work as the basis for a sustainable productive econo-

my. . . . Adoption of an unmodified market economy as the goal, and its achievement by shock methods, will require authoritarian methods, not just in the short run."

Economic Policy

G-77 attacks U.N. for interference

The Group of 77 developing countries denounced the U.N. Secretariat on March 26 for attempting to interfere in the domestic economic policy affairs of member states. A formal condemnation was issued by current G-77 president and Colombian ambassador to the U.N. Luis Fernando Jaramillo.

The group (which now includes 129 members) singled out for criticism a little-known aspect of the U.N. reorganization overseen by U.N. Secretary General Boutros Boutros-Ghali regarding the functions of the newly created Department of Economic and Social Information and Policy Analysis. Boutros-Ghali said in a report in March that the new department will, among other things, monitor and assess economic and social policies and trends from a global perspective, and that this monitoring will include an "analysis of efficient domestic macroeconomic management and relevant microeconomic issues."

The G-77 argues that this proposal might imply a violation of member states' sovereignty. "It is necessary to reformulate this function of the department, strictly respecting the limits imposed by the [U.N.] Charter and the General Assembly," the G-77 said.

Political Economy

East European economies decline dramatically

The economies of eastern Europe lost 70% of their economic muscle in the three years after 1989, a new report of the Vienna Institute for International Economic Research reveals. The economic decline was dramatically accelerated with the application of "shock therapy" as

advocated by Harvard professor Jeffrey Sachs and others.

The report, presented by the institute's director Peter Havlik on March 26, says that the drop in industrial and agricultural output translates into a loss of 40-50% of the work force which those countries still had as of 1989.

Havlik charged the West with only focusing on Russia and neglecting Ukraine, as if no other state than Russia had survived the breakup of the U.S.S.R. This approach, Havlik said, has contributed a lot to tensions between Moscow and Kiev, as well as between other republics in the Community of Independent States.

Medicine

Drug-resistant TB tackled with genetic techniques

Researchers are working to conquer drug-resistant tuberculosis using genetic techniques, the March 30 *Wall Street Journal* reported. In particular, the paper reported on the work of Dr. William R. Jacobs, Jr. and his colleagues in trying to discover what genetic changes in TB makes it drug resistant.

It is estimated that 1-1.5 million people in the United States will develop TB, which can be passed by casual contact. Drug-resistant strains develop when patients do not finish treatment. There are hundreds of strains of drug-resistant TB, at least three of which resist all present drug therapies.

Dr. Jacobs's team is following two paths of research: One is to isolate which of the 4,000 genes in the TB bacterium becomes altered to make it drug resistant, and the other involves finding ways to mutate TB to make it less virulent or possibly harmless. Both these approaches involve genetic techniques that have only been recently developed.

The Summer 1992 issue of *21st Century Science & Technology* magazine reported on the reemergence of TB, and carried interviews with TB researchers. One of them, Dr. Barry R. Bloom, an associate of Dr. Jacobs, stated, "We have no new drugs that are effective in this situation. The fatality rate of multi-drug-resistant TB is 40-60%. And that is the same as not treating conventional TB at all."

Briefly

● **THE HIV-2 AIDS** virus strain has hit port cities in India and may spread to inland regions, the *Indian Journal of Medical Research* reported March 18, according to UPI. By the end of 1990, HIV-2 had been "already established in major port cities such as Bombay and Madras," it said.

● **FOURTEEN** more AIDS cases have become known to the Centers for Disease Control in Atlanta, Georgia in which the patients tested negative for HIV, the virus which causes AIDS. It is still not known what causes this AIDS or AIDS-like disease.

● **RUSSIAN** aircraft designed for Arctic research may be used for weather studies by U.S. scientists. The Department of Commerce announced on March 30 that a U.S. team will visit Siberia in the middle of April to investigate renting such aircraft.

● **400 MILLION CHINESE** suffer iodine deficiency and several million are mentally retarded as a result, the March 26 *Chinese Science and Technology Daily* reported. The newspaper said that iodine deficiency was a leading cause of mental retardation in China, and that an estimated 51 million people in mainland China suffer some form of mental retardation.

● **WORLD PRODUCTION** of machine tools collapsed 19% in 1992, to \$34.6 billion, according to the *American Machinist* annual survey of the industry, the March 29 London *Financial Times* reported. "The declines are the worst in the 30 years" since the magazine started its surveys.

● **NEW DATA** on cancer research has cast doubt on the validity of animal tests currently being used to determine whether or not a particular substance is carcinogenic, according to an article in the March 23 *New York Times*.

Geopolitics: the root of Bush's tantrum in November 1989

by Michael Liebig

In the days following the opening of the Berlin Wall in November 1989, then U.S. President George Bush was in such a morose frame of mind that reporters in the White House press corps found it striking. When the subject came up, Bush stated that he was "not an emotional man." "I will not dance on the Wall," he declared.

The source of Bush's foul mood was twofold. First, the fall of the Wall and the foreseeable reunification of Germany marked the end of the Yalta system. The geopolitically based division of Germany and Europe between the superpowers was, after 45 years, coming to an end. Second, the East-West conflict between the communist Soviet empire and the West, since the end of the Second World War, had masked the geopolitical basis of the Yalta system to a great extent. The opposition between communist claims to dominion and the "western community of values" had been in the foreground.

The political class in Washington, London, Paris, and Moscow already perceived at the end of 1989 that it would no longer be politically possible to hold back revolutionary changes in Germany and eastern Europe. At the Malta summit meeting in December 1989 and in other talks between the governments of the four victorious powers of World War II, an understanding was reached to establish the principles for a new geopolitical arrangement in Europe from the ashes of the "East-West conflict." Now, geopolitics showed itself openly and undisguised. The sight was not a pretty one.

In the "serious" press of Great Britain, France, and the United States, government-inspired articles appeared, which warned that a "new pan-Germanism" (*Le Monde*) or even a "Fourth Reich" (*London Times*) threatened the European balance of power. German economic power purportedly threatened to dominate Europe just as the Panzer divisions had in the past. With their anti-German ravings, the leaks from the London Foreign Office sounded like the self-incriminating letters of the terrorist Red Army Faction. A unified Germany, it was said, might turn against the West and aspire to a "new Rapallo" accord with a post-communist



British Prime Minister Margaret Thatcher and President George Bush worked to ensure that there would be no economic recovery among the republics that emerged from the former Soviet Union. They are shown here at the White House in August 1990.

Russia in order to achieve hegemony on the Eurasian continent. But geopolitical foresight should stop this from happening.

Axioms of geopolitics

Just what is geopolitics? Historically speaking and in international relations, geopolitics consistently assigns priority to the “objective factors” of *space* and *human masses* over the “subjective” factors of *cultural and technical development*. The standard founders of geopolitics based on this axiom are:

- Friedrich Ratzel (1844-1904), whose book *Political Geography*, of 1897, gave the overall theoretical foundation of geopolitics;
- Admiral Alfred T. Mahan, an American, whose book *The Influence of Sea Power upon History*, published in 1890, defined the role of the “ocean space” and “sea power” as the central concepts of geopolitics;
- Sir Halford J. Mackinder (1861-1947), the real founder of operational geopolitics, who presented the contrast between the Eurasian continental “Heartland” and the Anglo-American sea power’s “Insular Crescent” as the central geopolitical conflict;
- Karl Haushofer (1869-1946), for whom the rise and fall of nations and peoples are expressed in the expansion or contraction of the space ruled over by them. Haushofer exerted a strong influence over German National Socialism and the Soviet Russian brand of geopolitics.

Geopolitics postulates that geographical, climatic, and demographic factors determine the course of history. Mackinder says (in “The Geographical Pivot of History,” written in 1904): “We may seek a formula which shall express certain aspects, at any rate, of geographical causation in universal history.” He concludes, “The actual balance of political power at any given time, is, of course, the product, on the one hand, of geographical conditions, both economic and strategic, and on the other hand, of the relative number, virility, equipment, and organization of the competing peoples. . . . And the geographical quantities in the calculation are more measurable and more nearly constant than the human.”

Geopolitics takes off from the malthusian premise that geography, the available land surface, is unchangeable, whereas the mass of people is dynamic. Because of the objective limitation of geographical space, peoples and nations must struggle for power and dominion against each other. The possession of the limited soil and its resources must be seized, or defended, among competing peoples or nations by political or military struggle. In the words of Ratzel, “For man and his history the size of the land surface is unchangeable. The number of people grows, but the soil on which they must live and work remains always the same.” The land is “the only material cohesiveness in each people. . . . In the progress of history this bond does not tend to become looser through the progressive liberation of intellectual forces, but rather it grows with the number of people. From this also comes historically the growth of the tendency of the people

to become more tightly bonded with the soil, so to speak to take root in it. . . . Ample space confers the protection of distance to the life forms which spread out over it. . . . Therefore we see in the competition of stronger and weaker peoples, that the weaker ones are more quickly consigned to narrower spaces.”

These ideological axioms of geopolitics come out of the physiocrats of the eighteenth century, who defined economic wealth exclusively as the inorganic and organic bounty of the soil. Consequently the axioms of geopolitics are based on the—scientifically untenable—basic premises of Thomas Malthus’s *On Population* regarding the apparently unbridgeable discrepancy between population growth and food supplies. The consequence of this is the apparent “necessity” of population reduction. This flows into British Social Darwinism of the late nineteenth century. Only the “strongest” peoples and nations can prevail in the survival struggle of all against all over limited soil and resources.

These ideological postulates, which lie at the roots of geopolitics, are obviously the *negation* of the fundamentals of Christian European civilization. The axioms of geopolitics are *ideologically*, scientifically untenable, and morally despicable. Considering that Nazism is the general negation of Christian culture, it is no wonder that Hitler was a great admirer of Ratzel, Mackinder, and Haushofer. Hitler studied Ratzel’s major work just before he wrote *Mein Kampf*. Karl Haushofer was a member of the original nucleus of National Socialism, the Munich Thule Society, at the beginning of the 1920s. National Socialism adopted the axioms of geopolitics in its catchy slogans such as “*Kampf um Lebensraum*” (“Struggle over Living Space”) and “*Blut und Boden*” (“Blood and Soil”). Likewise, Haushofer, during the 1920s and ’30s, exerted significant influence over the communist political intelligentsia of the Soviet Union and Comintern. We need only allude here to his close relations with Richard Sorge, a key figure at the time in the Soviet intelligence service.

Obviously, the ideological axioms of geopolitics are not to be confused with economically real categories of political geography. It goes without saying that concepts like location, land area, borders, soil fertility, natural communications routes, density of settlement, ethnic-religious population mix, neighbors, and so forth, are indispensable for any strategic analysis or planning.

Mackinder makes geopolitics ‘ripe for implementation’

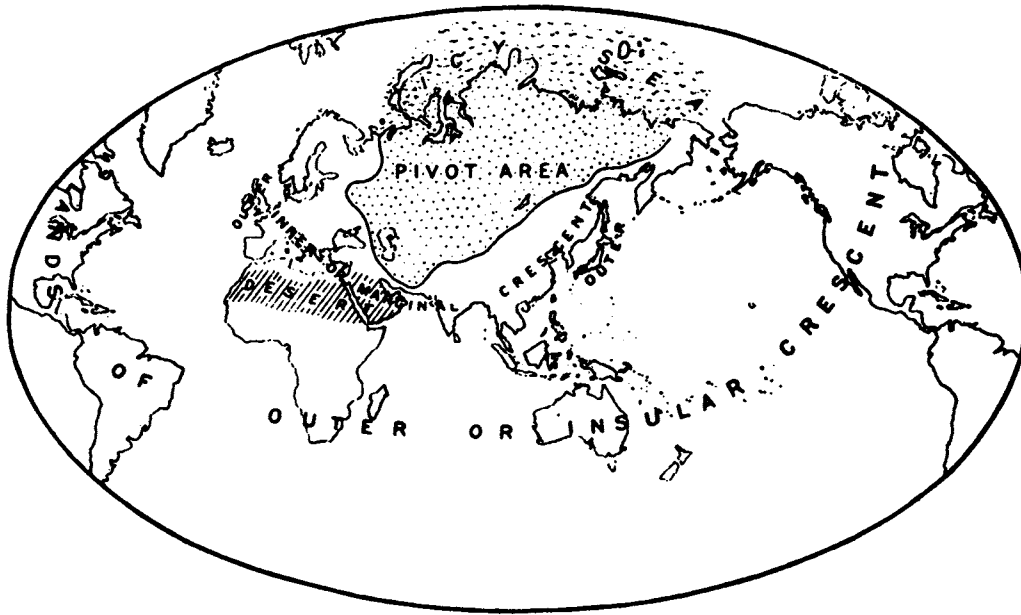
Acceptance of the ideological premises of geopolitics leads easily to blindness regarding its operative realization in *realpolitik*. The operational implementation of geopolitics through British foreign policy since the beginning of this century is traceable precisely to the example of Halford Mackinder. At the end of the nineteenth century, the British leadership recognized that the economic, scientific-techni-

cal, and also military basis of power of the British Empire was shriveling in comparison with the United States on the one hand, and the major nations of continental Europe (Germany, Russia, France) on the other. A roundtable was formed at the top of the British oligarchy, to which Cecil Rhodes, Lord Milner, Lord Grey, Lord Rothschild, and others belonged, which formulated a policy of “new imperialism” for the empire. To this group, sometimes called Milner’s Kindergarten, Mackinder also belonged.

The British leadership recognized that it would be futile, after the lost wars of 1776-83 and 1812-14, to go up a third time against the United States, whose population, economic power, and military strength had grown enormously. Just the strength of the American Navy excluded any solution by force. Under the motto that “if you can’t beat ’em, join ’em,” British diplomacy set about turning the United States into a partner and close ally of the British Empire. The introduction of geopolitical postulates as the ideological superstructure for the imperial power interests of Great Britain played an important role in this. Picking up from Admiral Mahan’s theories, Mackinder postulated a geopolitically based identity of interests between U.S. *naval power* and the British Empire. Geography was supposed to create, with the “insular crescent and outer continents,” an *a priori* opposition to the Eurasian heartland. If a nation or an alliance of nations were to achieve hegemony over the Eurasian continent, this would be a mortal threat to the sea power of the “World Island.” Only the combined weight of the allied sea powers could prevent a hegemonizing consolidation on the Eurasian continent.

British policy against the Eurasian great powers (Russia, Germany, and France) follows naturally from the British policy of “balance of powers” in a “Concert of Europe.” Since the 1700s, England has constantly, overtly or covertly, allied with the second or third strongest nations against the strongest power on the continent. In the self-conception of British and later Anglo-American geopolitics, the doctrine of “balance of powers” played a central role, as one can regularly glean from Henry Kissinger’s syndicated weekly columns. The leading global or regional power can only hold its position if the secondary powers can be held in a system of adversarial political and/or military competition. To put it simply, the first-rate power acts toward the second-rate powers according to the principle of “divide and conquer.”

After 1871, Germany took over the leading role on the continent from France. For British balance of power diplomacy, it became “automatic,” so to speak, that Germany was the chief adversary. Thereby, British diplomacy saw itself faced with a special, new kind of danger: the sweeping industrial-technical progress, especially in transportation technology, taking place on the whole continent of Europe. The possibility arose that the three main continental powers would be able to keep their rivalries under control through economic mutual interests. The rapidly growing rail infra-



Halford Mackinder's geopolitical view of the world, as illustrated in his book Democratic Ideals and Reality. Mackinder labeled these the "natural seats of power."

structure presented totally new perspectives for the interchange of commodities on the continent. Above all, however, the Trans-Siberian Railroad and the Berlin-Baghdad Railroad called into question the dominance of the British-run international seaways in world trade. The transcontinental railroads threatened the British Empire far more than the buildup of the German fleet.

The primary goal of British diplomacy before the First World War was to prevent by all means a continental convergence of interests among France, Germany, and Russia. Mackinder came up with suitable geopolitical categories for this. He divided the Eurasian space into the "Heartland" proper (Russia) and a west-central European "Rimland," which stretched over the Mediterranean into the Middle East. In this way the Balkan Peninsula emerged as the zone in which the most frequent and long-lasting tensions among Germany, Russia, and France were kindled in the decades before World War I. It is no accident that the conflicts in the Balkans became the trigger for the First World War, in which the three great powers of the continent butchered one another to pieces.

The Versailles system

Great Britain saw achieved, with the defeat of Germany in 1918, its main geopolitical goal for a new balance of power on the continent, with the simultaneous overall weakening of the continent. The Versailles system was the lawful expression of the geopolitical goals set by Great Britain:

- Germany was economically, financially, and politically in a state of deep exhaustion and isolated and paralyzed in its foreign policy;
- France was deeply hostile to Germany. It was exhaust-

ed and dependent on British good will for its ability to do business.

- Russia was completely destroyed economically, but because of the Bolshevik dictatorship, it was politically incalculable.

British diplomacy proceeded to split the continent according to geopolitical postulates by cementing an east/central/southeast European *cordon sanitaire*. In this, national self-determination rights counted less than splitting the Russian Soviet "Heartland" from Germany. The Versailles system had broken down economically and financially between 1929 and 1933. This led to Germany being economically and militarily reinforced under National Socialism. Likewise, Russia became a great power again under Stalinism. Starting in 1938, British foreign policy worked to provoke a prolonged military conflict between the two powers, in view of the continental power balance between the restrengthened Germany and Russia. The Nazi geopolitics of "Lebensraum in the East" on the one side, and Stalin's expansionism of the Soviet Russian empire on the other, fit right into this British goal.

The Yalta system

After the fall of France in 1940, Churchill asserted that, given the new situation of the alliance of the sea powers, Great Britain and the United States, the more immediate priority was to bring down Germany. By 1945 Germany was totally vanquished, but the victory had essentially been won by the United States and Stalinist Russia. Great Britain played only a secondary role by now, and its empire was getting harder and harder to hold together. Great Britain alone could no longer direct the "Concert of Europe," and

it no longer had the means to enforce the balance of powers policy on its own. However, Great Britain could induce the American leadership to carry forward the geopolitical premises of the Versailles system under the changed conditions which had been created by the Second World War, in the form of the Yalta system. The Eurasian landmass would be radically partitioned by the "Iron Curtain" cutting straight through Germany and Europe. The "Heartland" would be surrendered to the Soviet Russian empire, whereas the west-central European "Rimland" was placed under the direct control of the Anglo-American sea powers. And thus the British leadership, through its "special relationship" with the United States, held on to a decisive influence over the fate of Europe. The foreign policy establishment of the United States, from George Kennan through Henry Kissinger down to George Bush, thought in the categories of Mackinder.

Soviet Russian geopolitical thinking met them halfway. Even in the times of the greatest tension and confrontation, the geopolitical "rules of the game" of Yalta still prevailed. Political scientist Pyotr Gladkov from the U.S.A.-Canada Institute in Moscow is right when he says, "Elementary fairness requires that both powers [the United States and the Soviet Union] admit the fact, that they both are constantly doing everything in their power to maintain a divided and dependent Europe, or rather, Germany; that is not conjecture."

NATO's twofold character

The division of Europe, with the Anglo-American sea powers facing off against the Russian imperial bloc in the Yalta system, guaranteed the subordination of the nations of Europe to the benefit of the then-leading powers. With the nearly total elimination of Germany between 1945 and 1958, France's power continued steadily to erode. That changed under Gen. Charles de Gaulle, who of all the political leaders of the West had most clearly recognized that NATO was from the outset the strategic framework for Anglo-American hegemony over the nations of continental western Europe. In 1966, he left the integrated military organization of NATO (not the alliance itself) when the United States stoutly refused to concede a leadership role to France based on equal rights. While on the one hand, NATO was the institutionalization of the dominance of Anglo-American sea power over the west-central European Rimland, on the other hand NATO uncontestedly had a militarily restraining and deterrent effect vis-à-vis the Soviet empire. On that account, the hegemonic role of the United States in NATO cannot be equated with the imperialist-communist Soviet Union's role vis-à-vis its east-central European satellites. The internal cohesion of the Soviet empire was ruthlessly imposed by the deployment of force. It goes without saying that both the Soviet Union and the West, whether in the Cold War or during détente, constantly tried to shift the "power relations" in Europe to their own advantage. The Soviet leadership constantly

endeavored to do this by blatant and brutal methods. But in the end, Moscow always proceeded against the NATO countries in west-central Europe cautiously, gradually, and indirectly.

NATO was especially the strategic instrument for "containing" and controlling the Federal Republic of Germany. NATO's integrated command structure and the tight political consultative mechanisms were best suited for this containment of Germany. The—relative—sovereignty granted to West Germany in 1955 remained always yoked to its simultaneous enrollment in NATO. The famously infamous remark of the first NATO General Secretary Lord Ismay, who said NATO's job was "to keep the Russians out, the Americans in, and the Germans down," comes very close to the truth. The role of NATO as an instrument of control against Germany shows up in the agreement by the Soviet Union to NATO membership for unified Germany in July 1990, which was by no means a paradox, because Gorbachov saw NATO at this point no longer as a military threat to the Soviet Union, but rather as a counter-insurance, against Germany.

The strengthened role of France since de Gaulle, the economic and slow political reinvigoration of West Germany since Adenauer, and the growing weight of the European Community, did not decisively change the geopolitical structure in Europe.

The Yalta system remained intact. Only when the Anglo-American leadership determined, in the mid-1980s, that the economic and political erosion of power in the Soviet Union was increasingly calling into question the *status quo* in Europe, were attempts made to modify the Yalta order. It was not a question of totally giving up Yalta, but rather of maintaining it in a changed form. No later than 1985, talks began between the American and the Soviet governments in which the division of Germany was construed as "permeable," but still something to be maintained. There was a desire to disarm the military alliances of NATO and the Warsaw Pact, but not to question their existence. Politically, divided Europe should close ranks more tightly in the framework of the Conference on Security and Cooperation in Europe, but this should occur only gradually, and under strict superpower control.

Great Britain supported the modification of the Yalta system, as long as its basic structure were upheld. The Mitterrand regime in France had a similar position. The Malta summit meeting of Bush and Gorbachov in December 1989 was the last try to rescue at least the core structure of the Yalta system. The sweeping, revolutionary changes between 1989 and 1991 in East Germany, east-central Europe, and the Soviet Union itself thwarted the plans of the political class in London, Washington, and Paris as well as the Moscow *nomenklatura*. The attempt to modify the Yalta system shattered. But that by no means meant the end of geopolitics as the model strategic principle for Europe. Quite the contrary.

Geopolitics since 1989

The abolition of the division of Europe and Germany meant that Europe's economically drained East could link up with the economically strong central-western Europe. Out of the economic combination of the continental Heartland with the western European Rimland not only could the reconstruction of the East be accomplished relatively quickly and practically, but at the same time, proposals going in that direction, such as the "Productive Triangle" program of American statesman and economist Lyndon LaRouche, would have had a "locomotive effect" to put the world economy as a whole back on its feet.

In the *geopolitical matrix*, however, such a development possibility was instinctively perceived as a nightmare. In the viewpoint of geopolitics, a Europeanwide perspective for reconstruction presented an acute *threat* to the Anglo-American sea powers. A Eurasian great economic zone would allegedly shunt the sea powers over to the global strategic sidelines. According to the absurd premises of geopolitics, France, Germany, and the former satellite states of the Soviet empire had to be *prevented* from tackling the real economic and infrastructural reconstruction of the "Eurasian economic zone." Such a great zone of economic development would mean, supposedly, a shifting of world economic weight to the disadvantage of the economically weakened United States and Great Britain—as if the United States could not constructively participate in the rebuilding of the Eurasian zone and could not itself be regenerated in real economic terms!

In London, Margaret Thatcher, Douglas Hurd, Allan Clark, Nicholas Ridley, Conor Cruise O'Brien, and others felt themselves set back into the time of Mackinder, before 1914. Something similar happened in Washington and New York. The way the geopolitical matrix of Anglo-American foreign policy burrowed into a bunker at the end of 1989 demonstrates how the geopolitical outlook turns into manifest political paranoia. Based on this *geopolitical paranoia*, Anglo-American foreign policy in 1989-92 aimed at the rejection and obstruction of the onset of the overall reconstruction of Europe.

Geopolitics versus strategy

Before we sketch below the new Anglo-American geopolitics since 1989, we need to contrast the geopolitical matrix and its categories, with a strategy which is in accordance with reason and natural law. In contrast, the postulates of geopolitics are seen even more clearly as a paranoid, ideological patchwork.

Strategy is based, in opposition to geopolitics, first of all on an estimate of the situation which draws upon intellectual-cultural, political-social, economic-technical, and only then, also political-geographical factors. From this starting point, strategy defines the setting of goals for a nation or an association of nations, for the maximal development of its spiritual

and material potential. Finally, strategy determines the way to realize this. Strategy thus includes summing up the situation, setting goals, and formulating a plan. This concept of strategy has been filled out with detailed content by LaRouche on the basis of natural law. For LaRouche, strategy which is historically practical and at the same time has enduring value for history, must derive its goals from:

- the western Christian image of man, which sees man, as the *imago viva Dei* (living image of God), as the constant "collaborator" of God in the ongoing process of creation. Society and the nation in history are committed to intellectual-material development;

The way the geopolitical matrix of Anglo-American foreign policy burrowed into a bunker at the end of 1989 demonstrates how the geopolitical outlook turns into manifest political paranoia. Anglo-American foreign policy aimed at the rejection and obstruction of the onset of the overall reconstruction of Europe.

- scientific and technical progress, which is the precondition for growing potential population density per unit of area, always redefining *scarce* resources, and constantly making possible the further development of science and technology through rising material and intellectual living standards;

- the principle of a community of nations under the principles of natural law in the above-cited sense;

- the principle of republican representative constitutional government;

- the principle of national sovereignty.

LaRouche's strategic conception is strongly oriented, with respect to the question of a community of principle, to Gottfried Leibniz's natural law theory of international relations. In opposition to Thomas Hobbes, who had defined the "natural" relations of individuals as well as states toward one another as "*bellum omnium contra omnes*," ("war of all against all"), Leibniz conceptualized the self-interest of each nation in the maximum development of other nations. This "natural" self-interest is given, when the nation pushes its own material and intellectual development to the maximum. On this basis there is a community of principle, namely, maximal self and mutual development, among nations. Only

the nation which denies its own material and intellectual development, cannot enter into this community of principles. The internal weakness of one will only become relatively "strong" through the greater weakening of other states. This self-negation of one's own development is a central point of departure for geopolitics.

London's 'Fourth Reich'

After the fall of the Berlin Wall, a government-inspired media campaign took off in Great Britain, the United States, and France, in which four themes continually cropped up:

- The reunification of Germany would lead to a "Fourth Reich," which would dominate all of Europe, first economically, and then politically and militarily.
- Reunified Germany would destroy the painstakingly achieved "balance of powers" in Europe and augur renewed tensions and conflicts like those before the world wars.
- Between Germany and the crisis-racked Soviet Union, an anti-western "new Rapallo" pact would be forged.
- In reunified Germany, there would be a spread of "pan-German" nationalism, racism, and finally expansionism.

This campaign by the "serious" press in England, France, and the United States was the public echo of a flurry of diplomacy by these nations. Between the end of 1989 and the middle of 1990, this resulted in a "geopolitical deterrence" policy against Germany and Russia. In early 1991, the American strategist (and member of the Trilateral Commission) Prof. Samuel Huntington published an article entitled "America's Changing Strategic Interests" in *Survival*, the magazine of the London Institute for International and Strategic Studies (IISS). Huntington wrote in part, "At the end of 1990, indeed, the principal threat to stability and the balance of power in Eurasia appeared to be the possibility of a major vacuum of power emerging in Mackinder's heartland.

". . . United Germany could attempt to use its economic power not only to dominate the European Community, but also to extend its economic hegemony and political control through central and eastern Europe. That, too, is a course which German governments—imperial, democratic, and Nazi—have followed in the past. The political integration of the European Community, if that should occur, would also bring into existence an extraordinarily powerful entity which could not help but be perceived as a major threat to American interests. . . .

"The United States is, in some respects, in the position of Britain after 1815, when the end of the Napoleonic threat created the need to produce a Concert of Europe, incorporating France, and the need to promote a continuing balance of power in Europe so that no country could again threaten British interests. In 1990, U.K. Foreign Secretary Douglas Hurd pointed to the post-1815 [sic] and said that, as a result, he was reading a biography of Castlereagh. The person who should be reading that book, however, is President George

Bush," Huntington recommended emphatically.

Murder for geopolitical ends

Nineteen days after the opening of the Berlin Wall, the chief of Deutsche Bank, Alfred Herrhausen, was murdered by never-identified alleged "terrorists." Herrhausen was a mighty and internationally influential economic leader, who stood for a strategy of real economic infrastructural reconstruction of eastern Europe as a cooperative East-West project. Herrhausen had turned against inflicting the monetarist policy of the International Monetary Fund (IMF) on the economic reform process in eastern Europe and the Soviet Union. The "message," which was sent by the never-explained death of Herrhausen, goes straight to the central goal set by Anglo-American "geopolitical deterrence strategy": the prevention of a prospering economic zone "from the Atlantic to the Urals."

After Herrhausen's murder the political and economic leadership of Germany turned over to the IMF the shaping of the economic reform process in eastern Europe. The "shock therapy" imposed by the Anglo-Americans between 1990 and 1993, carried out via the IMF in eastern Europe and the former Soviet Union, has led ineluctably to a spiraling collapse of the real economy and infrastructure, to hyperinflation, and to mass poverty. To collaborate in implementing shock therapy, influential elements of the holdovers of the Soviet *nomenklatura* were called into service. Economic productivity in eastern Europe has declined since the end of the 1980s by at least 50%. The legacy of the communist economic leadership was worse than bad, but the IMF-inflicted shock therapy has made a desperate situation catastrophic.

Once again, this shows up the factor of denial of self-development. Within the Anglo-American establishment, the assumption predominates that the United States and Great Britain must concentrate at least until the year 2000 on servicing and reducing the gigantic public and private debt which grew up mainly during the 1980s. In this long "period of consolidation," there is no reckoning with an economic recovery of the real economy, which in fact is only possible if this mountain of debt is immediately frozen, in order to modernize and expand, through the creation of state-backed productive credits, the industrial-technical potential, the infrastructure, and the quality of labor power in the United States. If this does not happen, then the logic of denial of self-development takes over, and because of its own, self-imposed period of weakness, one nation must keep others from economically developing. That is why the Anglo-American establishment systematically torpedoed Europe-wide reconstruction in 1989-92.

The IMF shock therapy carried out under Anglo-American pressures is not the result of a tragic, wrong economic assessment of the situation and policy decisions that ensued from it. Behind the shock therapy stands the conscious *inten-*

tion of keeping Russia and Ukraine in a lingering condition of weakness. Geopolitics serves as a plausible basis for this economic scorched-earth policy in eastern Europe.

The situation which has thus been brought about in the East has led to a dramatic threat to the security of western Europe. Economic, social, and cultural decline and collapse are necessarily leading to a "continuation of politics by other means," namely war, civil war, or mass emigrations. This development in turn leads to a renewed and reinforced military dependency of western Europe, especially Germany, on the U.S. nuclear superpower.

What is really thought about NATO in London was openly expressed on May 15, 1992 by Thatcher: "It reassured Europe in the face of Soviet power until yesterday, and it provides similar comfort against the rise of Germany today." On May 15, 1991, then-NATO Commander in Chief Gen. John R. Galvin stated in the *Washington Post* that a comprehensive U.S. troop presence in Europe within the NATO framework is needed, because the United States "must not leave Europe to itself. . . . The first half of the twentieth century was rather bad . . . the second half not so bad. . . . The reason for that is, that we [the United States] brought about a stable Europe . . . that the United States has a formative influence on the security and future of Europe." In the same place, Gen. Robert C. Oaks, supreme commander of the U.S. air forces in Europe, said, "Even Germans have told me, that Germans are better people as long as the Americans are there. . . . I [see] the thing in historical terms." The interviewer for the *Washington Post* wrote that the accompanying press aides asked that these statements not be published, but the generals had insisted that they should be.

In April 1991, columnist Jim Hoagland, who is well known for his excellent connections in the State Department in Washington, wrote in the *International Herald Tribune*, "The United States has belatedly discovered that European unity may be too much of a good thing. . . . America does not want the accelerating drive for European unity to result in a European bloc that makes its own decisions on defense and trade policies and then presents them as a *fait accompli*. Europe for the Europeans is a great idea, up to a point. That point is reached when Europe becomes a rival rather than a partner."

War with geopolitical omens

Next we must enter into the strategic *fait accompli* of the Bush administration after 1989, with which, in a historically unique situation, between summer 1990 and spring 1991, the political and economic resources and energies of Europe, especially Germany, were waylaid and absorbed away from the pressing strategic tasks in the east of the continent: the Persian Gulf war. A cleverly engineered trap was set for Iraqi leader Saddam Hussein by the Bush administration, which had pampered him for years, into which he promptly fell

when he ordered the invasion of Kuwait. On Aug. 4, 1990, under the headline "Europe Be Warned," a revealing editorial appeared in the *International Herald Tribune*: "For Europe the invasion of Kuwait was a shock that came when a shock was needed. . . . If Europe had begun to think it could float off alone into some new untroubled world, Aug. 2 brought it brutally back to reality."

Only four months after the end of the Gulf war came the Balkan war. Of course, the war in former Yugoslavia had origins in its own internal, centuries-old conflicts. But that is only part of the truth about this war. Since the end of the nineteenth century, Serbia has been "reared" as a geopolitical counterweight by the British, French, and Russians to Germany and the Hapsburg monarchy. The ruthless domination of the Serbs over the other south Slavic peoples had been systematically promoted since 1918 in the interest of a Yugoslavia with the strongest possible geopolitical counterweight against Germany.

Precisely in this geopolitical continuity lay the attitude of the governments of London, Washington, Paris, and the Moscow *nomenklatura* in June 1991. Soviet Defense Minister Dmitri Yazov, U.S. Secretary of State James Baker, and the Thatcher and Mitterrand governments encouraged the Serbian leadership to frustrate Slovenia and Croatia's independence.

In spring 1992, the same occurred toward Bosnia-Herzegovina. For two years, the endless Carrington-Owen-Vance negotiations have offered a diplomatic cloak to Serbian aggression, in order to carry forward and widen its Greater Serbian war of conquest. Thus, the Balkan war has become a "festering wound in the body of Europe," through which the potential of western Europe to act has been profoundly paralyzed. The Balkan war, with its genocide, war crimes, and the most massive streams of refugees since the end of the Second World War, is tying up enormous political energies in Europe.

The war in former Yugoslavia demonstrates the consequences of geopolitics. Alongside the Balkan war already today we can see an eminently more dangerous "Eurasian arc of crisis" which stretches from the Baltic Sea through Moldova and the Caucasus into the Central Asian republics of the former Soviet Union. Throughout the territory of the former Soviet Union, but especially in Russia itself, a process of Weimarization is proceeding at a sweeping pace. A sober prognosis must come to the conclusion that as a result of the geopolitics pursued by London and Washington since 1989 against the European continent, a "Thirty Years' War" under the conditions of the waning twentieth century is now a threat. This "Thirty Years' War" could lead to World War III. The exposure of the geopolitical premises of "great policy" in the West is long overdue. Thatcher and Bush are out of office. It is high time that their post-1989 geopolitical insanity should accompany them into oblivion.

Russian 'SDI' proposal points to LaRouche

by Paul Gallagher

During the first week of April, while powerful demands for Lyndon LaRouche's freedom arose from Europe and South America, an extraordinary development from Russia brought back to the surface the *reason* that LaRouche was imprisoned.

The central issue is the original form of what became known as President Ronald Reagan's Strategic Defense Initiative (SDI) or "Star Wars" policy. It is now mirrored in a new policy proposal from Russia, featured dramatically on the front page of *Izvestia* on April 2: "On the Eve of Vancouver—Russia Proposes to the U.S. a Joint Plasma Weapons Experiment."

The deepening political and economic crisis in Russia is forcing up demands for the policies LaRouche designed in 1982 and 1989 to avoid the looming danger of world war. The communist regime of Mikhail Gorbachov rejected these policies violently and demanded LaRouche's imprisonment after Reagan adopted his SDI (see *EIR*, March 26, 1993). But Russia today is signalling a "last chance."

At the Vancouver summit between President Boris Yeltsin and President William Clinton on April 3-4, the Russian government proposed to the United States a cooperative program of development of anti-missile "plasma weapons" (see *Documentation*). The proposal, in its key characteristics, reflects the original LaRouche policy-design of a shift to effective defense against nuclear attack based on scientific breakthroughs, the design LaRouche discussed with both the U.S. and Soviet governments throughout 1982.

On April 14, *EIR* representatives in Germany are to give a strategic briefing in Munich to inform government, military, and political circles of the significance of the new Russian policy offer; on April 15, *EIR* presents such a public briefing at Washington's Embassy Row Hotel. *EIR* correspondents have found that only a small fraction of U.S. government offices, and even fewer corporate representatives,

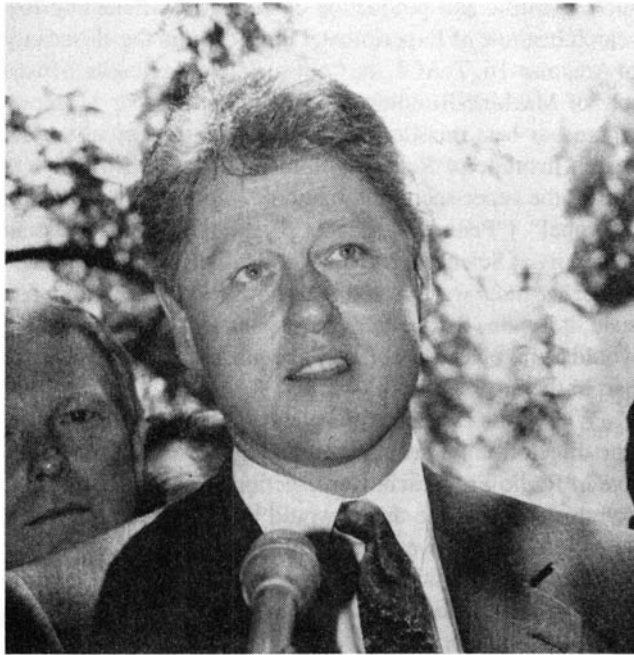
are aware of this extraordinary development.

So far, the western response to the proposal has kept it from the publics of the NATO nations, and many well-informed military, government, and scientific circles also have learned of it only from this news service. The Russian proposal was prominently featured in the newspaper *Izvestia* and the wire service Itar-Tass, on the eve of the Vancouver summit. It was announced by the Russians during widespread publicity about the 10th anniversary of Reagan's SDI. But virtually no public report or comment of it has appeared in the West in the first six days since the *Izvestia* report.

Russian contacts of this news service say that this proposed new scientific and strategic policy was presented at Vancouver in documents signed by Russian Vice Premier Grigory Khizha. As for the Clinton administration response, it was reported that it will study the proposal but make no immediate public response. The proposal was not made public at the summit press conferences.

But when LaRouche associates displayed a banner outside the Vancouver summit, reading "LaRouche Supports U.S.-Russian SDI" (see our cover photo), film footage showing the banner immediately appeared on Russian television, in an indication of the importance placed on the policy proposal by the Russians. In addition, the London *Daily Telegraph*, the only major western paper to have covered the announcement, did so because its Moscow sources strongly insisted to the *Telegraph's* correspondent that the proposal was serious and extremely important.

Lyndon LaRouche, informed of the Russian proposal on April 2, stated: "There is a clarification to be done on the exact meaning of the proposal in terms of its technological features; however, every indication is that it is a very serious policy offer, coming under the present circumstances with



Both President Clinton (left) and President Yeltsin are facing a world in which the old economic structures and strategic arrangements are breaking down. The Russians recognizing this, placed on the negotiating table at the Vancouver summit a proposal for anti-missile defense cooperation. Now, the ball is in Clinton's court.

the kind of discussions which are going back and forth in the environment around Moscow and Washington and elsewhere. I think this has to be treated as very serious. This may be the opening for President Clinton to make a radical change or effect a radical shift in an otherwise rapidly deteriorating world situation."

Invitation for U.S. policy shift

As the *Izvestia* documentation shows, the design and backing for the proposed "new SDI" involve several Russian scientific research institutes, the Russian Academy of Sciences, and military laboratories and construction institutes. Such circles are oriented to the real sovereignty of Russia, its most prized scientific and technological capabilities, and to "cooperation of equals" with the western nations. They are different than the anti-western "hardliners" exploiting the popular discontent with economic collapse and corruption exported from the West to Russia since 1990. Characteristic is the comment of the chief scientific designer of the project, Academician Rimili Avramenko: "This way, the military technology achievements of the two countries will be able to be employed for the common benefit, not of them alone."

The Clinton administration, which does not desire the collapse of Russia into chaos (as the International Monetary Fund seems to), has an opportunity which will not come again. It can respond by changing its own policy entirely and using SDI technologies as a science driver for "Great Projects" of rebuilding eastern Europe's economic infrastructure—precisely LaRouche's "Productive Triangle" proposal

of 1989. Without this combination of the SDI and the Productive Triangle as a new U.S. policy, the world is headed toward war on a scale of the Balkans many times over.

Joint plasma weapons

In an interesting comment, the Russian Federation's deputy chairman on defense industry, Yuri Glybin, says that the proposed experiments—given there the name of "Trust"—are "an alternative to the SDI." The scientists stress that the 1972 Anti-Ballistic Missile Treaty does not impede it: "There is not one word there," said Avramenko, "about joint work on global defense against missile attack. Twenty years ago, it could not have entered anyone's mind, that such a thing were possible." This feature, an anti-missile defense based on "new physical principles," was LaRouche's 1982 SDI design. By contrast, today's U.S. SDI program is almost completely concerned with guiding anti-missile missiles, having sharply reduced its efforts in lasers and other directed-energy beams. SDI enthusiast and former Energy Secretary Adm. James Watkins has recently stated that the current SDI program does not reflect its original purpose at all.

In July of last year, SDI officials and scientists were quoted by *Aviation Week* magazine acknowledging the current superior advances of Russian work in increasing the power of lasers, controlling their beam quality. Victor George of Lawrence Livermore National Laboratory told the magazine that "the Russians are world leaders in understanding the atmosphere and how to propagate through it." Already at that time, Russian approaches to the American labs, including

Livermore, were under way, and more are now expected.

The *Izvestia* article, by the paper's top military writer, Viktor Litovkin, describes the anti-missile weapon being put forward by the Russians as the generation of "a plasmoid" which can be propagated from the ground in the atmosphere (not in space) against the electronic guidance and controls of any missile.

In the 1984 book *Beam Defense*, written by LaRouche's associates at the Fusion Energy Foundation to explain Reagan's SDI to the public, "plasmoids" are described as a ground-based anti-missile technology of potentially universal effectiveness, but requiring a major scientific and technological effort to develop. A "plasmoid" is essentially a ball of hot, ionized gas, like the plasma gas burning in a fusion energy reactor, but accelerated to a high rate of speed by magnetic fields. High-powered microwaves, produced by a "phased array" of radars on the ground, may be involved in its generation, or in guiding the plasmoid through the atmosphere.

Litovkin gives a picture of the potential working of the anti-missile defense, and how U.S., European, and Russian scientific capabilities could be combined and advanced by it. The Russians propose basing the experiments at the U.S. Kwajalein Atoll test range.

Documentation

Izvestia breaks story on SDI cooperation

On April 2, the Russian daily Izvestia broke the story of Russia's proposed cooperation on strategic and tactical ballistic missile defense experiments with the United States, and possibly with other countries. The Moscow daily Nezavisi-maya Gazeta carried a wire from Tass-Itar the same day. So far, outside Russia, only Britain's Daily Telegraph, Reuters, and EIR have covered this explosive development. The text of the Izvestia article, "On the Eve of Vancouver, Russia Proposes to the U.S.A. a Joint Plasma Weapon Experiment," written by Viktor Litovkin and translated for EIR by Rachel Douglas, follows.

The editorial board has learned that in the course of Russian President Boris Yeltsin's talks at the Vancouver summit with U.S. President Bill Clinton, our country may propose to conduct, on Kwajalein Atoll in the Pacific Ocean, a joint, large experiment on repulsing a missile attack.

Russian scientists, who have worked for a long time in top secret areas of defense, call this experiment "Doveriye" ["Trust"]. Participating in design of the experiment were

such scientific and production centers as the Scientific Research Institute of Experimental Physics from the closed city of Arzamas-16, TsAGI, the Central Scientific Research Institute of Machine-Building from Kaliningrad near Moscow, where our best missiles were produced, the Scientific Research Institute of Radio Equipment Construction which is part of the super-secret international joint-stock corporation "Vympel" ["Pennant"], leading institutes of the Russian Academy of Sciences, and other collectives. ["International" is *mezghosudarstvenny* and means involving more than one state; it implies that people from countries other than Russia would be involved (likely, other countries that were formerly part of the Soviet Union).—RBD]

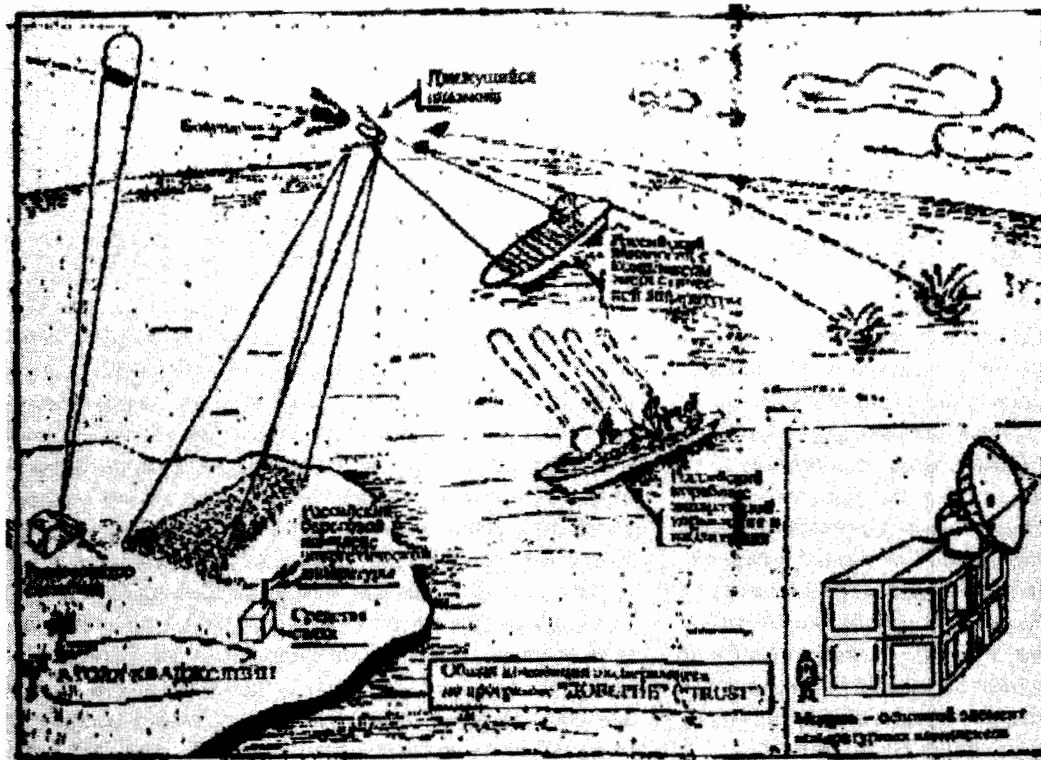
What is the essence of the planned experiment? Its scientific director, chief designer of the Scientific Research Institute of Radio Equipment Construction, Academician Rimili Avramenko, told me that it would be an experiment with a so-called "plasma weapon," which could strike any object moving in the Earth's atmosphere, be it a missile, its warhead, an aircraft, or some other artificial or natural celestial body like a meteor.

This would employ an already-existing technological base, without introducing any new components into space, taking advantage of such an object's own kinetic energy. A sort of electronic backheel [a method of tripping a wrestling opponent—RBD] will be set up for the object by a plasmoid, created by ground-based means—microwave or optical (laser) generators, antennas, and other systems.

The energy directed by the ground-based components of the weapon, as can be seen very well in the drawing we have provided, is concentrated not on the target itself, but on the area of the atmosphere directly in front of it, in its flight trajectory. It ionizes that area and completely disrupts the flight aerodynamics of the missile or aircraft. The object goes off its trajectory and is destroyed by monstrous overloads. It is practically impossible to parry such an effect of ground-based energy.

Academician Avramenko asserts that, in an anti-missile defense and anti-aircraft defense plasma weapon of this type, it becomes possible for the first time to combine in a single complex, the radar tracking means and the means of electronic guidance to the target, with a strike element [*porazhayushchi faktor*] at the speed of light—a plasmoid. This makes the plasmoid a practically invulnerable weapon of guaranteed defense against any attack from space, or from the upper or lower layers of the atmosphere.

Radar tracking means can locate the target or group of targets at a distance of hundreds of kilometers, while the plasmoid will destroy them at altitudes of up to 50 km, depending on the assignment. Furthermore, this does not require construction of big electric power stations; the energy of a few dozen ordinary accumulators for each of the powerful generators comprising the complex is entirely sufficient to make such a defense possible.



This drawing from Izvestia, titled "General Concept of the 'Trust' Experiment," shows a warhead on a trajectory over the Pacific near Kwajalein Atoll (lower left hand of the picture). Force lines are coming from two "power apparatuses," one on the atoll and one on a Russian aircraft carrier, to converge right in front of the warhead, where an open oval is labeled "moving plasmoid." Ground-based and sea-based tracking and guidance equipment is depicted.

Star wars or attacks by nuclear terrorists or other aggressors will be nothing fearsome for a country that possesses such a defensive superweapon. ["Star wars" here refers to SDI as treated in Soviet propaganda, i.e. subsuming a policy of putting offensive weapons into space.—RBD]

As we have already said, it has been created in Russia. Research on it has left the laboratory and entered the stage of full-scale experimentation. But to conduct a full-scale experiment with real targets—ballistic missiles or supersonic aircraft—requires big financial expenditures. So our country is proposing to the United States to pool efforts in this direction, and jointly to create a global system of anti-missile defense.

Rimili Avramenko believes that such an experiment could be conducted on America's Kwajalein Atoll in the Pacific Ocean, where the required material and technological base for this exists and where the U.S. military has already carried out experiments under the SDI program.

Russia would send the required equipment for this there, on its aircraft carriers and other ships. It is well known that it possesses significant achievements and advantages in the area of building powerful microwave generators (potential components of a plasma weapon) and in a new area of science—plasma gas dynamics. The U.S., meanwhile, would provide its solid state electronics and computer technology. The missiles for the experiment could be launched either from the territory of our country, or from U.S. firing ranges.

Such an experiment, in the opinion of the Russian scien-

tist, using our apparatus and proportional financial participation by the U.S. will be relatively inexpensive—only \$300 million. This is two orders of magnitude less than what the American budget provides for work on its plasma weapon. In the opinion of experts, if the U.S. continues to work on this problem independently, it will cost them \$30 billion. And this way, the military technology achievements of the two countries will be able to be employed for the common benefit not of them alone.

I asked the academician, whether the "Trust" project didn't violate the 1972 treaty limiting anti-missile systems [ABM Treaty], signed by both countries.

"No," he replied, "There is not one word there about joint work on global defense against missile attack. Twenty years ago, it could not have entered anyone's mind, that such a thing were possible. Back then, this was not only unscientific, but hostile fiction."

But even fictional projects can become reality. Not only in science and technology, but also in international political relations and even in the realm of international security in the defense sectors. True, some Russian experts doubt that the Americans will accept our proposal for a joint anti-missile experiment. People in the U.S., they say, don't like very much to acknowledge that the Russians are ahead [Rossiiskiyye prioritety] in a military matter, never mind helping them improve and proliferate such advantages.

But the thought occurs, that such apprehensions also belong to the refrains of yesterday.

Italian parliamentarians call on President Clinton to free LaRouche

On April 2, in Rome, Italy, three members of the Italian Parliament held a news conference to announce a parliamentary initiative for the liberation of American political leader, economist, and statesman Lyndon LaRouche, who has been unjustly imprisoned in the United States. A petition to U.S. President William Clinton, bearing the signatures of 60 members of the Italian parliament, was presented by Emma Bonino, member of the national and European Parliament, president of the Radical Party of Italy, and representative of the European Federalist Group. Mrs. Bonino was joined at the press conference by Sen. Flaminio Piccoli, a leader of the Italian Christian Democracy; Sergio D'Elia, coordinator of the International Initiative for the Abolition of the Death Penalty; and LaRouche's wife, Helga Zepp-LaRouche.

Only a few days earlier, on March 31, their colleague, former Judge Carlo Palermo, had raised a formal parliamentary inquiry into the politically motivated jailing of LaRouche in January 1989. (For the text of the inquiry, see EIR's editorial in the April 9 issue.)

Then on April 7, Antonio Parlato (MSI) also submitted a parliamentary question to the Italian government on the LaRouche case, pointing out that "political, cultural, and even religious representatives have raised the case of Lyndon LaRouche, imprisoned for two years [sic] in the United States for a small tax crime, who is supposed to serve four more years [sic]." Parlato asks whether the government will take action, "on the basis of the prominent international call in favor of the liberation of Lyndon LaRouche, in the name of the freedom of thought, and toward the U.N. commission for the defense of human rights, based in Geneva."

Although the parliamentarians quoted below expressed widely divergent views on LaRouche's ideas and policy proposals, they were all united in their outrage over the blatantly political nature of the prosecution of LaRouche. What follows are excerpts from the April 2 press conference.

Mrs. Bonino: We have called this press conference to present a parliamentary initiative made by Italian parliamentarians who are joining an initiative already signed by European parliamentarians and other parliamentarians from around the world on the case of Lyndon LaRouche. We have also prepared for you, as you will see later, a detailed dossier regarding this case. . . . We have distributed among the parliamentarians an appeal which has already circulated at the

European Parliament and in other national parliaments, relating to this case. Mr. LaRouche is an American citizen, born in Rochester [N.H.], he is an economist, and he was a Democratic candidate for the White House. At present he is 70 years old, and for four years he has been serving, in a penitentiary in Rochester, Minnesota, a 15-year prison sentence which was given to him in 1989 by Judge Bryan of the Virginia court. The charges against him were: conspiracy to commit mail fraud, and conspiracy to hinder the regular functioning of the tax system, and they had to do with repayment of loans to the electoral campaign of Mr. LaRouche—who was, as I said, after all, a candidate—for a total of \$294,000. A white-collar crime of this level, I wanted just to underline, is never punished with such a draconian sentence, if there are not also political motivations. And furthermore, I wished to underline that LaRouche is still serving this sentence, even though he is over 70 years of age.

The sentence of the Alexandria court is at present the object of a motion for a new trial presented by the former American Attorney General Ramsey Clark, and contradicts the outcome of a previous trial which took place over the same charges, which in itself is unconstitutional, in another court, that of Boston, in 1982, presided over by Judge Keeton. Judge Keeton declared a mistrial after six months of debate, because of the obvious proofs of misconduct on the part of the government, which was obviously the charge. The jurors of the Boston court admitted afterward to the press that they would have pronounced LaRouche and all the other defendants innocent of all charges if the trial had not ended in a mistrial.

The same trial was then instead transferred in 1989 to the court of Alexandria, and, under Judge Bryan, it ended after only three weeks with all defendants found guilty. On Oct. 25, 1989, another judge, Judge Bostetter (also of Alexandria) issued a ruling which confirms the innocence of LaRouche and other defendants, declaring that the forced bankruptcy imposed by the U.S. government against three publishing companies close to LaRouche, which led to the shutdown of one publication (perhaps because it reflected the political ideas of his movement), had been decided by an act of bad faith by the government. The forced bankruptcy in fact made impossible the repayment of the loans taken out during the electoral campaign, of which I spoke at the beginning. Despite this, Judge Bryan rejected the appeal; he has rejected



Christian Democratic leader Sen. Flaminio Piccoli: "I believe that [LaRouche] is one of those prisoners who is held in prison out of fear that their ideas may make headway; surely for me this is why LaRouche has undergone these trials."

the motion for a new trial and the motion calling on him to recuse himself, although he has shown himself clearly to have been a biased judge.

Since his arrest, Mr. LaRouche has been subjected, despite his age, to heavy labor in jail for several hours a day, work which has never been interrupted, even following an operation which he underwent in 1990, and despite his present precarious health.

This initiative has been spread through various parliaments all over the world, and we have also placed here a list of American personages who have signed the appeal. It has been taken up again also now with the change in administration. In effect, the initiative is directed to the current President Clinton in the hope that certain political obstacles and political pressures which have seemed to us totally obvious in the documents we have seen (we spoke of this directly with Ramsey Clark when he came to the Radical Party congress on the topic of abolishing the death penalty, and so among other things, we also spoke about this). The political influence has seemed to us, from these papers, very heavy, and this is why the appeal today is directed to Bill Clinton in the hope that the change in administration might at least lead to a review of the trial.

We are not at all asking, I would like this to be clear, nor are we affirming (I am not in a position to affirm) LaRouche's innocence; I am not a judge, and I refuse to be one, it is not my area of competence; but I think I can maintain that the elements in these papers may lead to a review of the trial.

I would also like to add a statement for myself. . . . I

want to make it clear that in supporting the international campaign for the review and the possible liberation of Lyndon LaRouche, I have intended to affirm the principle that freedom of opinion and political expression must be defended at all costs, above all in a case in which the person exercising it might perhaps be someone the furthest away from me in terms of his political, economic, or any other type of ideas. I think that the meaning of justice is precisely that of defending not so much one's friends—that seems to me even too easy a matter—I think that the affirmation of justice is that of defending the rights of possible political adversaries.

Lyndon LaRouche is the head of a movement of which I personally do not share almost any of their analyses, but all the more reason why I fight for his rights and that they must be affirmed. We are divided, for example, on the question of drugs: He is a prohibitionist, I am not. I am perplexed by, and in any case do not share, his prescriptions for the economy, and I do not agree with his analyses of the internal and external events and misdeeds of the United States. We may agree on other subjects, such as the abolition of the death penalty. But I wanted to stress this not to take any distance—because I am not close, so I don't need to take my distance—but to affirm for my own case, that justice is the same, under any flag, in any part of the world, under any aspect, and all the more reason why I feel committed in this case as in others. . . .

The enemies of Europe jailed LaRouche

Piccoli: I, too, have been a great admirer of Hon. Bonino, and always, for years, even when I might have been of a different opinion than her chief, [Marco] Pannella, in all of these causes I have also been in agreement: on the abolition of the death penalty, all the things that we have worked for together always in full understanding. Well, this time, too, I am participating in the LaRouche case . . . because LaRouche is an economist who has advanced many ideas of social Christianity; he has been a careful student of the encyclicals of the Church, and he has advanced many ideas, especially in the economic area, some of which I find myself fully in accord with—for example, his battle against the huge banking corporations which even today, in my view, are meddling in the currency markets of the entire world.

I do not believe it is poor, penniless fellows who run the operations to ruin the lira, to destroy the franc, to yank up the pound sterling one day and then next day to cast it down, etc. I am convinced that behind this are great corporations which have deep interests, and the international financial system is much affected by them. Hence, I believe that to a great extent the campaign against LaRouche happened because he annoyed the big American corporations, because he was a man who, if by chance he had become President, with the American powers he would probably have hit sectors which are the bosses, the political and economic culprits, often with great success, with great usefulness to the world, often with diversity and taking risky positions.

I am convinced that many of the things happening even in our country are due certainly to errors and grave deviations by political officials, but they are to a great extent guided and directed by people who are interested in weakening Europe, in impeding Europe from becoming in effect a great competitor on the international level, of the superpowers. I am convinced of these things; I said them, I repeat them, I hope they don't put me in prison, because now it's easy. This is why the LaRouche case has always interested me. Then when they came to talk to me about it, since I saw that the cause was in the hands of Mrs. Bonino, who has always done these things with a great spirit of solidarity, with great altruism—I am certainly not for the abolition of prohibitionism [on drugs], although I think it should be tempered, that we have to study completely different models from those we now find in the jails, which are frightful, and that therefore you have done well to go to battle on this. . . .

Mrs. Bonino is admirable because she says outright: I don't agree on these things, but otherwise I believe that he is one of those prisoners who is held in prison out of fear that their ideas may make headway; surely for me this is why LaRouche has undergone these trials.

Then the other details, the repayment of loans—you will find them here [in the dossier]—but we know perfectly well what can be fabricated against a person in political life; one can invent everything, and the opposite of everything. . . .

I hoped to be able to be part of a group which was going to the United States to speak with the President, but I could

not go because of other matters. However, I propose, together with Honorable Bonino and a few others, that we should find a way to go. . . .

I maintain that the Italian press should be interested in this case, also because American life involves everyone, which has a value for humanity; everything that happens in America, because of its power, its development, also its freedom, for the way in which it has managed to mix different races and always succeeded in overcoming so many problems.

But there are some heavy sides which turn up every so often, and they have to do with personages who could be a nuisance to the major sources of the economy: They might try to change the course of things. I am convinced that in economics we need to change the course of things. Just yesterday, they showed me that in the Bank of Italy, gold was pegged to paper money, and then I saw how little gold was valued at, and how paper money has become an object of negotiation for sale and speculation; and therefore I think that, especially for the generation of young economists coming up, there is a lot to be thought about in the economic events which are taking place in our country, and which are often regurgitations and copies of what occur in the great powers: Germany, the United States, Japan. Whereas, in my view, if we want to create a situation of equity and justice, above all the financial part, the monetary part needs to be reviewed and corrected. Here, too, in Italy it is easier to go to prison for saying these things, than it is to be walking around free. But I say them anyway.

LaRouche is 'dissident in the American gulag'

"And the Dissident Ended Up in the American Gulag" was the title of a feature article in the March 31 issue of the Italian weekly L'Italia. Translated excerpts of the article follow:

In Italy, the reorganization of the debt will never occur because it is a colony of the International Monetary Fund. Its political and financial sovereignty has long since evaporated; it no longer exists. And in this regard, the masonry is greatly to blame. The masonry in Italy is in fact an institutional element. In the 1970s, in order to prevent a government of national recovery, it went so far as to manipulate the Red Brigades. The author of this detailed exposé is not a conspiracy theorist or an international spy, but Lyndon H. LaRouche, 70, a refined and appreciated scholar, proponent of an economics subordinated to the laws of ethics and the higher interests of na-

tions. A successful politician . . . he has been for nearly a year in the middle of an intricate detective story, in what is becoming a delicate international case.

Taking advantage of a minor tax evasion (a pecuniary distraction), the U.S. authorities sentenced him to the maximum penalty (six years) [sic]. For two years [sic] he has been in prison, treated like a common criminal. "For his ideas," declares his wife. "Because of political persecution," stresses his lawyer. . . .

What is the truth? Why so much dogged ferocity?

Lyndon H. LaRouche, in his writings, in his denunciations, in his public interventions, allegedly committed the "grave error" of pointing out, to Americans and non-Americans, the necessity and importance of a "national" road to economic development, counterposed to the "multinational" route to development pursued by the mightiest financial and banking lobbies which, LaRouche says, have looted, sacked, and impoverished nations and peoples. . . .

LaRouche's "party" is growing. To free the economist from the web of U.S. justice just about everybody has been moving. From Spain to Jordan, from the European Parliament to Italy. . . .

Prominent international figures sign petition to Clinton: 'Free LaRouche'

by Carlos Wesley

On April 2, the White House received a letter signed by 25,000 persons from the United States and other countries who have joined the international Coalition to Free Lyndon LaRouche. The letter, calling on President Bill Clinton to give a signal that he seriously means to bring about change by setting jailed statesman "LaRouche and his associates free," bore the signatures of hundreds of notables, including at least two former heads of state (former President of Argentina Arturo Frondizi, and former President of Panama Manuel Solís Palma), several former cabinet members, and scores of chairmen of bar associations, bishops, farm and labor leaders. At the same time another letter was presented to the White House, also calling on President Clinton to free LaRouche, signed by nearly 300 elected members of national parliaments, ranging from Armenia to Ukraine, from Colombia and Brazil to Venezuela, as well as France, Germany, Great Britain, and the United States itself. The two appeals were accompanied by scores of individual letters from heads of national bar associations, lawmakers, including members of the Congress of Bolivia, military leaders, and other prominent personalities and institutions.

LaRouche, 70, a former candidate for the U.S. Democratic Party presidential nomination, was sentenced to 15 years in prison on contrived charges during the administration of George Bush.

The unprecedented mobilization by some of the world's leading figures on LaRouche's behalf underscores the importance attached to his economic policy and other programmatic proposals. As former Colombian Labor Minister Jorge Carrillo told members of the U.S. Congress in March, had LaRouche's plans for a war on drugs been adopted when they were presented more than a decade ago—including his proposals for crop-substitution and paying farmers parity prices—Colombia today would be a major food exporter, instead of being the world's leading producer of cocaine. Minister Carrillo was part of an international delegation that visited Washington—along with former U.S. Rep. James Mann and civil rights leaders Amelia Boynton Robinson, Rev. James Bevel, and Joe Dickson, editor and publisher of the *Birmingham World*—to discuss the LaRouche case with U.S. lawmakers, over March 15-20.

Two Ukrainian members of Parliament in the delegation—Pavlo Movchan, chairman of the Ukrainian freedom

organization Prosvita, and Vladimir Shovkoshitny, president of the Chernobyl Union International—also told U.S. congressmen that some among Ukraine governing circles view LaRouche's economic proposals as a superior alternative to the free trade nostrums that are destroying their economy.

Demand 'detailed and precise' explanation

Also spurring the worldwide protest is what is viewed as hypocritical behavior by the U.S., which is constantly attempting to bludgeon other countries over alleged human rights violations, while grossly violating the rights of political dissident LaRouche and others. This was made clear in a strongly worded letter from Peru's Congressional Committee on Human Rights, formally requesting that the foreign minister demand a "detailed and precise" explanation from the U.S. government "regarding the abuses and the violations of the human rights of U.S. politician Lyndon LaRouche and his movement." The LaRouche case was one of several cases of human rights violations taken up during hearings held by the Peruvian congressional committee on March 30. According to the Lima daily *La Nación*, committee chairman Roger Cáceres said in the letter that it is "inadmissible" for the U.S. government to raise "so many objections, observations and demands regarding the human rights situation in our country, if within the United States itself there are such grave and delicate situations" (see box).

In Colombia, the LaRouche case was "the most significant topic discussed" at a three-day symposium co-sponsored by Colombia's National Bar Association, according to the March 27 issue of *El Colombiano*. The daily reported that the case was presented at the First National Symposium of Colombian Lawyers by two representatives of "the Coalition to Free Lyndon LaRouche, a U.S. political prisoner." According to the article, the speakers noted "that just like LaRouche, there are many political prisoners behind bars due to fraudulent trials," in the United States. "LaRouche's sin was his fight against the economic model of Reagan and Bush," and against the "financial interests from his country involved in the international drug traffic" the article said. The LaRouche case drew particular attention from symposium participants, among them some of the country's most respected attorneys, because Colombia adopted an adversarial trial system on the U.S. model a few years ago. There are now

U.S. hypocrisy condemned

On March 30, the Peruvian Congressional Committee on Human Rights took up several cases of human rights violations, including that of U.S. political prisoner Lyndon H. LaRouche. In a letter signed by its chairman, Roger Cáceres Velásquez, the committee requested that Peru's foreign minister ask the United States to provide an explanation. Following is the committee's request to be forwarded to Peru's Executive branch.

By agreement of the Committee on Human Rights and Pacification, over which I have the honor to preside, I ask that the Minister of Foreign Affairs be instructed that through diplomatic means, a request be presented to the government of the United States for a detailed and precise report regarding the repeated charges of human rights violations we are getting from numerous citizens of this country and from other nations of the world, regarding the abuses and violation of the human rights of American politician Lyndon LaRouche and his movement, as is detailed in the attached documents. It should be noted that it would be something inadmissible for the aforementioned government to raise any objections, observations and demands regarding human rights in our country, if within the United States itself there are such grave and delicate

situations, which more than justifies that at the very least we are provided the information requested.

The following message was sent by LaRouche associate Donald Phau, who has been sentenced to 25 years in prison in Virginia, to the participants at an international conference in Caracas, Venezuela. The individuals he mentions have all been convicted by the state of Virginia for their political activities as part of the LaRouche movement. Ascher and Billington are serving their sentences. It was read by his wife Ana María Mendoza-Phau.

Though I have never been to your country, having been married to a Venezuelan, I have a strong affinity to you as a wonderful people. . . .

By the end of this conference you all should know some of the details of why I am facing an imminent jail sentence of 25 years. The charges against me, and my friends Shelley Ascher [10 years], Mike Billington [77 years], Paul [34 years] and Anita Gallagher [39 years] and Larry Hecht [33 years], are, of course, bogus. . . . Many lawyers have told me that if I had raped and murdered someone, I probably would have gotten a smaller sentence. My real crime is that I am associated with Lyndon LaRouche; that is why, only by freeing him, can we all get our freedom. But if being a criminal is supporting someone who can save this planet from a new dark age, maybe being such a criminal is not really that bad. . . .

fears that some of the worst abuses now seen in American courts, such as the wholesale buying of testimony in exchange for plea bargains, which lets dangerous felons go free and even cash payments for witnesses, may also be imported.

The Venezuelan Senate Committee on Human Rights was also urged to demand an explanation from the U.S. government on the political persecution against LaRouche. According to the March 30 issue of *Ultimas Noticias*, the request came from Ana María Mendoza-Phau, who charged that there are "human rights violations against Lyndon LaRouche and his associates, including my husband Donald Phau, illegally sentenced to 25 years in jail by the state of Virginia." Mrs. Mendoza-Phau was in Venezuela to address a conference on the persecution of her husband and other members of LaRouche's political movement. Reportedly, those in the audience, including a member of the Venezuelan Congress, were visibly moved when she read a letter from her husband explaining why he was unable to honor the invitation to also speak at the conference.

Mrs. Mendoza-Phau said that former Secretary of State Henry Kissinger pressured the FBI to go after LaRouche, and that her husband and others were convicted for

allegedly breaking Virginia's securities laws, by obtaining loans for political activities, loans "that were not classified as securities until after they had been indicted. The state commissioner who made the ruling was rewarded with a seat on Virginia's Supreme Court," she said, according to *Ultimas Noticias*.

Joining the chorus of protest from Ibero-America was Mexican Congressman Jesús González Gortázar, a leader of the ruling Institutional Revolutionary Party (PRI). During a radio interview in Guadalajara, González condemned the execution of Mexican national Ramón Montoya by the state of Texas, and said that there are other frequent violations of human rights in the United States, citing the LaRouche case. González Gortázar said that the U.S. justice system is influenced by racial and political considerations, saying LaRouche's 15-year sentence was solely for "political reasons."

Last year in Mexico, the Committee on Human Rights of Congress heard testimony on the LaRouche case and promised an investigation, and Gonzalo Ruiz, chairman of Bolivia's Congressional Committee on Human Rights, also protested LaRouche's imprisonment in an open letter.

Italian party demands probe of 'conspiracy'

by Claudio Celani

The Italian Christian Democratic Party (DC) on April 2 presented an *esposto* (legal petition) to the chief prosecutor of Rome, calling for an investigation to determine whether there is a "political conspiracy" afoot to destroy Italian "constitutional institutions." This spectacular move was made by Gerardo Bianco, leader of the Christian Democracy group in the Italian House, and by Gabriele de Rosa, leader of the DC group in the Senate, in reaction to the most recent escalation of political scandals allegedly implicating prominent Christian Democrats in a mafia connection.

The DC is the biggest party in the Italian Parliament, and has dominated every Italian government since 1946. Together with the Socialist Party, it has been hit by the "anti-corruption" investigation which started one year ago, and has implicated more than 1,000 politicians (two-thirds of whom are members of Parliament) and businessmen, forcing six cabinet ministers to resign.

The move to expose a "conspiracy" was long overdue, and was prompted by the most recent escalation of the scandals, hitting Antonio Gava, leader of the DC group in the Senate, and Giulio Andreotti, who more than anyone else embodies the Italian postwar establishment.

As *EIR* has reported, the scandals represent an attempt by Anglo-American-centered forces, notably the Freemasons, to orchestrate a general destabilization of the nation of Italy, to destroy the existing political system and to establish a new order, more to their liking. At the heart of this battle are: 1) the drive to privatize Italy's state-sector industry; 2) the demolition of Italy's traditional political parties; and 3) the breakup of the nation as a sovereign political entity, through the separatist campaigns of the Northern League and others.

Targeting Andreotti

The most recent round of investigations was opened in Palermo against Andreotti for alleged ties to the Sicilian mafia, and in Naples against Gava (and other former ministers belonging to his faction) for alleged ties to the Neapolitan mafia, the Camorra. If anybody was expected to sail safely through the current scandals, it was Andreotti, reputed to be the most powerful politician in Italy. Therefore, the news that he was being investigated created a real political earthquake. Knowing this in advance, Palermo Judge Caselli waited to make his announcement until a Saturday, March 27, so that

the stock exchange, the money markets, and the banks would be closed. This did not prevent the Italian lira from reaching an all-time low on Monday, falling below the level of 1,000 to the German mark.

Members of Parliament who have read the warrant announcing the opening of an investigation report that it lacks substance, and might be easily dismissed in court. But in the Jacobin climate created by the anti-corruption investigation, every warrant has the effect of a political indictment. This is what the British and American press call a "revolution," but it should more accurately be called a "coup," steered from the outside with the complicity of some Italian players.

Ironically, Andreotti has so far been one of those players. The hero of the anti-corruption investigation, Milan judge Antonio Di Pietro, has been accused by former Socialist leader Bettino Craxi of being a tool of Andreotti. The judge is indeed a member of a semi-secret club, called Proposta Nuova, controlled by Andreotti's political faction. Furthermore, it is rumored that the Carabinieri police network which suddenly "discovered" corruption after 40 years, is also part of Andreotti's faction. But on April 5, a probe was launched by the Milan judges against the former prime minister himself.

The allegations against Andreotti are based on hearsay evidence from former mafiosi who are called *pentiti*. Who is pulling their strings? That is the question the DC's legal petition raises, when it calls on the prosecutor "to start the most rigorous investigations to find out who . . . has maintained systematic contact with the above-mentioned *pentiti*, in prisons or other places where they are hosted."

Andreotti himself pointed to a U.S. hand steering the accusations against him, in an interview published in *Il Giorno* on April 7. Asked whether "somebody in the United States is working against you," he replied: "Responsible persons and agencies? No. Others? Yes. For the moment, I will add nothing more."

The escalation against Andreotti and the Naples DC has shifted the attack to the last power stronghold of the Christian Democracy, southern Italy (the north is already firmly in the hands of the separatist Northern League). Shaken by these events, Prime Minister Giuliano Amato offered his resignation, but this was refused by President Scalfaro.

Referendum on electoral law

The turmoil is far from being over, and will predictably increase. On April 18, a series of referendums will be voted upon, the most important of which is a reform of the electoral law intended to curb the influence of the political parties. The architect of the reform is technocrat Mario Segni, who wants to replace the parties with "clubs," so that the political spectrum will be regrouped around a "progressive" and a "conservative" version of the same oligarchical interests. The aim is the elimination of the political influence of the Catholic Church, so far exercised through the DC.

International Court in The Hague orders Serbia to halt genocide

In an emergency ruling issued on March 8, the International Court of Justice in The Hague ordered Serbia and Montenegro to cease all acts of genocide against the Muslim population of Bosnia-Herzegovina.

The "Order of Provisional Measures" directed that Yugoslavia (Serbia and Montenegro) "should immediately . . . take all measures within its power to prevent the commission of the crime of genocide," and further, that it should ensure "that any military, paramilitary, or irregular armed units which may be directed or supported by it," as well as "other persons subject to its control," do not commit acts of genocide or conspire or incite acts of genocide.

The Hague court did not rule on the legality of the arms embargo against Bosnia declared by the U.N. Security Council. However, its ruling holding Serbia responsible for acts of genocide is expected to give powerful support to proponents of lifting the arms embargo, and allowing the nation of Bosnia-Herzegovina to defend itself.

Bosnia's case

A week earlier, on April 1, the Republic of Bosnia-Herzegovina, through its agent Prof. Francis Boyle of Illinois University, and its ambassador to the U.N., Mohammed Sacirbey, addressed the court in the matter of its application for emergency relief under the 1948 Genocide Convention. Bosnia's plea, in the form of a lengthy memorandum containing detailed allegations on acts perpetrated by Serbia-Montenegro against Bosnia, was sent to the court on March 20 (see *EIR*, April 9, p. 46); within three working days, the court, with unheard of speed, signified that it would hear the case on April 1; Serbia-Montenegro's request for postponement until May—the time it needs to conquer eastern Bosnia—was denied.

The application for emergency relief centered on the issue of the lawfulness of the arms embargo against Bosnia, which issue, stated Professor Boyle, cannot be put off, due to the danger of extinction in which the republic finds itself. The court is to sit at a later date to hear witnesses on the substance of the case for war crimes and crimes against humanity.

Both Bosnia, by its Notice of Succession to the 1948 Genocide Convention, dated December 1992, and rump Yugoslavia (Serbia-Montenegro), have acceded to the terms of that convention. Under Article I of the convention, the

contracting parties have an international legal obligation to prevent and punish acts of genocide; under Article V, those parties undertake to *punish* persons guilty of genocide; under Article VIII, any contracting party may call upon the "competent organs of the U.N."—here, the International Court of Justice—to act to suppress or prevent genocide.

The crux of Bosnia's argument is that the Genocide Convention guarantees the inherent right of both individual and collective self-defense, and that U.N. Security Council Resolutions, notably Resolution 713, imposing upon Bosnia a weapons embargo, are *ultra vires*. In other words, they are outside the council's powers, as the embargo constitutes a clear violation of Article 51 of the U.N. Charter (right to self-defense) and of the Genocide Convention.

Bosnia, said Professor Boyle, is not a successor state to Yugoslavia, but an entirely new state in international law, which, unlike Serbia-Montenegro, never agreed to the embargo.

To establish jurisdiction, Professor Boyle cited not only the adhesion of rump Yugoslavia to all relevant treaties, but produced a personal letter to Robert Badinter, then president of the European Arbitration Commission, signed by Slobodan Milosevic and Momir Bulatovic, respectively, Presidents of Serbia and Montenegro, and dated June 8, 1992, stating that "all legal disputes" between Serbia-Montenegro and the former Yugoslavian Republics "should be taken to the International Court of Justice." In this matter, he also submitted *prima facie* evidence that the Federal Army of Yugoslavia was directly involved in the fighting in Bosnia.

'You can stop World War III'

Professor Boyle, in what can only be described as a majestic presentation, concluded: In the absence of relief, "the dispute between Bosnia and the rump Yugoslavia will be aggravated and extended. The gravest consequences cannot be excluded for the peace of the entire world. Remember that World War I began at Sarajevo in 1914." Departing from the prepared text, he added, in the midst of absolute silence: "You, gentlemen of the court, have it in your power to stop World war III."

In fact, the court is being asked to strike down resolutions of the U.N. Security Council, which means, as Maurizio Blondet put it in the Milan daily *Avvenire*, a "conflict between

two sovereign powers of the U.N.: the court versus the Security Council, or, the basic requirements of justice versus the Yalta order of the winning powers who conceived Yugoslavia as a cage for the small Balkan nations.”

Prof. Shabtai Rosenne of Haifa University in Israel, a renowned specialist in the jurisprudence of the court in The Hague, appeared as the agent for the government of Serbia-Montenegro. The learned doctor’s eagerness to take up the cudgels for Serbia was, however, felt to be in something worse than mere bad taste. Although many observers believe that the atrocities and acts of genocide (such as systematic rape) being committed by the Serbs are far worse than anything done by Nazi Germany, Rosenne went so far as to argue that “to any person who has direct knowledge of what the Holocaust was and what it was intended to achieve, such statements are nothing short of blasphemous.”

Bosnia, Rosenne said, “by calling upon the court to rectify, unilaterally, decisions of the Security Council, is abusing the court’s powers; the court must take care not to enter into conflict with the Security Council.”

Interview: Francis Boyle

‘A smashing victory’

Professor Boyle, the legal representative of Bosnia in the suit for genocide against Serbia in The Hague, gave the following telephone interview to Umberto Pascali on April 8, after the International Court issued its Order of Provisional Measures.

EIR: Professor Boyle, what are the meaning and the implications of today’s International Court decision?

Boyle: It was a smashing victory, I think, for the people of Bosnia and Hercegovina. The International Court made a finding that it appears the rump Yugoslavia has committed acts of genocide against the people of Bosnia and Hercegovina and has ordered them to stop, and also that they are responsible for agents and surrogates in Bosnia, and ordered them to stop. The rump Yugoslavia tried to turn the tables on Bosnia, to get an order against Bosnia, but the court refused to do that and did not really indicate measures per se against Bosnia-Hercegovina, like it did against Yugoslavia.

Note that the vote on the first point [that “Yugoslavia” should take all measures in its power to prevent the commission of genocide—ed.] was unanimous. It is very rare for the court to vote on anything unanimously. On the second point [that “Yugoslavia” should ensure that no military or paramilitary or irregular units supported by it commit geno-

cide—ed.], it was 13 to 1. Only the Russian judge, Tarassov, voted against. And even he, in his separate declaration, said: “In my view these passages of the order are open to the interpretation that the court believes that the government of the Federal Republic of Yugoslavia is indeed involved in such genocidal acts or at least that it may very well be so involved.” I think that this is a first rate interpretation of precisely the significance of this order.

EIR: What is the next step?

Boyle: What will happen now from here is that the order get transmitted to the Security Council for enforcement. So at this point the ball shifts to New York, to the General Assembly, to the Security Council, to the foreign ministers of the world. Now the International Court has effectively found that this is genocide, the same crime that was inflicted upon the Jewish people by the Nazis. The question will be: Is the world going to look the other way, like it did with the Jews, or is it going to say, “Enough is enough, we are going to stop this”?

So the ball is in everyone else’s court now, and we will have to see. However, we do have the right to go back to the court for more Provisional Measures, in the event that the extermination of Bosnians continues. I have indicated to the president of the court that we are prepared to do this, and I have indicated it to the lawyers on the other side as well.

EIR: The lawyer for Serbia, Professor Rosenne of Tel Aviv, argued that the court had no standing to deliberate on the issue. Professor Rosenne did not enter at all into the substance of the matter, i.e., the genocide. He just argued at the level of technicalities.

Boyle: Yes, that was a ridiculous argument. The court rejected it. Professor Rosenne did not get at all into the substance; it was only a technical attack, and as you know, despite his technical objections to the court doing what it did, the court agreed with us and made this ruling, and indicated these two measures against Yugoslavia, so we won basically all the technical arguments. That is a victory in its own right.

EIR: An Italian daily, *Avvenire*, reported the other day, in an article on The Hague case, that you did not accept any fee in representing Bosnia. Others noted that it is indeed striking that an Israeli law professor like Rosenne could represent the perpetrators of genocide.

Boyle: Well, I am here without any fee and my expenses are being paid by voluntary contributions from the Bosnian community in Canada. Professor Rosenne, I think, is going to have to account for himself, as to why he is representing a group of mass murderers, war criminals, and people who are inflicting genocide. You have to ask Professor Rosenne why he did that.

U.N. embargo gives Serbia license to kill

by Sven Rustempasic

The author is an American citizen who spent one year, from November 1991 until November 1992, in Sarajevo.

April 6 was the anniversary of the launching of the strategy of terror against the civilian population (380,000 people) of Sarajevo, the capital of the Republic of Bosnia-Herzegovina, which became the 177th member of the U.N. in May 1992.

Sarajevo has been surrounded for more than a year now by at least three rings of artillery, rocket launchers, mortars, machine guns, anti-aircraft guns (used against people, not aircraft), snipers, and other armaments. Some of the heavy weapons have been positioned there for up to 20 years, dug into bunkers, many of them "nuclear proof," with supplies and ammunition sufficient to continue killing for, perhaps, one more year, at least.

The entire operation has been planned by the Yugoslav Army and the "Greater Serbia Project" in Belgrade and in Moscow, as well as in some other centers of "western culture and civilization." This article is written in order to help the people who are still being tortured by the "civilized West."

While the West is accusing people there of "tribalism," "ethnic hatred," and so forth, it is quite obvious that the Serbian killing machine is doing the "civilized world's" dirty work. The only tribal institution that one can speak of is the Greater Serbia Project and its international friends.

Although the genocide against Bosnians is performed by the Yugoslav Army, Serbian cohorts and their sidekicks, and the Montenegrins, it is obvious that the U.N. arms embargo, imposed on non-Serbian people, is nothing but the involvement and cooperation of certain influential segments of the international community in the crime against innocent victims.

Legacy of the British Empire

Yugoslavia was a federation, composed of six republics and two autonomous regions. It was established by the British Empire, and, in 1918, it was given to the Serbs to do with as they would while the godfathers, the British and Russian empires, looked on.

The Yugoslav Army was the second largest communist army in Europe following World War II. More than \$100 billion was pumped into that institution, dedicated to the preservation of the *status quo* in the region. The entire Serbian military complex, when compared with the entire Yugo-

slav Federation (smaller than the state of Wyoming), was enormous. With factories in Serbia proper (Crvena, Zastava, Kragujevac) and in Bosnia (Unjs, Pretis, Zrak, Soko), it ranked high in the world weapons market.

So, when Serbia decided to embark upon the Greater Serbia Project at the beginning of the 1980s, it made sure that its military might was ready. The Yugoslav People's Army (JNA) was made a vehicle of Serbian national-chauvinist efforts: the occupation of the Yugoslav Federation and eradication of all democratic independence movements in Slovenia, Croatia, Bosnia, Kosova, Macedonia, and Vojvodina.

Buildup of strategic reserves

Thus, the Yugoslav Army piled up huge supplies of weapons and ammunition, and designed and built huge underground bunkers and depots. The Yugoslav Air Force, for example, built a \$3 billion underground airport in western Bosnia (Bihac). In the mountains around major cities in Bosnia, for example, millions of tons of rock and earth were excavated, while hundreds of thousands of tons of concrete were poured to create "nuclear-proof" bunkers and storage systems for weapons, ammunition, petroleum, and strategic reserves sufficient to go on fighting for several years with no need to import anything from abroad. The entire arsenal of the Yugoslav Army in Croatia, Bosnia, and especially in Serbia and Montenegro, almost entirely in the hands of the Serbian-dominated Yugoslav Army and the Serbian "fifth column" in Croatia and Bosnia, was designed and piled up with one very distinct goal in mind: to go on fighting in Croatia and Bosnia-Herzegovina for a number of years without a major need to restock, rebuild, and supplement the strategic reserves.

So, what are some of the military advantages of the Greater Serbia Project over the non-Serbian (majority) population in the former Yugoslav Federation?

1) The majority of the Yugoslav Army officer corp (all ranks) were ethnic Serbs or Montenegrins: experienced, trained, equipped, and organized, and loyal to the Greater Serbia Project.

2) The entire Air Force, Navy, helicopter fleet, armored divisions, heavy and light artillery, rocket systems, and other professional tools of war were in the hands of the Serbian Yugoslav Army. In addition, all radar systems, communications systems, logistics, petroleum reserves, and food and medical reserves were in the hands of Serbs involved in the Greater Serbia Project, and were armed and equipped by the Yugoslav Army and had full access to Army warehouses and stockpiles.

3) Inexhaustible as such reserves were, Serbia and Montenegro receive a constant influx of weapons and ammunition from Russia and other sources through Romania, Greece, and other locations. The U.N. arms embargo against Serbia, which is totally ineffective, should not be confused with the



In San Francisco, demonstrators rally against the Serbian genocide in Bosnia, February 1993. So far, there has been no effective action by the United States. Will President Clinton act, before it is too late?

embargo against Bosnia-Herzegovina.

This list only confirms that the U.N. arms embargo, supposedly taken against all former Yugoslav Republics, was not meant to hurt the Greater Serbia Project, since the Serbs have plenty of resources to go on killing for years. The U.N. arms embargo, strictly imposed only against Bosnia-Herzegovina through the military (U.N. and NATO) sea, land, and air blockade, was obviously meant to hurt the parties that do not have the weapons to defend themselves. Tragic as it is, the land blockade is additionally imposed on Bosnia-Herzegovina by the Franjo Tudjman government of Croatia as well.

Territorial Defense Force

The Serbian war against Croatia made Croatians scramble for weapons, but they managed to “sneak in” hundreds of millions of dollars worth of weaponry, mostly due to the support that Germany gave to its independence efforts.

By a wide margin, the true victim of the U.N. arms embargo is Bosnia-Herzegovina, a U.N. member entitled to all the rights outlined in the U.N. Charter. But it seems that for the first time in history, the U.N. is preventing its legitimate member from arming itself against the onslaught of a country (Serbia or Yugoslavia) that has been *kicked out of the U.N.*

How is it that the people of Bosnia came to be so helpless

and unarmed?

In the former Yugoslav Federation, there were several mechanisms of defense. Besides the Yugoslav Army, a parallel organization, very similar to the National Guard in the United States had been organized: the Territorial Defense Forces. Supplies of infantry weapons, light and medium artillery, anti-armor, and similar “guerrilla territorial warfare” systems were strategically placed in almost each and every town, large village, company, and factory throughout the country. They were all part of a “people’s defense system” in case of war.

Nominally set up as an anti-invasion instrument, it was also designed to make sure that the rulers of the country—obviously, the Serbian military junta—never came to be in a position of enormous advantage over the civilian population. It enabled the various ethnic groups to provide for their self-defense and prevented the slaughter and/or planning of such a “venture.” But the Serbian military junta realized the importance of gaining the upper hand on this touchy issue, and asked for a federal law to be passed, by the end of the 1980s, giving total control of the Territorial Defense warehouses to the Yugoslav Army. By signing this federal law, non-Serbian people signed their lives away.

There are other reasons why Bosnia was so unprepared for the Greater Serbia assault. One is that the President trusted the “civilized West,” and believed that it would not permit

such genocide and slaughter. Bosnia knows better now.

This author can confirm that the enormous firepower and other military advantages of the Yugoslav Army made Serbs arrogant and merciless. Not because of their bravery and military skills, but due to their overwhelming military advantage, they committed genocide against more than 150,000 Bosnian civilians while the "civilized West" kept the hands of their defenders tied behind their backs by the arms embargo. The Bosnian Army armed itself through acts of incredible courage and sacrifice: hand-to-hand combat, bloody suicidal charges, bickering with Croats, and so forth. The Army of Bosnia-Herzegovina, as a secular institution, invited all Bosnian patriots to join. It started out as a Patriotic League of Bosnia, only to become an army in the summer of 1992. It was a league of patriots and gentlemen, fighters with outstanding courage, honor, and dedication, commanded by Maj. Sefer Halilovic, a Bosnian Muslim, and with Col. Jovan Divjak and Col. Stjepan Siber, a Serb and a Croat, respectively, second in command.

After several months (March, April, and May 1992) of such an unfair fight against a cowardly enemy (the Yugoslav Army is known to shoot at ambulances, use civilian hostages, kill prisoners, torture and rape women and children, bombard hospitals, and commit satanic crimes totally unheard of), it was clear that the U.N. arms embargo was hurting the innocent, and Bosnia-Herzegovina demanded to exercise its legal right to self-defense.

Churchillian 'wisdom'

But so far, there has been no chance to do this. Winston Churchill's time-honored "wisdom" has been applied: "If you wish to prolong the agony, organize conferences." By the same token, the Russian communist elite was pleased; their sidekicks were making their way to the Adriatic Sea.

Serbian war criminal Radovan Karadzic, before starting the genocide, told the Bosnian people, with the total assurance of a political insider: "Nobody is going to help you. We are going to slaughter you. In this mandate, even God is a Serb." He was right, except that he could not know, through the very nature of his monstrously evil mind, that the god which he was talking about is actually Satan.

The Serbian propaganda machine in the United States has so far forestalled U.S. action to stop the genocide, often raising the red herring that thousands of U.S. soldiers could be sent to fight and die in the Balkans. But, in fact, officials of the Bosnia-Herzegovina government have stated that they don't want U.S. troops, only limited use of air power. Maintaining the arms embargo against Bosnia is a hostile act against a recognized, friendly state. The United States, which by providing 40% of the U.N. budget, participates in the U.N. sanctioning of Serbian aggression.

It is high time to lift the arms embargo against Bosnia-Herzegovina. President Clinton should keep his campaign promise and save the American soul.

Interview: Mrs. Vera Veibel Tatic

Serbian patriot aids suffering Bosnians

The following interview was conducted by phone with Mrs. Vera Veibel Tatic, a Serbian citizen, on April 1. Mrs. Veibel lives in the city of Ada in Vojvodina, which is officially part of Serbia, although ethnically the population is made up of 80% Hungarians and only 20% Serbians. Mrs. Veibel is a leading member of the Center for Anti-War Action. She agreed to have her name appear in the interview despite the intense repression of the Milosevic regime. "I don't fear anybody, only God," she said.

We would like to thank our translator John Balasa, who provided a simultaneous translation between Serbian and English for this interview. We are publishing his words, and therefore Mrs. Veibel is sometimes referred to in the third person. The interview was given to Umberto Pascali.

EIR: Mrs. Veibel, can you tell us what it has been like there in the last week or so?

Veibel: The situation if anything is getting worse. The Radical Party of Vojislav Seselj is gaining a lot of power. They are the ones that are leading the war effort.

EIR: What kind of activities are you and the Center for Anti-War Action involved in?

Veibel: Right now she is helping a lot of refugees that are flowing out of Bosnia. They are coming up to Novi Sad; from there she tries to get them into other countries.

EIR: These are Muslim refugees?

Veibel: Yes, predominantly Muslim.

EIR: How far is eastern Bosnia from Novi Sad?

Veibel: Roughly 200 km, maybe more. She doesn't travel a lot, so she cannot be precise.

EIR: What is her organization doing?

Veibel: In Belgrade, they are contacting international officials about their refugee policies, clarifying the necessary paperwork, and so forth. She is involved in the physical process of helping the refugees. They have received a lot of help especially from Hungary and she especially wants to thank them as a country.

Also, on March 17, they received a delegation from Sweden. The Swedish government assured them that they would

not deport the kids that have arrived there back to Yugoslavia. These are not only refugees but also draft dodgers. There was a rumor that they would deport the draft dodgers, but Mrs. Vebel explained what was waiting for these kids under Serbian law and they decided that they will keep all of the people that are draft dodgers. There is another delegation coming from Germany to work out the same arrangements with them next week. They will try to explain the same thing: That if they deport these kids back to Serbia, the Serbians will try them and possibly execute them.

EIR: She is also helping people who do not want to go to war?

Vebel: Exactly, she has been traveling to Belgrade from Ada frequently because there are court trials against the deserters going on every day now. But she says now it is getting too costly and they are not able to make the trip because of the prices. It looks like the sanctions are really taking effect.

EIR: Are there many people that don't want to go to war?

Vebel: There are roughly 200,000 deserters that won't go to war. That includes the Serbian part from Vojvodina. Kosovo is not included because the Serbs won't draft the Kosovans.

EIR: So there are 200,000 deserters? And these are mostly ethnic Hungarians or Serbians?

Vebel: Out of 200,000 about 30,000 are Hungarians.

EIR: Can she tell us why these young people do not want to go to war?

Vebel: Of the people she has been in contact with, including approximately 30,000 people that have passed through her house, the general feeling is that they do not want to go to war simply because it's senseless, and they don't want to kill innocent human beings.

She adds that the group she is working with does not discriminate against anybody. They don't look at religion or nationality, or any kind of racial background. They are simply helping people not to go to war. In other words, they are against the war and they are helping them to go away because they do not believe in these brother-against-brother type of wars.

EIR: Do the people who refuse to go to war know about the atrocities that are being committed in Bosnia at this point?

Vebel: Basically, in Vojvodina they are well informed. The reason is because they can receive the television station from Budapest. So they do know about the atrocities that are being committed in Bosnia. But on the other hand, anyone who lives south of Novi Sad (a town about 40 miles northeast of Belgrade) is only able to watch the station that the Milosevic regime puts their propaganda on. So the majority of the Serbian population are isolated from media reports on the atrocities

that are committed. However, there are those people that went in the beginning of the war. They went because the propaganda of Milosevic said that the Serbian nationals are being attacked by these factions like Muslims or other people. But when they actually went to see and found that that wasn't true, these people came back and left. They are deserters. That's when the thing started shifting. But otherwise, as far as the media is concerned, it is in Milosevic's hands and that's the only thing that they can see in most of Serbia.

EIR: Is the opposition in Serbia itself to the idea of Greater Serbia growing or not?

Vebel: She says that, because of the economic hardship, it is very easy for the Milosevic gang to manipulate the people of Serbia, because 40% of the population is illiterate and cannot write and most of the remaining 60% are uneducated. So the Milosevic regime keeps an upper hand with constant propaganda that the Serbian people are an endangered species. He tells them that they will die out, if they don't grab the best. It is a constant, ongoing barrage. And while there are some who are more intellectual, they don't have enough people to back them.

EIR: You're saying that 40% are illiterate and 60% are uneducated? What is the number of people that are intellectuals?

Vebel: It's very hard to give a figure because most of the intellectual Serbians have left the country. They fled because they couldn't take the regime.

EIR: So there is no visible opposition politically speaking?

Vebel: They have an opposition, but it's hopeless. The opposition party virtually does not have any power. As a matter of fact, she was asking some people in the Parliament in Belgrade, a few of them that are against these butchers like Slobodan Milosevic, but it seems that those people who do have some power are very few and far between. And also there is division among the opposition. There is the so-called VMDK which stands for the Vojvodjavi Hungarian Democratic Center. And they want to work separately, just for themselves; they do not work with the opposition party to Milosevic.

EIR: What about the Center for Anti-War Action, what is it doing now?

Vebel: The Center for Anti-War Action was created in Belgrade by the intellectual circles. They were strictly against the war. Now, they are going to have a big demonstration on April 3, in a couple of days, in Belgrade at exactly 12 o'clock. In Vojvodina, they are going to have a demonstration on April 6—April 6 is the anniversary of the start of the war in Bosnia. Also, every church bell is going to ring for 10 minutes at 12 o'clock for the people to pray and work for peace. So this is a big movement and there will be big demonstrations on April 3 and April 6.

EIR: So this means that the potential for a real movement against the war exists?

Veibel: Yes, definitely.

EIR: But there is no political representation for this movement, that is, no organized parties or organization that could represent this movement?

Veibel: Well, this is how they are being represented. The demonstration is organized by the Center for Anti-War Action. This Center is made up of people like her. She is a very strong lady. They are doing this by themselves.

EIR: What is the potential of this movement? How big will it become? Can she project a little into the future after the demonstration?

Veibel: Even if this demonstration is very successful, it is still not going to deter the Slobodan Milosevic government from butchering and killing. They do not have any mercy for children or for women whatsoever. So she doesn't see much prospect for progress even if the demonstration is a success.

EIR: What would she see as effective in stopping Milosevic?

Veibel: The way she sees things unfolding, it has to be the Serbian people that stop Milosevic. The way that that is going to happen is that everything is going to fall economically. So far they have some food and the people tolerate it. They are very tolerant of the rationing and so forth. But once the supplies run out and they have nothing, then the people will overthrow their own government. That's how Serbia will get back

on the right track. There is no other way, according to her.

EIR: And the economic crisis in Serbia, what is her evaluation on that?

Veibel: In spite of the embargo, the Serbians have been cleverly playing around it. However, every day everything is going downhill rapidly. More and more factories are closing their doors, unemployment is skyrocketing every day, so that the economic status of Serbia is very bad. Despite the fact that the Serbians are trying to outsmart the embargo, it still has a very grave effect on them.

EIR: Do people that she talks to think that there will be any intervention from the West to stop Milosevic?

Veibel: They have very little hope that the West or any country will intervene, because the countries in the West have been playing with them. The way she sees things is that they [the West] are thinking, "Just let these barbarian people kill each other off." She and her colleagues do not think that this is going to change. She added that in the last six months there have been 12,000 children that were massacred in Bosnia-Herzegovina alone by Serbian forces. She cannot believe that the countries in the West tolerate such a thing.

EIR: What is her opinion of the United Nations?

Veibel: Zero. Zip. They don't do anything. The troops are sticking to the orders they get as to where they can go, what they can do, how far they can go; so it is absolutely doing nothing.

The only way that they could stop this war is if they

From Serbia: 'Stop these terrible crimes'

The private letter excerpted here was written by a Serbian citizen and supplied to EIR by a group that opposes the Milosevic regime. Particularly enlightening is what the author says about the U.N. peacekeeping forces (Unprofor). The names of persons and places have been deleted.

. . . I am still looking for a job. I had hoped that there would be some changes after the elections, but in Serbia fascism won. From early morning till late at night I listen to Radio Sarajevo. However, we who live near the Bosnian border are witnessing unscrupulous aggression on Srebrenica by the Yugoslav Army. That small, heroic town has resisted already for ten months air attacks, rocket launchers, all kinds of artillery of the largest caliber, poison gas attack, and starvation. The young hero Naser Oric

is the commander of defense units of Srebrenica. A few of us still normal Serbs are trying to help Srebrenica, even though we are endangering our own lives. I can't write about it in this letter, but we will talk about it when this evil time goes away, and when we see each other. . . .

It is mistake that you left, it is much harder to occupy a city with a lot of civilians, where every corner in the city is a danger for the aggressor. Even women are fighting in Srebrenica with simple guns against tanks! . . .

Why do you not organize demonstrations against the Yugoslav Army involvement in eastern Bosnia? Every day through Dajina Rasta, convoys of carriers and tanks cross a bridge over the Drina River, going toward Srebrenica. Helicopters and aircraft take off from Punikye airport, right in front of the Unprofor battalion, which has a station at that airport.

I am going to get out of politics, which is a very dirty game. I am getting sick of politics because of the aggression against Bosnia and the silent approval of that terrible crime by world politicians. . . .

would cut the supply lines from Serbia so that they could not supply the Serbians in Bosnia and Croatia. There are supply lines from Serbia to the Serbians in Bosnia through Montenegro, and to the Croatians in Bosnia through Croatia, while the Bosnian nationals are not getting anything.

They should cut the supply lines. Or, if they don't want to do that, they should lift the embargo on Bosnia. If they were to lift the embargo on Bosnia so that Bosnia could receive weapons, Mrs. Vebel feels confident that the war would be over in less than two months.

She would also like to comment on the Vance-Owen plan: She says that there is an exact parallel between Lord Owen and Neville Chamberlain. The only difference is that Chamberlain always carried an umbrella.

EIR: We have had reports that Russian soldiers are fighting with the Serbians and that they have Russian military advisers. Can she confirm this?

Vebel: Yes, there are Russian soldiers who are fighting on the Serbian side, but they don't know whether there are Russian officers actually helping in conducting the war. But there are definitely Russian soldiers fighting on the Serbian side.

They are very angry about the Russians participating in the United Nations effort because, since they are working together with the Serbians, they are not justly applying their authority there as a United Nations force.

EIR: How is the Serbian Army intervening in Bosnia?

Vebel: It is true that the Yugoslav Army is fighting alongside the Chetniks. They were told that the Yugoslav Army pulled out from Bosnia, but she said it is not true. They are there and fighting alongside the Chetniks. There are a lot of Serbian people from the Vojvodina region that are fighting in Bosnia. The Milosevic government does not acknowledge it, but there are people from her region who are fighting in Srebrenica and all those other parts.

Another thing she would add, is that ethnic cleansing is going on in the Yugoslav National Army. Any officer, whether high-ranking or low-ranking, who is not Serbian is being gotten rid of—anyone, even if they were faithful. Now, her group has appealed to every government internationally, and the Milosevic government has had much pressure put on it so they are slowing this process down. They appealed and she is going to send material on that.

EIR: Is there anything she would like to say to the people in the United States?

Vebel: She wants to ask: "How can the world and the United States idly watch the terrible things that are happening there, when we are almost into the 21st century? How much longer are they able to simply watch when people from around five years old on are raped, and people are dying from hunger, people are actually freezing in the mud in Bosnia?" That's what she wants to ask the American people.

Pakistan in iron grip of Ghulam Ishaq Khan

by Linda de Hoyos

Despite the stated commitment of successive U.S. administrations since Jimmy Carter to make "human rights" the centerpiece of American foreign policy, particularly when it comes to developing countries, no notice has been taken of one of the more formidable and long-lasting potentates on the world scene today: Ghulam Ishaq Khan, President of Pakistan.

The reason may lie in Ishaq Khan's role as the *éminence grise* in Pakistani politics, making or breaking politicians—on behalf of the Anglo-American elites that have sought to control this country since its inception in 1947. At the time of the 1977 coup against Pakistan Prime Minister Zulfikar Ali Bhutto, which *EIR* and other sources documented to have been orchestrated by Henry Kissinger, it is reported that it was Ghulam Ishaq Khan, then secretary general of defense, who contacted Zia ul-Haq and told him to make his move against Bhutto. One of the first acts of the Zia regime was to promote Ishaq Khan to secretary general in chief of defense, with cabinet rank.

Ishaq Khan is the most senior civil servant in Pakistan, having served as chairman of the Water and Power Development Authority, governor of the State Bank of Pakistan, secretary of finance, secretary general of defense, finance minister, governor of Pakistan to the International Monetary Fund (IMF), and, since 1988, President of Pakistan.

From this last post, Ishaq Khan retains his iron grip over Pakistan's policy. Despite his civilian status, Ishaq Khan has cultivated ties to the Army, which is his real base of power, and the Army chief of staff and the Pakistani secret intelligence services (ISI) report to him and not to the prime minister.

Now, Ishaq Khan has emerged the winner in a power struggle with Prime Minister Nawaz Sharif. Over the past few months, Nawaz Sharif, in loose alliance with his political rival Benazir Bhutto of the Pakistani People's Party (PPP), launched an effort to prevent Ishaq Khan from enjoying a second term as President. To do this, Nawaz Sharif initiated a campaign to repeal the Eighth Amendment to the Pakistani Constitution.

The Eighth Amendment affirmed the martial law regime of Zia ul-Haq and his appointment as President. As such, it makes the President, not the prime minister, the supreme power in the country. The President appoints the chiefs of

staff of the three armed forces and chairman of the Joint Staff Committee, state governors, and the chief election commissioner. The amendment also gives the President the power to dissolve the National Assembly without the advice of the prime minister—that is, bring down the prime minister's government. The President can install any caretaker prime minister of his choice. The President, not the prime minister, holds the supreme command over the Armed Forces. The prime minister must report directly to him on all matters.

The President, however, is not an elected post. He is appointed by the Senate, the upper house of the Assembly. However, if there are moves to remove the President or to repeal the Eighth Amendment, then the President can simply dissolve the Assembly that threatens to take such action.

IMF man in Pakistan

In Pakistan, there is a nexus of three people who stand opposed to Zulfikar Ali Bhutto and the PPP on the basis of strict adherence to IMF policies. They are Mahbubul Haq, Pakistan finance minister under Zia ul-Haq and now "special adviser" to William Draper III, the malthusian who heads up the United Nations Development Program; Shahed Javi Burki, who wrote a book against Bhutto's development policies and is now in charge of Mongolia and China for the World Bank; and Ishaq Khan.

Whether he is finance minister or not, Ishaq Khan has for all practical purposes run the economy for a decade and a half. During the Zia regime, it was through Mahbubul Haq. Under Prime Minister Junejo, Yasin Wattoo was finance minister but Ishaq Khan reportedly drew up the budget and ran the ministry. The present finance minister is Sartaz Aziz, a career bureaucrat who was inducted by Ishaq Khan into the caretaker cabinet of Ghulam Mustafa Jatoi in 1991, and who Ishaq Khan ensured was retained under Prime Minister Nawaz Sharif.

When Benazir Bhutto, Zulfikar Ali Bhutto's daughter, came to power in 1989, Sultan Ahmed, a columnist for *Dawn* newspaper, reported in March of that year that she had been forced to keep Ghulam Ishaq Khan as President and Yakub Khan as foreign minister because "powers that be, including the U.S. playing a significant role, insisted on [their] continuing and power sharing."

Although she was able to pry Mahbubul Haq from the post of finance minister, IMF policies prevailed. According to Pakistani press reports at the time, right before Bhutto was to take office, the IMF suggested to Ishaq Khan that then-Finance Minister Mahbubul Haq sign on with the Fund. The new Prime Minister Benazir Bhutto came into office already under the IMF thumb. A few days after she had come to power, on Jan. 4, 1989, Ishaq Khan laid out a five-point charter for the national economy which fit with standard IMF prescriptions: reduction in government expenditures, elimination of subsidies and decrease in public sector investments, and increased production of cash crops.

It is also interesting to note that Ishaq Khan's general role places him in the center of activities around the Bank of Credit and Commerce International (BCCI), founded by Pakistani Agha Hasan Abedi.

Ishaq Khan is believed to have been instrumental in Pakistan's procurement of the nuclear bomb, of which the United States was fully aware. According to recent statements by nuclear scientist Dr. Abdul Qadir Khan, the alleged mastermind for Pakistan's nuclear capability, Ishaq Khan "is the person who was in charge of our nuclear program for the last 16 years." In a statement to the press on March 10, Dr. Qadir Khan said that the President had given "unflinching moral and material support to our program as chairman of the Water and Power Development Authority, governor of the State Bank of Pakistan, secretary of finance, secretary general and later as finance minister."

Calling the shots

President Ghulam Ishaq Khan has emerged the clear winner in the fight around the Eighth Amendment and his second term will begin in about 18 months. On March 28, Ishaq Khan pulled out three of Nawaz Sharif's cabinet ministers. Resigning were: Environment Minister Anwar Saifullah, who is Ishaq Khan's son-in-law; Planning Minister Hameed Nasir Chatta, and Asad Junejo, son of the former prime minister and an adviser to Nawaz Sharif. Two days later, Haji Gul Sher Khan Afridi, minister of state for Islamic tax, also resigned from the Nawaz Sharif cabinet. At the same time, 16 members of the National Assembly announced their support for Ishaq Khan in the fight on the Eighth Amendment. Afridi and all the others are from the tribal area of the President's home state, the Northwest Frontier Province.

To retain power, Nawaz Sharif had to back down and acknowledge that he rules at the largesse of the appointed President.

Ishaq Khan's most bitter enemy, however, appears to be the Bhutto family. In 1991, Ghulam Ishaq Khan read out the charge sheet that forced the dissolution of Benazir Bhutto's government. Only one day before, Ishaq Khan had met with U.S. Ambassador Robert Oakley, considered the viceroy of Pakistan. Ishaq Khan has also consistently backed the secessionist MQM, movement of Mohajirs, against Bhutto in Sindh province.

The seamier side of Ishaq Khan began to come to light last year when a very close friend of Benazir Bhutto was brutally raped in Karachi. It became evident through press reports that Ishaq Khan's son-in-law Irfanulla Marwat was involved in this "political rape."

Although Ishaq Khan has been a faithful ally of the United States—going along with the U.S. demand that Pakistan sign the Geneva Accord on Afghanistan, for instance—it remains to be seen how Washington views Ishaq Khan, the chief of the Pakistani Army and czar of its intelligence services, when it threatens to label Pakistan a "terrorist state."

Brazil's President Itamar Franco: a small man in a big crisis

by Lorenzo Carrasco and Silvia Palacios

The picture which has emerged after six months of the government of Itamar Franco is that of a President who believes he can avoid making the tough decisions required to reassert Brazil's development in the face of International Monetary Fund (IMF) and banker pressure for austerity, and who thinks he can survive by playing "balance of power" politics with all factions inside the country.

Franco was inaugurated President of Brazil on Oct. 5, 1992, in the wake of the collapse and subsequent impeachment on corruption charges of the Fernando Collor de Mello government. Collor is a darling of the Anglo-American financial establishment and the first corrupt Ibero-American "democratic" President to fall to an impeachment vote.

President Franco emerges as a man lacking the character to make the crucial decisions required for a time of crisis, and thus he appears to be a type of Brazilian "Kerensky" who tries to escape from reality. And like Russia's Kerensky before him, who paved the way for Lenin's Bolshevik takeover, Franco has laid down the red carpet for a dangerous government-in-the-wings run by the Marxist Workers' Party (PT). The PT is closely allied with the Socialist International and the U.S. State Department, which views it as an option to keep Brazil within the orbit of today's established international monetary order.

The clearly Leninist strategy of PT President Luis Ignacio "Lula" da Silva is to control the machinery of the state's social programs, and at the same time, as the opposition, to capitalize on the state's destruction as a result of neo-liberal economic policies. The PT already has its hands on social policy through the so-called anti-poverty program run by the Brazilian Institute for Socio-Economic Analysis (Ibase), an intelligence center for the PT; non-governmental organizations; and groups linked to the Theology of Liberation.

The impeachment of former President Fernando Collor de Mello provided Brazil with a tremendous opportunity to change policy, especially in the area of economics, and create a new impetus for national development. But in the weak hands of a President lost in the minutiae of daily existence, that chance vanished into thin air. The failure to act allowed banking and financial forces, the real beneficiaries of Collor de Mello's neo-liberal policies, to regroup to strangle any

initiative which might jeopardize their interests. The recent decision to speed up the sale of the National Steel Company (CSN), Ibero-America's largest state-run steel company, is a clear signal that President Franco has decided not to break with the policies demanded by Brazil's creditors—which is also the path of his own destruction.

It is useful to remember that what finally led to Collor de Mello's downfall was not only his government's scandalous corruption, but also the rejection of him by the country's representative civil-military forces, who saw in his neo-liberal policies the systematic destruction of national values and public patrimony. This same patriotic ferment was reflected most clearly in the civil-military events of Feb. 4, 1992 in Venezuela, when rebel Venezuelan troops led by elite commando units attempted to overthrow the hated regime of President Carlos Andrés Pérez. The ferment didn't manifest itself as a crisis or institutional rupture in Brazil at the time, due primarily to the repercussions of the revelations of Collor's corruption by his brother Pedro, which channeled the national emergency instead into mass street demonstrations demanding the President's impeachment.

Toward a new institutional crisis

Collor's downfall, and the hopefulness regarding a new government, gave Itamar Franco a limited timeframe in which to act, which he absurdly threw away. Now that that time has elapsed, the true causes of the postponed institutional crisis are reemerging with even greater violence, and jeopardizing the government's own stability. The diverse political forces which initially backed Franco are now moving away from him in open opposition. The situation has become so extreme that some congressmen have called for immediate general elections to avoid—or perhaps to accelerate—that institutional breakdown.

The most serious symptoms, however, are reflected in the growing displays of military unrest, first seen in the Military Club's General Assembly held in Rio de Janeiro on March 10. A decision was made at that time to make the assembly a permanent one and await a favorable response to the demands which the presidents of the three military clubs, representing retired officers, had presented to President Franco one day

earlier. Beyond the issue of wages, the military leaders are demanding that Franco reject the policies which the new world order would impose on Brazil.

In the document they prepared for the President, they stated that “the confirmation of our lack of preparedness in the face of the majority of the world’s powers and their ‘new world order’ policy, leads us to conclude that sovereignty, territorial integrity and national unity may be seriously threatened. Domestically, our people’s sensibilities are wounded by ever growing misery.” The document concluded with a warning of the danger of indiscipline in the barracks. “All this, Mr. President, leads to feelings of indignation and discontent which can take on dangerous dimensions for discipline and hierarchy.”

Even more serious was the statement of the military cabinet ministers on March 31, the 29th anniversary of the 1964 military coup. For the first time, although in diplomatic terms, they compared Brazil’s current situation to the years prior to 1964, particularly regarding the danger of social upheaval whose beneficiaries would be the PT, allied to Marxist Theology of Liberation forces.

“The years which preceded the democratic revolution of 1964,” the military ministers emphasized, “were characterized by changing positions of several sectors of our society, which caused the instability of Brazilian institutions. The post-revolutionary period brought Brazil the harmony and tranquillity required for its industrial, technological and cultural development, together with significant economic growth, underscoring the correctness of the measures adopted at that time. The current moment demands greater reflection by all Brazilians to seek those solutions which can lead the nation to the level we all desire—progress, security, social justice and peace.”

Against the ‘financial dictatorship’

Although the military ministers didn’t directly address the economic roots of the imminent danger of social convulsion, other retired military groups have been expressing nationalist opposition to the liberal policies dictated by the international banks. Unlike 1964, when there was no opposition to bankers’ usury, today a movement against the financial system has emerged, implying a break with what has always been the Armed Forces’ Achilles’ heel—economic liberalism.

An example of this is the article which appeared in the February edition of the military newspaper *Ombro a Ombro*, entitled “Financial Dictatorship” and written by retired Col. Francima de Luna Maximo, who denounced the fact that two-thirds of the national budget is allocated for payment of financial usury. “We can verify,” he wrote, “that the greatest use of funds goes disproportionately to the ‘refinancing’ of foreign and internal debt, with an astounding and incredible 64.69% of the entire budget. This leaves only 35% of all public federal funds to cover expenditures and investment.

In 1991, 27% went for refinancing of foreign and internal debt; in 1992 it jumped to 46.7% and in 1993, to be precise, it is 64.6%.”

“We see before us,” the article emphasizes, “a stinking financial dictatorship, orchestrated from abroad, which gained strength in the 1970s thanks to the docility and suspicious manner in which the economic czars—protected by the good faith of the nation’s leaders—gave in to international pressures.” This is a direct reference to ministers such as Roberto Campos, Antonio Delfim Neto, and Mario Henrique Simonsen, among others.

The editorial in *Ombro a Ombro*’s March edition expresses the same concern with the disastrous financial situation. Under the suggestive headline “Your Interests or Your Life,” the editorial warns that “if, in order to build projects which we could pay in cruzeiros, we now need a ‘strong currency,’ this means that our credit system is entirely in the hands of our foreign creditors; that is, we borrow money, the government issues cruzeiros and, presto, we send that ‘strong currency’ abroad as interest payments. Worse yet is the fact that often those ‘loans’ are nothing more than accounting tricks on our creditors’ books. And that is, effectively, what our foreign debt is, today totalling more than \$100 billion. Today over 60% of the federal budget for 1993 will go to ‘honoring’ our obligations to domestic and foreign bankers.”

The editorial concludes demanding that the debt be audited, and that the national Congress give priority to productive investment. “Consequences? There certainly will be, in the form of retaliation which the creditors will surely take in response to our boldness in seeking economic justice. . . . But what we know, compared to the risks of such a decision, is that the consequences of the current foreign-dominated economic policies, translated into millions of Brazilians dying of hunger, preventable diseases, and the threat of national disintegration, are far worse than any eventual short-term retaliation.”

In an article in the December 1992 edition of the Military Club’s magazine, Adm. Sergio Tasso Vasquez de Aquino, deputy chief of the Armed Forces’ General Staff, described the enemy Brazil faces today. “At the economic level, we see the power of the large banks and multinational financial-economic conglomerates [which operate] above the nation-state, with no country, cold and dominating, like a new ICM, now the ‘international capitalist movement.’ ” The pun is that ICM is the acronym which refers to the International Communist Movement.

Admiral Tasso concludes with a call to resist this international offensive. “In my most profound Christian convictions of a practicing Catholic, I firmly believe that just as the forces of the devil cannot win against the Church of our Lord God, as long as the Armed Forces exist, nothing and no one will limit Brazil’s sovereignty or stand in the way of its fight for peace, freedom and justice.”

Venezuela's battle of the courts

The issue of the legitimacy of the Carlos Andrés Pérez government has spilled over into judicial warfare.

On March 30, Venezuelan civil judge Braulio Sánchez stunned the nation by ordering the release of 52 military and civilian prisoners of war of the Carlos Andrés Pérez regime, based on a writ of *habeas corpus* submitted by the prisoners. Sánchez's order followed a Supreme Court ruling one week earlier which determined that the summary court-martials ordered by President Pérez in the wake of the attempted coup against him last Nov. 27, were unconstitutional. That finding annulled the trials and convictions of the prisoners, and laid the basis for Judge Sánchez's decision.

Among those ordered immediately released were Rear Admirals Hernán Grüber and Luis Cabrera, two of the top leaders of the coup movement. A third, Air Force General Francisco Visconti, remains in exile in Peru.

Pérez, already under siege by his own prosecutor general who is seeking to try the Venezuelan President on embezzlement and fraud charges, couldn't let this latest challenge go unanswered. He responded immediately by getting military judge Gen. Ubaldo J. López Barrios to block the release of the prisoners and to issue new arrest warrants for the majority of them. At that point, Judge Sánchez announced he was considering ordering the arrest of the military judge for interfering with a judicial order.

In retaliation, Defense Minister Gen. Iván Darío Jiménez ordered the start of similar proceedings against Judge Sánchez, supposedly for obstructing military justice!

At last report, Admiral Grüber has requested that his attorney sue every member of the Military Court, from its president, Gen. Ubaldo López, on down, for ignoring the writ of *habeas corpus*. That suit, already filed with the courts, demands 15 months' imprisonment for each court member.

Indicative of the population's support for the prisoners, and of the widespread disgust for Pérez's government and his murderous austerity policies, is that when the prisoners first received their release notices, they were greeted at the jail gate by a rally of family, friends, and political backers, and by a spontaneous show of support from residents of the central Caracas neighborhood surrounding the jail, who banged pots and pans and flashed lights on and off in sympathy with the rebel cause.

From his jail cell the day before, Admiral Grüber told Radio Caracas that the situation in Venezuela was so grave that he saw no other solution but a military one—i.e., another coup. The efforts by certain political groups to remove Pérez from office through trial and impeachment, he said, would not succeed, and he insisted that the civil-military action he helped lead last November against the Pérez government was fully justified.

Grüber, who is widely respected in both military and political circles for his incorruptibility, went before the Military Court on March 30 to defend the November coup attempt as an application of Article 250 of the Constitution, which says that every

citizen has the duty to assist in resurrecting constitutional rule when it has broken down. In his testimony, Grüber denounced the government's indifference to the worsening plight of citizens, where such services as health and education are fast breaking down, and where the morale and discipline of the Armed Forces has collapsed due to the corruption of their military commanders.

During his radio interview, Grüber also issued a warning to the United States, in the form of an admonition to U.S. Ambassador to Venezuela Michael Skol to keep his nose out of Venezuela's internal affairs. Grüber was referring to Skol's March 28 comments to the Caracas daily *El Universal*, in which he threatened Venezuela with a full economic embargo should the Pérez government be overthrown.

Skol's statements were so provocative that even Foreign Minister Gen. Fernando Ochoa Antich, a Pérez loyalist, summoned him to his office to plead for "moderation." Minister Ochoa acknowledged to the press that Skol "has maintained, since his arrival [in Venezuela], a curious style, sometimes getting involved in areas that are not prudent for a diplomat."

In response to President Pérez's ill-timed characterization of the rebels as "delinquents," Rear Admirals Grüber and Cabrera sent a joint open letter to President Pérez whose defiant tone is indicative of the situation of open rebellion dominating Venezuela. The rebel leaders insisted, "We have not asked for, nor would we accept your pardon, since coming from you, we think it would not be dignifying in the least. . . . You can be certain that our prestige grows daily in the population. . . . Mr. President, in the face of the disaster into which the errors of your government have sunk the country, we are sure that it is not we who should be pardoned."

International Intelligence

Colombian court curbs TV sex, violence

A court in Baranquilla, Colombia has banned all television programming showing violence or explicit sex during daytime hours on the country's two major state-owned television channels, UPI reported on March 31.

The court decision was based on a suit filed by a housewife who claimed that her children were being adversely affected by television. The judge ruled that daytime television was endangering the children, and ruled to limit the hours such programming is allowed.

Communications Minister William Jaramillo has said he will appeal the decision, and the executives of the major stations are hysterical. Mauricio Calle, head of the powerful RCN communications conglomerate, shrieked that "the judgment is subjective, because every Colombian has a different view of violence and sex." If the court decision is upheld, he warned, "it is going to be very difficult to do television in Colombia."

Colombian Sen. Gabriel Melo recently completed a survey which showed that in just one weekend, television programs included 142 violent deaths, 21 kidnappings, 12 terrorist attacks, 26 tortures, 114 fights, 232 assaults, 21 car bombings, and 81 shootouts.

A former cocaine cartel hitman who recently surrendered to the government said on a news program that violent movies had been his "best tutors" in methods of crime and killing.

Asian nations demand fairness on human rights

Forty-seven Asian nations, in a declaration prepared at a meeting in Bangkok, Thailand to prepare for the World Conference on Human Rights, recommended that efforts "toward the creation of uniform international human rights norms must go hand in hand with endeavors to work toward a just and fair world economic order."

The declaration, released early in April, urges that "national institutions" play an "important role" in promoting human rights, and that the establishment of such institutions is "best left for the states to decide." The declaration says that the delegates "discourage any attempt to use human rights as a conditionality for extending aid development assistance" and "emphasize the principles of respect for national sovereignty and territorial integrity as well as non-interference in the internal affairs of states, and the non-use of human rights as an instrument of political pressure."

Amnesty International denounced the declaration as "a step backward for human rights protection." "The attitude of many Asian governments is deeply disappointing, especially when compared with that of the governments of Latin America, the Caribbean and Africa," the group said.

The goal of the conference was to prepare a common position for the World Conference on Human Rights that will be held in Vienna in June.

Wiesenthal defends Serbian genocide

Simon Wiesenthal, the widely publicized "Nazi-hunter," defended Serbia's genocide against its neighbors, in an interview with the Italian daily *Corriere della Sera* published on April 1.

"We know of the crimes of the Serbs in Bosnia," he said. "But we forget that the first refugees of the war were Serbs; 40,000 were forced to leave Croatia, when on Dec. 22, 1990 this country decided to proclaim that the Serbs were an ethnic minority. This shows that the Croats were the first, before the Serbs, to evince an exaggerated nationalism. . . . The synagogues and Orthodox churches were set on fire, a Jewish cemetery was profaned."

He was asked: "If Serbia is a Bolshevik state, is Croatia to be defined as a fascist state?" Wiesenthal answered: "Exactly. It is enough to read the anti-Semitic writings of President Franjo Tudjman to be convinced of that. Is it not the case that Israel has re-

fused to have diplomatic relations with Croatia? There is no Israeli embassy in Zagreb. It is also the case that Germany, Austria, and the Vatican were the first to recognize the independence of Croatia. . . . I am worried that Croatia will transform itself into a satellite of Germany, as the Serbs today depend again on Russia."

Wiesenthal said that it would be impossible to hold a "Nuremberg" trial for the Balkans, because "from a military point of view, this is a civil war," and because if there are Serbian war criminals, there are also Croatian war criminals, as well as Bosnians who have committed atrocities.

Algeria blames Iran, Sudan for unrest

The Algerian government severed diplomatic ties with Iran and recalled its envoy to Sudan on March 24, saying both countries had interfered in its internal affairs and supported Muslim fundamentalists against the country's military-backed rulers.

The Algerian presidency, in a statement carried by the official news agency APS, said: "Analyzing the international situation and particularly the interference of certain countries in Algeria's internal affairs, as well as their declared support for terrorism, the High Committee of State has decided to break diplomatic relations with Iran and recall our ambassador to Sudan."

State television quoted a Foreign Ministry spokesman: "This decision comes after the multiplication of actions showing the intervention of official Iranian milieu in the internal affairs of Algeria." The aims of this policy "were not only to destabilize Algeria but the whole of the Muslim world and to undermine the image of Islam in the world." The spokesman was quoted as saying that Algeria's ambassador in Khartoum was being recalled "because of the support of this country for terrorist activities."

In response, the Iranian Foreign Ministry termed the decision "irrational," and said it "has been taken on the basis of a false and hasty analysis of the internal situation in Algeria." An official at the Sudanese For-

ign Ministry "expressed Sudan's regret over this Algerian move, coming as it did at a time when Sudan was making constant efforts toward bringing about Arab solidarity and restoring unity and solidarity among Arab states, including Algeria."

British TV seeks to rehabilitate Judas

An Eastertime British television broadcast is seeking to rehabilitate the image of Judas Iscariot, according to a preview of the show published in the London *Times* on April 6. The psychological warfare "comedy" is called "Sorry Judas," and was produced by Howard Jacobson, who attacks the Christianity of St. Paul, upholds gnosticism, and ends up calling for the "canonization" of Judas.

The *Times* writes that Jacobson "is partly seeking to redress old wrongs, but also reviving a venerable 'secret' tradition. In the early centuries of the Church there were Gnostics for whom Judas's betrayal of Christ was a divine mission (since it opened up the path to salvation), and the man himself a hero or a sacrificial victim rather than a villain."

Japan is worried about Russian military presence

The Japanese Foreign Ministry called the Russian military presence in the Pacific "a factor of instability concerning the security of the region," in its annual Foreign Ministry Blue Book, Agence France Presse reported on April 3. The document cited Russia's deployment of sophisticated military equipment in the Asia-Pacific region, and said that Russia's growing weapons exports and its plans for the continued use of naval installations at Cam Ranh Bay in Vietnam were a cause for concern.

The report also called for scrutiny of China's military modernization program, including its purchases from Russia, and

noted "regional concern" with the Chinese military buildup. This is unusual, because Japan is generally reluctant to comment on Chinese military affairs, because of its brutal 13-year invasion and war against the Republic of China in the 1930s and '40s.

The Blue Book also noted reports that North Korea was building a missile with a 1,000-kilometer range that could strike Japan.

The Foreign Ministry pledged a continued Japanese contribution of troops to U.N. "peacekeeping" operations, but said it would be "necessary for Japan to have a serious debate on what our country should do on the basis of new developments in the international situation after three years."

Heads roll in China's provincial governments

The leadership of almost every province in China has been purged in the last few months, *China Aktuell* documents. Most of the changes have been in the ranks of provincial vice-governors, or chairmen of the provincial People's Congresses, but the governors of Gansu, Guizhou, Hainan, Hubei, Shanxi, Sichuan, and Zhejiang, along with the Communist Party secretaries of Hainan and Hebei provinces, also changed.

These changes were made at approximately the same time that the biggest military purge in Communist Chinese history was taking place. The period also led into the National People's Congress session, which ran for the last half of March and oversaw the ouster of the last of China's "Long Marchers" from office, with the removal of President Yang Shangkun and National People's Congress chairman Wan Li. However, the "Gang of Ancients" still wields power from behind the scenes.

Altogether, over January and February 1993, a full 78 provincial leaders were removed from their posts, and three, including Beijing Mayor Chen Xitong, were promoted to higher national or provincial positions. Almost every province was affected, along with the big municipalities of Beijing and Shanghai.

● **LORD DAVID OWEN**, widely known as "Lord Death," warned European Community foreign ministers April 5 that Washington's suggestion that arms might be allowed through to Bosnia could lead to a dangerous escalation in the "civil war." "My view has always been that the 'fight-it-out strategy' is not the diplomatic solution. It is the counsel of despair," he said.

● **JAPANESE** Foreign Minister Micho Watanabe resigned suddenly, citing health reasons, on April 6. While he has been ill for some time, it is notable that the resignation took place one week before the Group of Seven meeting on aid to Russia. Watanabe has been one of the strongest opponents of Japanese aid to Russia. He was to have co-chaired the G-7 meeting.

● **PERU AND PANAMA** have been readmitted to the Group of Eight Ibero-American nations, also known as the Rio Group. Panama had been expelled during the regime of Gen. Manuel Noriega, and Peru was suspended last year. Venezuela's President Carlos Andrés Pérez, who has led the charge to isolate Peru diplomatically, said that "we must not look to the past."

● **MAKEDONIJA** was admitted to the United Nations on April 8, following more than a year of disputes with Greece over the its name and flag, which Greece claims imply territorial claims on the northern Greek province of Macedonia. The new state will be referred to as "The Former Yugoslav Republic of Makedonija," pending a final settlement in the region.

● **SOCIAL UPHEAVAL** looms in China, according to *Xinhua Digest*, an official magazine in Beijing. "Feelings of dissatisfaction in society are increasing. . . and the possibility of strikes, disturbances, chaos in certain regions, and occurrences which shake the nation are very likely," said the article.

Distortion of China's past threatens reformers today

by Michael O. Billington

Dragon Lady, The Life and Legend of the Last Empress of China

by Sterling Seagrave

Alfred A. Knopf, New York, 1992

601, hardbound, \$30

The Immobile Empire

by Alain Peyrefitte

Alfred A. Knopf, New York, 1992

624, hardbound, \$30

These two popular histories are not particularly worth reading, but are interesting due to the political significance of their publication at this time. Alain Peyrefitte, a Frenchman, and Sterling Seagrave, an American, are both devoted Anglophiles, who believe that Britain attempted out of goodwill and charity to save China from its own self-destruction. *The Immobile Empire* by Peyrefitte is a detailed documentation of the British effort in 1793 to convince the Ch'ing (Manchu) Dynasty to extend full diplomatic and trading rights to the British opium dealers. *Dragon Lady* by Seagrave covers the last half-century of the Ch'ing, following the 1840-60 Opium Wars, in which the British won by force what they had been refused diplomatically. With the current decrepit Chinese Communist Party (CPC) regime threatened with internal convulsions which could end the Maoist dynasty forever, there is a clear intent in these books, only partially stated, to draw a parallel between the CPC and the degenerate last years of

the Ch'ing Dynasty, arguing that the dynasty, and China in general, would have survived if they had accepted British tutelage earlier and more completely—and by implication, that China must now accept the tutelage of the Anglo-American bankers and the International Monetary Fund.

The Enlightenment goes to China

The Immobile Empire is, nonetheless, quite readable. It provides a fascinating view of 18th-century China (and of British perfidy) through the eyes of those who journeyed to Peking on the failed "MacCartney Mission" of 1793, drawing on numerous previously unpublished diaries and reports from the mission. Peyrefitte personally identifies with Lord MacCartney, a rising star in the imperial order who had been tutored by, among others, Rousseau and Voltaire. Peyrefitte says: "This was the century of Enlightenment, and MacCartney was absorbing its photons at the very source." Also on the trip was Sir Thomas Staunton, whose 12-year-old son, Thomas, Jr., learned Chinese on the voyage and served as interpreter. Young Thomas was to go on to become the senior official of the British East India Company, as well as, nearly 50 years after his first visit to China, the leading spokesman for the policy of militarily crushing China's resistance to British opium sales, precipitating the first Opium War in 1840.

Despite Peyrefitte's praise for MacCartney and Staunton (they were men of "deep-seated humanism," *ad nauseam*), the true intentions of the mission are clearly demonstrated in the journals he quotes at length. China was to be subjugated as India was, either by threat or by force, with opium as the primary weapon. Throughout his journals MacCartney profiles the weakness of the Chinese defenses and proposes military operations if the emperor were to reject Britain's

demands: "If the Court of Peking is not really sincere, can they possibly expect to feed us long with promises? Can they be ignorant that a couple of English frigates . . . in half a summer could totally destroy all the navigation of their coasts and reduce the inhabitants of the maritime provinces . . . to absolute famine?"

MacCartney speculated that such an operation should be coupled with: 1) encouragement to Korea and Formosa to seek independence; 2) the use of India as a "base from which to foment trouble in Tibet"; and 3) the use of force to seize Macao from the Portuguese or seize another area as a British base of operations assuring British control of trade and political dominance over a divided China. He also provided intelligence reports on "certain mysterious societies in every province who are known to be disaffected," which he proposed could be used to British advantage against Peking. Sixty years later the British sponsored just such a revolt, the Taiping Rebellion, which, together with direct British military operations, subjugated China to British rule, while wasting 50 million Chinese lives.

The British policy of destroying the political and physical economies of subject nations in order to control them could not be more clearly expressed than this entry in MacCartney's journal: "Breaking up the power of China . . . would occasion a complete subversion of the commerce, not only of Asia, but a very sensible change in the other quarters of the world. The industry and ingenuity of the Chinese would be checked and enfeebled, but they would not be annihilated. Her ports could no longer be barricaded. . . . For some time there would be much rivalry and disorder. Nevertheless, as Great Britain, from the weight of her riches and the genius and spirit of her people, is become the first political, marine, and commercial power on the globe, it is reasonable to think that she would prove the greatest gainer by such a revolution as I have alluded to, and rise superior over every competitor."

Author Peyrefitte's personal view of the Chinese is perhaps even more degraded than was MacCartney's, which helps to explain how this former French minister (including the National Education in 1968 and Justice portfolios in 1977-81), career diplomat, and historian could so totally embrace the overtly evil British imperial policy. Referring to the treaties which were imposed after the Opium Wars (which included the right to sell opium throughout China; which set indemnities for the Chinese to pay for the costs of British military operations, as well as the lost income from confiscated opium; and which seized territory and gave the British immunity from Chinese laws), Peyrefitte says: "The treaties replaced the inequality of forces with the last rule of law halting the destructive logic of unequal combat in favor of the peaceful logic of relations between equals. . . . [The treaties] overturned their entire view of life, imposing rationality upon them and wrenching them away from magical thought."

Peyrefitte reveals the source of this distorted view of

reality by referencing his own adherence to the perverted psychiatric doctrines of Sigmund Freud and Erich Fromm. Based on these Frankfurt School ideologues, he suggests that the Chinese use of human excrement for fertilizer has caused the permanent insanity of the Chinese!

He asks rhetorically: "Has the virtually religious use of excrement, gathered as precious instead of rejected and shameful, century after century, damaged the psyche of the Chinese to the point of perpetuating inhibiting neurosis?"

Peyrefitte is a longstanding China hand, who reports that in 1971 he "led the first official western mission granted to the People's Republic since the outbreak of the Cultural Revolution." Throughout the book he repeatedly emphasizes what he perceives to be "the strange similarities between the Maoist state and the one MacCartney had confronted." Each time one of MacCartney's entourage reports on some aspect of Chinese culture or practice which is considered to be primitive, Peyrefitte tacks on the comment that this is the way things still are in China today. He would appear to believe that he is a modern-day MacCartney, bringing the truth to China, which Chinese can ignore at their peril.

A defense of British imperialism

Dragon Lady also contains a fair amount of detailed research, especially on the Boxer War of 1900. But it is too infested with Seagrave's prejudices and cynical style to be of any value. His use of hyperbole and sarcastic characterizations to convey his political invective toward the Chinese is enough to repel any but the most amoral yuppie. His previous "bestseller," *The Soong Dynasty*, was a fantastical portrait of Chiang Kai-shek as a totally corrupt, sexually depraved, drug-running oppressor of China, and was completely devoid of any analysis of Chiang's economic, social, or political policies, in favor of treating rumor and gossip as "known facts." *The Dragon Lady* follows the same tradition.

The theme of the book is a retelling of the famous case of Sir Edmund Backhouse, the homosexual, self-made China scholar whose 1910 pornographic biography of the recently deceased Tzu Hsi, the Dowager Empress of China for 48 years, was exposed in 1976 by British historian Hugh Trevor-Roper as a fraud. Backhouse had also been the source of the London *Times* reports following the Boxer fiasco in 1900 that Tzu Hsi was the demonic, murderous, sexually perverse power responsible for all evil in China. Seagrave claims to be lending support to Trevor-Roper's exposé through further research. But what emerges is a glib account of developments in the essentially colorized nation of China after the Opium Wars, portraying the British "governor-general" Robert Hart (who ran China's economy on behalf of the City of London and the Hong Kong and Shanghai opium cartels) as the only sincere, well-meaning character in all of China—Chinese or foreign. Much of the book comes directly from Hart's memoirs. Only those in the court who totally supported Hart and British rule generally are portrayed as "reasonable."

The primary target of Seagrave's attack is the "Ironhats." (Seagrave has a gimmick of finding—or inventing—nicknames for his enemies which convey his intended characterizations, and then referring to them by these labels exclusively.) This referred to the faction in the court and the military that wanted to resist the escalating foreign control over China. While it is true that some in this faction sponsored or tolerated the emergence of anti-foreign populism and the anti-Christian hysteria (which brought carnage to both foreign and Chinese Christians during the Boxer outbreak), there is *no* effort to probe the alternatives to Robert Hart's reign of "beneficent" looting of China. In Seagrave's story, these "Ironhats" are the monsters who did all the ill deeds falsely blamed on the rather innocent and naive Empress Dowager.

Unlike Peyrefitte, Seagrave does not constantly add, "It's the same still today." But his hatred toward the policy of China's republicans, as expressed in his previous venom against Chiang Kai-shek, makes one assume that his message is that today's Emperor Deng Xiaoping, as well as any reformers who may replace his tottering regime, would be well advised to follow the dictates of Robert Hart's descendants at the International Monetary Fund (IMF), who are picking China clean today in the tradition of their 19th-century mentor.

Kang Hsi

In view of the malicious intent of both these books, it is tempting to take the defense of the authors' targets, Ch'ing Emperor Chien Lung in the 1790s and the so-called Ironhats a century later. However, it is true that the Ch'ing Dynasty was in the process of decay when the British arrived in the late 18th-century, and, after another century of British genocide and barbarism, the regime was even more rotten. But both authors relinquish their right to complain against these regimes by lying about the cause of that degeneracy—the sabotage (primarily by Enlightenment forces in the West) of the nearly successful alliance between the Christian missionaries of the 17th century and the China of Chien Lung's grandfather, Emperor Kang Hsi. This alliance had been based on the recognition by the missionaries that Confucianism constituted a moral tradition which was coherent with Christianity, together with the open embrace by Kang Hsi of the scientific and moral teachings of the Christian Renaissance.

Our two authors not only ignore this great historical development, but also turn it on its head. Seagrave denounces the early Ch'ing leaders, including Kang Hsi, as "gypsies" who ran China with a "reign of terror that never ended." In typical Seagrave verbosity and glib misrepresentation, he writes: "In these borrowed palaces the Manchu had gorged, splurged, and squandered until—sometime during the last years of the prodigal Emperor Chien Lung—it was all gone except the hangover."

Peyrefitte compares the entire Ch'ing Dynasty to the Maoist period, only with "Mao Zedong Thought standing in for Confucius Thought, the Little Red Book for Kang Hsi's Sacred Edit." He accused the Jesuit missionaries and Leibniz, who conveyed to all of Europe the extraordinary developments in China in the 17th century, of outright lies, aimed only at ingratiating themselves with the Chinese rulers. MacCartney's team, he claimed, "set about to destroy this myth irrevocably, denouncing the writings of the Catholic missionaries as pure fabrication. Instead they came to believe that the supposedly incomparable model was in fact fossilized by ritual and steeped in vanity." Showing his "free trade" proclivities, Peyrefitte complains that "Confucius never read Adam Smith."

A. Hammer: 'agent vliyana' for Trust's new world order

by Denise M. Henderson

The Dark Side of Power: The Real Armand Hammer

by Carl Blumay with Henry Edwards
Simon and Schuster, New York, 1992
494 pages, hardbound, \$25

At the end of *The Dark Side of Power* co-authors Carl Blumay and Henry Edwards write that Armand Hammer "had spent a lifetime creating himself and he was, indeed, a unique creation. . . . He chose to act the part of a great man. And when his performance came to an end, the only thing he left behind was an empty stage."

Although I would have to agree that Hammer was not a great man in the sense of a Leonardo da Vinci (whose works he collected) or an Abraham Lincoln, it is absolutely the case that Hammer was not "acting," i.e., was not merely the creation of his public relations man, Carl Blumay, who worked under Hammer's direction at Occidental Petroleum from 1955 to 1980. And the stage is certainly not "empty." The *tabula rasa* theory of human history—that when we are born, our minds are blank, to be written upon by our five senses and what they perceive and that when we die, it signifies nothing—is simply false; and in the case of Armand Hammer, the stage is strewn with the wreckage—including corpses—created by his activity during his 91 years.

Many of Armand Hammer's crimes against humanity were detailed by *Executive Intelligence Review* in a feature report ("Armand Hammer: Soviet 'Fixer' from Lenin to the Present," Sept. 6, 1985, Vol. 12, No. 35). However, given that Blumay focuses primarily on Hammer's personal life and how Hammer both used and disposed of people at will and chooses to explain Hammer's life as more illusion than substance, it is important to remind Americans who Hammer was, and that his actions had—and to this day continue to have—consequences for humanity.

According to Blumay and Edwards, when the KGB opened its files to the West in 1991, "Hammer was identified in the counterintelligence records as an *agent vliyana*, an agent of influence for the Soviet government" (emphasis in original). But what sort of an agent of influence? Who benefited from Hammer's activities?

To focus on the best-known and most significant aspect of Hammer's career: From at least 1921 until his death in 1990, Hammer operated as a back channel for the one-world condominium known as the Trust, which is comprised of a grouping of members of the Anglo-American elite and their Soviet counterparts who, up to Mikhail Gorbachov's last days, sought to establish a "new world order" based on a series of agreements between the two superpowers to prohibit economic and technological progress for the developing nations, with the superpowers becoming the policemen of the world. Today, the Trust has regrouped around the savage war it has unleashed in the Balkans.

Hammer's role in the Trust?

Hammer is most often described as "the man who knew Lenin," because in 1921, Hammer and Lenin agreed that Hammer would set up the first concession to be granted to a "western businessman" in the Soviet Union. The irony in this, of course, is that Hammer was acting on behalf of, not some group of capitalist investors, but of his father, Julius, one of the founders of the Communist Party of the United States of America, who had been convicted and was in prison in the United States after botching an abortion in which the woman died. Hammer was to be the willing bait by which other western capitalists, such as Henry Ford, were encouraged to invest in the Soviet Union. As Armand's brother Victor told Blumay, "Armand contacted companies across the U.S., saying that he was Ford's representative and describing the Soviet concession system in glowing terms. . . . Part of Armand's job was to set up an exchange program and get Soviet engineers into the U.S. to study American industry. Most were spies who were trained to steal industrial secrets, and he even got them into the Ford tractor factories."

In fact, this is confirmed by a letter written by Lenin at the end of his life to Stalin, in which Lenin wrote: "On the basis of information from Comrade Reinstein, I am giving Armand Hammer and B. Mishel special recommendations from me and I ask all members of the Central Committee to

fully support these persons and their enterprise. This is a small road to the American 'business' world and we must do everything possible to utilize this path. If you have any objections, I ask that you inform my secretary by telephone . . . so that I can clear up any matters (and carry them through the Politburo in final form) before my departure, that is immediately.—LENIN"

Armand and his brother Victor, who had close ties to the KGB, were also engaged in funneling hard currency into the Soviet Union. A 1932 State Department memorandum, declassified in the 1980s, reported, "With reference to previous correspondence regarding Julius Hammer and Messrs. Armand Hammer and Company, the authorities here have received a report from the Baltic that Armand Julievich Hammer and Victor Julievich Hammer, who also calls himself Vyer, both continue to carry out secret missions for the Soviet government and travel between the United States and Europe for that purpose. It is further stated that they are frequently accompanied by a woman, Olga Vadina, said to be an OGPU [forerunner of the KGB] agent, and who was allowed to leave Russia for the purpose of helping them."

When the Hammers were forced to sell their businesses in the Soviet Union in 1930, they were given in exchange Romanov art treasures; the proceeds from some of these treasures were funneled back to the Soviets.

When Josef Stalin came to power, he closed down the back channel which Hammer represented and purged most of the Russian component of the Trust. It wasn't until after Stalin's death in 1953 that Hammer was again able to become directly involved with the Soviet Union. In the meantime, Hammer, always eager for a "business opportunity," linked up with the bootleggers during Prohibition in America, thereby setting up a series of organized-crime connections which in turn gave him entree into the drug mafia. Those ties also lasted until his death.

Beginning in the late 1950s and through the John Kennedy administration, Hammer again tried to parlay his connections to the Soviets into a back channel. The administration was not buying, although Hammer managed to open up certain doors through Elliott Roosevelt, who was strapped for cash and used Hammer's art galleries and other connections to help himself out of a jam.

In the meantime, Hammer's Occidental Petroleum had become a major oil company in Libya. Hammer could not have done so without high-level help from both the Russians and especially of highly placed British lords, Occidental played a key role in driving energy prices up at the end of the 1960s. Occidental was the first company to capitulate to Qaddafi's demands for 40¢ more per barrel of oil; as *Forbes* magazine wrote at the time, "It was the beginning of the end of cheap energy. . . . In retrospect, Oxy's Libyan settlement may have been the most important single event since the end of World War II—and one that marked a turning point for the modern world. Hammer had saved his Libyan concession

at a terrible price to the industrial world. But he did so at remarkably little cost to himself.”

And, as *EIR* pointed out, Occidental’s capitulation occurred only after Hammer “may have turned to the Soviets for help; message traffic from the Soviet embassy in Tripoli showed that the Kremlin was following every turn of the sensitive negotiations.”

With the election of Jimmy Carter in 1976, Hammer’s role as a back channel to the Soviets began in earnest.

Although it seemed in 1980, that the Reagan administration would have nothing to do with Hammer, in fact, as *EIR* reported at the time, the administration had a “schizophrenic” view toward Hammer, which had a lot to do with the fact that different factions inside the administration had different ideas about how to deal with the Soviets. When on March 23, 1983, President Reagan announced his Strategic Defense Initiative and offered a joint deployment of the SDI to the Soviets, the Soviets immediately set into motion every asset they had to stop Reagan’s commitment to the SDI.

The decision to use Hammer as a back channel came as a result of a series of machinations by then-Israeli Prime Minister Shimon Peres, who announced in January 1985 that Hammer was acting as a go-between for Moscow and Jerusalem. “We approached the Kremlin on the 40th anniversary of their victory over the Nazis through the American Jew, Armand Hammer, who was a friend of Lenin,” reported Peres. “The answer we got, and I quote, ‘The matter of Israel depends on the relationship of the Soviet Union and the United States.’ ”

Subsequently, Hammer was utilized as a back channel to pull off the Geneva Summit of November 1985, an attempt by Mikhail Gorbachov to get Reagan to back down from the SDI, which culminated with the Reykjavik Summit of October 1986. Hammer was involved in negotiations to release American journalist Nicholas Daniloff. After a series of negotiations, Daniloff was released in exchange for a Soviet accused of spying in the United States. “Simultaneously,” write Blumay and Edwards, “the United States made the surprising announcement that Reagan and Gorbachov would participate in a mini-summit in Reykjavik, Iceland, on October 10 and 11.”

Hammer throughout his life was, through various members of the Board of Directors of Occidental Petroleum, tied into the Anglo-American establishment and its operatives such as Henry Kissinger. The list of Oxy directors is mind-boggling: everyone from Robert Abboud to the media operative John Kluge was on Occidental’s board. Most of the operations he ran, while on the surface seeming to benefit the Soviet Union, actually had the intent of *controlling* both the Soviet and U.S. side, and preventing them each from perceiving where their actual state interests lay.

Yet Carl Blumay does not seem to “get it.” Although he details the amoral way in which Hammer treated his friends, his relatives (Hammer probably allowed his devoted last

wife, Frances, to die needlessly), and anyone who crossed his path, he insists on treating Hammer as a single individual with some delusions of grandeur and some influence in the world. In particular, Blumay chooses to downplay Hammer’s ties into the British Crown, specifically, his relationship to Prince Charles, who once referred to Hammer as his “guru.” Charles was first introduced to Hammer by Lord Louis Mountbatten, who had many back-channel ties with Soviet intelligence, including through the Trust-sponsored Pugwash Conferences. Blumay instead has chosen to make Hammer appear as a glad-hander for the Soviets whose public image would have suffered without his PR man’s ministrations.

The Love Canal story

It is also interesting to note, that one of the biggest bad publicity stories which Blumay urged Hammer to fight, was the allegation of environmental damage around Love Canal. Blumay repeats what is known today, that Hooker Chemicals—which Occidental had not acquired until 1968—had “made it clear when it sold Love Canal . . . to the Niagara Falls Board of Education in 1953 that hazardous wastes were buried there and that it would assume no risk or liability for anything that might happen”; as well, Blumay knew that most of the charges against Hooker were false. But Hammer refused to fight. Occidental’s failure to fight on Love Canal, led to a series of environmental measures which resulted in what is called today SuperFund—legislation which ties the hands of most major U.S. corporations. One of the sponsors of SuperFund was none other than Al Gore, Jr.—whose father was on the board of Occidental and to whom Hammer had “given,” as a sort of payment in kind, the management of one of the dirtiest coal companies in the United States, Island Creek Coal Co.

Blumay’s contention that Hammer’s life today amounts to an “empty stage” ignores the fact that the Hammer Foundation still exists. While it is not controlled by Hammer’s immediate family (Hammer’s son has had many run-ins with the law, including being suspected of murder or assault with a deadly weapon many times, and his stepson has been exposed as tainted by drug dealing), it still functions; nor can it be ignored that Hammer’s posthumous holdings still include some major art works by da Vinci including the codex of drawings called, “Of the Nature, Weight, and Movement of Water.” Too, Hammer’s foundation contributes to cancer research, and Hammer had a wing of Columbia University Hospital named after him.

But that is nothing compared to the fact that the networks with which he worked—most notably including Henry Kissinger and past and present members of Kissinger Associates—for so many years, the core of the East-West condominium, remains intact to this day. Far from being dismantled, that network, which was forced to lie low for a few years, has now unleashed the horrors in the Balkans which could very well lead to World War III.

Entertainment and the Darwinian 'roots' of multiculturalism

by Denise M. Henderson

Ota Benga: The Pygmy in the Zoo

by Phillips Verner Bradford and Harvey Blume
St. Martin's Press, New York, 1992
281 pages, hardbound, \$22.95

This book should be required reading for anyone who still believes that the theories of Charles Darwin about the so-called origin of species have any claim to scientific validity, whether in their original form or in the currently fashionable sanitized versions. In the United States, the early 1900s became the last gasp of the generation which had either fought in or lived through the Civil War; only 35 years after the "War of the Rebellion," although many Americans still remembered the values that President Abraham Lincoln and their own fathers had represented, a new "culture" was on the rise. That "culture" included everything from so-called "popular" spectacles to the transformation of ethnology, once considered a crackpot ideology, into anthropology and Darwinism—still a crackpot ideology science, but one that was beginning to gain acceptance as a "science" among certain universities, particularly in New York and Chicago.

The assassination of President McKinley in 1901 aided in the transformation of values in the United States under the "New Age" President Theodore Roosevelt, a blatant racist who encouraged the degradation of the non-Anglo-Saxon "races," and whose personal style could only be described as brutish.

There had already risen in late-19th-century America, before the movies and television, magic lantern shows (some of which had the characteristics of a primitive movie), expositions and fairs, and "freak shows." There were many such shows available at any given time in medium and large U.S. cities. Co-existing with these "entertainments" were vaudeville (in which black-faced "minstrel singers" appeared) and circuses.

Thus post-Civil War America was already being flooded with a pseudo-culture (today designated "popular" culture) which, wittingly or not, began to implant a baser concept of man than that which had impelled the Founding Fathers to declare, "We hold these truths to be self-evident, that all men

are created equal."

The theme of many of these fairs and expositions, after the pro-technology 1876 Centennial Exhibition in Philadelphia, were more and more "new age" or "multicultural," but emphasizing as well the supposed "natural superiority" of the white race. The 1892 Columbus Exposition in Chicago, for example, was one of the first to include exhibitions of human beings from all parts of the globe. Madame Helena Blavatsky, the founder of the irrationalist Theosophical Movement was present; so were swamis and gurus from India, all with their alternative lifestyles, cultures, and religions.

The theme of that exposition was carried to new heights of sensationalism in 1904 at the St. Louis Louisiana Purchase Centennial Exhibition, which took place just one year after TR had taken the presidential office. This exhibition, mixing the theme of Darwinism with just plain "freak-show" sensationalism, announced that it was going to put on display a *living exhibition* of mankind, from the "lowliest" form of humanoid evolved from the ape—the pygmy—to the "highest,"—the "giant" Patagonian Indians. "A New Orleans paper pointed out that pygmies and other guests of the Anthropology Department were to be subjected to tests of 'power of acuteness of vision, delicateness of hearing, sensitiveness to touch and temperature, quickness of response to sense impressions, etc.'" The result would be a statistical method of distinguishing 'the savage from the enlightened man,' a numerical index of 'what may be called the citizen value of an individual,' report authors Bradford and Blume.

Col. William McGee, the head of the Anthropology Department of the Louisiana Exposition, as a conscious defender of Darwinism, retained Samuel Verner, who had been a missionary for several years in Africa, to bring back "One Pygmy Patriarch or chief, One adult woman, preferably his wife . . . Two infants, of women in the expedition" and "Four more Pygmies, preferably adult but young, including a priestess and a priest, or medicine doctors, preferably old," from the Congo Free State which was then under the personal rule of King Leopold II of Belgium, who was known for his brutalization of Africans in his pursuit for more and more of Africa's wealth—be it in the form of rubber, diamonds, copper, or other raw materials.

Samuel Verner, who had gone to the Congo in 1896 after

barely recovering from a nervous breakdown, eagerly offered his services, for a price, to carry out this mission. During his first visit, Verner had taught himself the pygmies' language and had been made a brother of the Batwa tribe's chief, Ndombe. He had also contracted malaria.

Unlike most other missionaries to the Congo, Verner had managed not to alienate the murderous King Leopold, and thus knew he could return to the Congo without fear of reprisal. (It is perhaps no surprise that Verner sided with Leopold and other international financial cartels throughout his life; during his breakdown in 1892, he believed he was a "Hapsburg Emperor"—Maximilian of Mexico, perhaps? Later in his life, Leopold would refuse Verner entry into the Congo on the grounds that "he knew too much," probably about Leopold's murderous labor practices.)

As Verner's first acquisition for McGee, he purchased the pygmy Ota Benga, whose tribe, including his wife and children, had been slaughtered by Leopold's Force Publique, from slave traders.

Ota Benga tells the story of what happened to one pygmy, whom Verner apparently first fantasized would be "His Man Friday" à la Daniel Defoe's *Robinson Crusoe*. The sections

of the book dealing with Ota are unsatisfactory, mainly because they are conjecture: Whereas there are several published sources on Verner, (including a memoir which Verner addressed to an unknown future relative and left in the care of New York City's Museum of Natural History until his grandson, Phillips Verner Bradford, showed up to investigate him), the authors can only speculate on how and what Ota was thinking. Ota never left a memoir, nary a letter; therefore, we are left with the authors putting words and thoughts into his long-gone mind.

Torment and mockery

Of Verner, however, and of turn-of-the-century America, we can learn a lot. It was a society attracted to spectacles; 18 million people passed through the St. Louis Exposition. They pulled and tugged at the pygmies, forced them out of their huts in the dead of winter, poked them, laughed at them, and treated them as if they were animals. They treated Geronimo, who had been reduced to selling bows and arrows, the same way, although his manner tended to intimidate.

When the St. Louis pygmies tried to assert their dignity

New York Times defends Bronx Zoo brutality

The appendix of Ota Benga includes a wealth of documentary correspondence and news articles. In 1906, when a group of black Baptist ministers protested Ota's being placed in a cage with apes and monkeys at the New York Zoological Garden in the Bronx, the New York Times editorialized that September:

Mr. Hornaday [director of the Zoological Society] seems to have been little disturbed by the indignant comments which his exhibition of an African homunculus [sic] in rather close association with his big monkeys has excited, but the chances are that he will soon find it judicious to heed them and close this part of his show. . . . To be sure, the expressions of horror and rage are sometimes laboriously emitted, and they are justified by eloquence which deals little with fact and much with fancy, but there is some sincerity in it all, and we do not know of any measurable benefits to science that will accrue from the continued display of Ota Benga as the playmate of an orang-outang. . . .

It is amusing to note that one reverend colored brother objects to this curious exhibition on the ground that it is an impious effort to lend credibility to Darwin's dreadful

theories. To find that there are still alive those who do not accept the greatest of generalizations as a matter of course is now almost as startling as it was in our grandfather's day to find any respectable person who did. The reverend colored brother should be told that evolution, in one form or another, is now taught in the text books of all the schools, and that it is no more debatable than the multiplication table.

The New York Journal of Sept. 17, on the other hand, wrote:

The gentlemen in charge of the Zoological Garden . . . have been exhibiting in a cage of monkeys, a small human dwarf from Africa.

Their idea, probably, was to inculcate some profound lesson in evolution.

As a matter of fact, the only result achieved has been to hold up to scorn the African race, which deserves at least sympathy and kindness from the whites of this country, after all the brutality it has suffered here. . . .

It is shameful and disgusting that the misfortune, the physical deficiency, of a human being, created by the same Force that put us all here and endowed with the same feelings and the same soul, should be locked in a cage with monkeys and made a public mockery . . . and this newspaper indorses most earnestly the action of clergymen and others of the Afro-American race in protesting so vigorously against it.

as best they knew how, they were denounced in the press as “savages,” “cannibals”; the same scenes were repeated when Ota was tricked into the Monkey House to become a live human exhibit at the Bronx Zoo in 1906. At the zoo, where Ota was exhibited alone, Director Michael Hornaday—who had close ties to the anthropology mafia at Columbia University and the Museum of Natural History—even ordered that bones be scattered in Ota’s cage (to which he was confined when he became angry about his treatment at the hands of spectators), to give him a more savage aspect.

In this P.T. Barnum context, the reader can only respect a group of African-American Baptist ministers led by Rev. James H. Gordon, who took on, without any help from New York City’s white liberals (even the mayor chose to abstain), the Bronx Zoo and by implication the anthropology mafia, including Henry Fairfield Osborn, a prominent eugenicist and founder of the Nazi race science movement. It was their decision to intervene on Ota’s behalf which forced Hornaday to back down from his exhibition of Ota: Ota standing next to an orangutan; Ota holding his “little brother” the chimpanzee; Ota shooting arrows; Ota “aping” the “superior” white people who gathered around to mock him.

The ministers succeeded in freeing Ota, who had been virtually abandoned by Verner at this point. Verner had accepted an offer to engage in research on malaria (he was a victim of its recurring symptoms) during the digging of the Panama Canal, under the supervision of Col. W.C. Gorgas. Ota had thus no “blood brothers” with whom to speak his own language. After several years at an orphanage in Brooklyn and on Long Island, he was shipped off to a seminary in Lynchburg, Virginia, where, although he was allowed to resume the ways of the pygmy hunter and had several protectors and friends, he committed suicide seven years later, in 1916.

One feature of Ota’s life, which is mentioned by Bradford and Blume over and over in a non-judgmental way, is that Ota’s (and that of his tribe in Africa) chief form of recreation was smoking bangi, i.e., marijuana. Ota brought plants and seeds with him from Africa, and planted them everywhere: at the orphanage, at the Bronx Zoo, in the forest on the outskirts of Lynchburg. The authors make no comment on this whatsoever, even though today it is well known that marijuana used over a long period of time produces mind-damaging effects which harm one’s ability to make moral judgments. Could Ota’s powers of reason have been dimmed by marijuana, thus making him more prone—alone as he was, barely able to get by in English—to suicide? Given the widespread acceptance of marijuana today, I think that this is a glaring defect in a book which otherwise fascinates and makes one wonder—not so much about pygmies—but: What is it in American culture that permits us to tolerate everything from a King Leopold’s “labor system” to the abuse of human beings on the grounds of “scientific study” or out-and-out racism?

The death of ‘Topsy’

Another interesting sidelight of *Ota Benga* is its description of the electrocution of Coney Island’s main attraction, its elephant Topsy, who had become a danger to the people it was supposed to entertain. The preplanned electrocution occurred in 1903, at just about the time when the electric chair was being introduced as a means of carrying out the death penalty. Could this spectacular means of disposing of an out-of-control elephant have been designed to publicize the supposed “benefits” of death by electrocution?

Verner lived to the age of 70, dying in 1943, which is why his grandson, Phillips Verner Bradford, was able to know him. Bradford recounts his grandfather telling him more than once “that no one, including me, gets to choose their parents.”

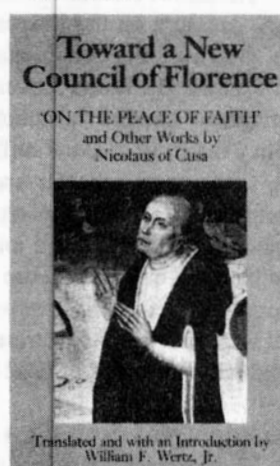
That is certainly true; and certainly imbedded within one’s family history, are cultural and political assumptions which are passed on from generation to generation. But an innate characteristic of human beings, is their ability to change—for the worse or for the better. One can only hope that Americans who read this book will reflect upon their own internal tendencies toward sensationalism and bestialism, which are manipulated and played upon daily by the One-Eyed Monster which inhabits almost every American family’s living room, television, and turn away from that, to recapture the powers of reason, invention, and creativity—powers which allow every man and woman to realize his or her humanity.

Toward a New Council of Florence

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Clinton's hairsbreadth chance for survival

by Webster G. Tarpley

During the final third of the Clinton administration's first 100 days in office, four policy divergences have opened between Clinton, on the one hand, and the "general line" of the Anglo-American financial oligarchy, on the other. None of these divergences is a yawning gulf; each is rather a hairsbreadth crack, but capable of widening into something bigger. If these hairline fractures expand, the Clinton administration may survive. If they are papered over, this administration is probably doomed to succumb to the paralysis and collapse that afflict most governments in the world at this juncture.

The points at issue are: 1) U.S. policy toward Bosnia; 2) U.S. pressure on the International Monetary Fund to relax the strict austerity conditionalities which have been imposed on Russia; 3) Clinton's overall promise (taking a leaf from economist Lyndon LaRouche's 1992 campaign economic policy book) to create 8 million jobs, and specifically Clinton's emergency jobs bill; and 4) the Russian proposal which, according to reliable reports, was placed on the table at the Vancouver summit for a joint U.S.-Russian experiment in antiballistic-missile defense using the new physical principles of directed energy weapons. This proposal has the potential to revive the U.S. Strategic Defense Initiative as it was originally presented in 1982 by LaRouche.

Bosnia arms embargo must be lifted

The arrogant bravado of the congeries of assassins calling itself "Bosnian Serb Parliament," in rejecting the appeasement offered by the Vance-Owen partition plan, has confronted Clinton with the fact that the United States no longer has even the semblance of a Bosnian policy. The policy of gingerly entering into the logic of Vance-Owen while

reserving the right to disagree on its details announced by Secretary of State Warren Christopher on Feb. 10 is no longer tenable, since the Vance-Owen plan no longer exists. The necessity here is to lift the arms embargo on Bosnia and Croatia, while ending the genocidal sieges of the main Bosnian cities by using NATO air power to destroy the Serbian artillery concentrations, air bases, and logistics bottlenecks inside Bosnia.

According to a leak published in *Newsweek*, during the last week of March, Clinton directed the Pentagon to increase contingency planning for possible U.S. airstrikes against precisely such Serbian positions inside Bosnia. According to the same report, visiting pro-Serbian geopolitician British Foreign Secretary Douglas Hurd objected to such U.S. planning in a meeting with Chairman of the Joint Chiefs of Staff Gen. Colin Powell at the Pentagon. NATO commander Gen. John Shalikashvili has also talked about shifting alliance aircraft to Italian bases where they would be optimally positioned to strike at the Serbs.

On March 30, the Clinton administration formally rejected a demand from Britain, France, and Spain for the U.N. Security Council to vote a formal and unqualified endorsement of the infamous Vance-Owen partition plan. The United States instead used tacit Russian support to obtain the passage of a U.N. Security Council resolution to finally provide enforcement of the no-fly zone against Serbian aircraft which had been in action most recently against the agonizing cities of eastern Bosnia. This was passed with China abstaining, and will begin to be enforced by the NATO command against both helicopters and fixed-wing aircraft on April 15. The United States is also pressing for a naval zone of exclusion

to be established by NATO vessels along the Serbian coast and Danube River.

These measures are in themselves totally inadequate to deal with the slaughter now being wrought on Bosnia, but something is moving. A key issue remains the lifting of the arms embargo against Croatia and Bosnia, the victims of Serbian aggression. Christopher has spoken of sounding out the other powers on how the embargo might be ended, and it is widely assumed that Bosnian President Alija Izetbegovic's signature on the Vance-Owen plan was predicated on U.S. assurances that the embargo would be lifted on Bosnia if the Serbs did not accept the Vance-Owen plan as well. That promise must now be fulfilled.

Milosevic's kiss of death

Clinton's strategists must realize that he will pay an awesome political price for accepting the role of the cringing Neville Chamberlain of Bosnia. Anthony Lewis asks in the *New York Times*, "Is there a limit to the shame President Clinton will feel without acting?" Worst of all for Clinton is that the chief Serbian butcher, Slobodan Milosevic, emboldened by U.S. passivity, has openly mocked the President. "I appreciate very much that the United States will not be the world policeman, to put everything in order in its own view," said Milosevic. "This administration is oriented to the essential problems of the United States and will not try to hide internal problems by opening international problems."

Clinton's response was alarmingly weak: "I've done everything that I know to do consistent with the possibilities we have for further action in the United Nations with our European allies and the members of the Security Council," he told reporters during a meeting with Egyptian President Hosni Mubarak. Clinton said that Milosevic was on a "charm offensive" and was trying to head off tighter economic sanctions. In reality, Milosevic laughs at sanctions.

It is said that Clinton's handlers are very much focused on his chances for reelection in 1996. If so, they should see that his exchange with Milosevic is a political kiss of death. Decisive air attacks on Serbia, with no U.S. ground troops required, must now lead the agenda.

The strategic challenge

On the International Monetary Fund and Russia, Christopher, in his Chicago speech, recognized that the current Russian upheaval represents "the greatest strategic challenge of our time." After that promising beginning, which appeared to dump George Bush's thesis that the collapse of Russia into civil war was in the U.S. national interest, the administration has urged the IMF to relax the draconian and impossible conditionalities which have blocked most economic inputs for Russia. The United States has requested debt rescheduling and other innovations from the mid-April meeting of the Group of Seven (G-7). One senior administration official commented that Clinton wants the IMF to deal "more cre-

atively" with Russia. To expect this from the IMF is absurd, but there may be a growing awareness even in the Treasury Department of the lethal strategic implications for the United States of the IMF's Schachtian conditionality and adjustment programs. If Clinton is to deal successfully with Russia, the IMF conditionalities must be lifted and the IMF itself must be neutralized.

Jobs and the economy

Clinton's overall five-year deficit reduction plan is a disaster, and he can only hope that Congress will be unable to enact his tax increases and budget cuts in their current form. But amidst the austerity gloom, there was a glimmer of light from the White House: acting under pressure from western Democratic senators like Max Baucus of Montana and Ben Campbell of Colorado, Clinton abandoned for the moment his proposed increases in fees for mining, livestock grazing, and timber cutting on public lands. This was a defeat for the environmentalist coterie around Vice President Al Gore and Secretary of the Interior Bruce Babbitt, and a sign of healthy political realism that might permit Clinton to avoid some mistakes and correct some that he has already made.

After the budget resolution, Clinton wanted to secure passage of his "stimulus package," which had been whittled down from his campaign rhetoric to \$16.3 billion in new spending plus \$3.2 billion from the highway and other trust funds. The reduced dimensions of this package make it something of a symbolic issue in today's depression, but Clinton claims that it will create 200,000 temporary jobs while providing some repairs for highway and airport infrastructure. It should be passed. Clinton wants \$4 billion for extended unemployment benefits, money for the Women Infants and Children (WIC) nutritional supplement program, \$300 million for immunizations, and \$1.9 billion for Pell grants for college students. The package, he claims, will provide 50,000 jobs this summer through seasonal Head Start programs for preschoolers, and 89,000 jobs in inner-city schools during the summer and fall. Cities would receive \$2.5 billion in community development grants.

This package had no trouble in clearing the House, but by April 1 it was clear that Senate Minority Leader Bob Dole's Senate Republicans were organized to filibuster against Clinton's measure. The Republican argument was that Clinton's jobs bill would only add to the deficit. Republican speeches on this issue tended to be pure Ross Perot, and it is well known that Dole has been palsy with the diminutive deficit demagogue. Perot had taken the point for the beaten GOP by assailing Clinton because "his plan won't work. His plan is going to drastically increase spending. It is not being candidly presented to the American people. . . . Most of it is based on tentative premises and guesses." Clinton did react to Perot's "rumor mongering" during a trip to Annapolis, but plaintively noted that his own plan was "85% what Ross Perot recommended."

The rich man's club

In a recent interview with Jay Leno, former Chrysler boss Lee Iacocca revealed the existence of a rich man's club composed of himself, the late Sam Walton of Wal-Mart, Perot, and Warren Buffett of Berkshire Hathaway. These men assembled with the idea that one of their number should run for President with the support of the others, Iacocca recounted. Eventually, Perot emerged as the candidate, but he preferred not to stress the existence of the group during his campaign. Those interested in knowing more about Buffett are referred to the fascinating 1992 book entitled *The Franklin Cover-Up: Child Abuse, Satanism, and Murder in Nebraska*, by John W. DeCamp.

Clinton's strategy for getting his jobs bill through the Senate relied on the byzantine parliamentary tricks of Sen. Robert Byrd (D-W.Va.). These succeeded only in antagonizing most of the Republicans, giving them increased cohesion. The Republicans, with Perot in their corner, felt they had a winning political hand. Democratic Sen. Richard Shelby of Alabama, who had placed the death penalty on the District of Columbia ballot last November, voted with the Republicans, causing Clinton to withdraw all patronage from his state. Three times the Democrats attempted to invoke cloture and cut off the filibuster, and three times they fell short of the 60 votes required. On April 7, the White House, unable to obtain a face-saving compromise, announced a truce that would last two weeks, until the end of the congressional Easter recess.

Big city mayors of both parties are lobbying hard for Clinton's bill, and they are joined by large parts of organized labor, especially the construction trades. While the Republican senators like Alfonse D'Amato (N.Y.), Arlen Specter (Pa.), Mark Hatfield (Oreg.), and James Jeffords (Vt.) are in their districts, they will be pressed to change their votes. Sen. David Durenberger (Minn.), who has just been indicted, and Robert Packwood (Oreg.), barraged with sex harassment charges, would normally be prospective GOP defectors, but they are fighting for their own survival.

The Republican position is simply that they do not care about jobs, only their deficit fetish. Clinton would be improved by a victory. But if he wants to win he will have to stay in the White House, focus public attention on the issue, and appeal directly to the population over the heads of Congress and the bond market in the way that Franklin Roosevelt and even Ronald Reagan sometimes knew how to do.

The key to unmasking the deficit demagogues is LaRouche's proposal for a one-tenth of 1% tax on derivative securities, levied on the total value of the assets being pledged at the moment of the transaction. This tax would be paid by the seller. It is estimated that this single measure would just about wipe out the deficit by itself, bringing in about \$1 billion per day in additional revenue. If the Republicans are serious about deficit reduction, they must embrace the derivative securities tax.

Trilaterals promote one-world government

by Scott Thompson

The Trilateral Commission held its annual plenary meeting at the Park Hyatt Hotel in Washington, D.C. March 27-29, under the three-way chairmanship of Paul Volcker for North America, Otto Count von Lambsdorff for Europe, and Akio Morita for Japan. The gathering kept up the infamous tradition of past chairmen, such as David Rockefeller and Henry Kissinger, in promoting schemes for one-world government and dismantling the sovereign nation-state, under conditions of what Volcker himself has referred to as "controlled disintegration" of the world economy.

Top agenda items included "multilateral peacekeeping" under United Nations auspices, and population control (specifically the prevention of "migration").

Toward a world army

One of the two main discussion papers at the conference was titled, "Keeping the Peace in the Post-Cold War Era: Strengthening Multilateral Peacekeeping." The chairman of the group that wrote the draft is John Roper, the first director of the Institute for Security Studies of the Western European Union (WEU) in Paris and former member of the British Parliament. The report has all the markings of the Lord Bertrand Russell's scheme to create a "one-world government," by attaching a world army to the United Nations. The only difference is that the Trilateral program takes a step-by-step approach toward this end.

As the report begins: "In 1945 the founding members of the United Nations wanted to make it an effective instrument of collective security. . . . The international community gave the United Nations the authority through the Security Council to identify states guilty of aggression and then take action to force them to withdraw and be punished."

The report is very clear that it wants NATO and the WEU to act as regional arms of the U.N. for Europe, while it suggests that the United States should carry out a similar role, along with Japan, in Asia.

There was close collaboration between the Trilateral Commission and the United Nations in this effort. The chief commentator on the panel where the report was discussed was Marrack Goulding, U.N. Undersecretary General for Political Affairs and former Undersecretary General for Peacekeeping Operations. The report advocates a plan that goes beyond U.N. Secretary General Boutros Boutros-Ghali's call for a standing U.N. military force.

At a press conference with the Trilateral chairmen on March 29, a reporter asked whether the report was not a blueprint for a world army. Volcker responded:

"I know that participation in multilateral peacekeeping forces led by the U.N. is a big psychological step for the U.S. Probably it is not now feasible for large-scale participation by the U.S. However, there are more and more burdens on the U.N. One of the problems that I have been working on is how to finance a permanent, skeleton force with a headquarters staff. A world army is down the road."

Volcker has been working on how to obtain increases in U.N. peacekeeping reserves—the Working Capital Fund and the Peacekeeping Reserve Fund. The Trilateral report calls for the United States to make up its arrears to the U.N., as well as suggesting additional levies on other member states, possibly through their Defense Ministry budgets.

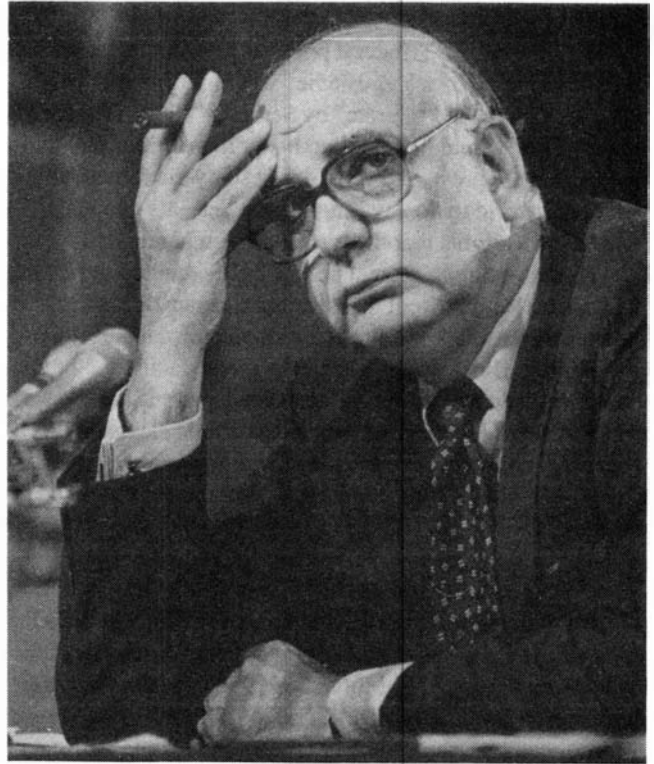
Initially, the report envisions a three-tier U.N. force: "At the first level, the United Nations should have at its disposal a highly trained standing ready force of four or five battalions (600-700 troops each) drawn from one or two nations and trained as a single unit. Such a force could be used quickly for preventive deployments or as the advance guard of a more substantial force. At the second level, the United Nations should have rapid deployment forces from the armed forces of member states. . . . If ten countries . . . were each prepared to provide a brigade group (about 5,000 troops each), the U.N. could deploy forces of up to 50,000 men. . . . The very availability of such a capacity . . . could have a deterrent effect. At the third level, in the case of serious aggression by a regional power (such as Iraq against Kuwait in 1990), it would be necessary to assemble a coalition of more substantial forces. . . . Trilateral governments need to recognize that U.N. peacekeeping is now a central, ongoing mission for their national security, and be prepared to fund it accordingly."

Population policy: the migration issue

The second major report at the plenary conference was titled, "International Migrations: A New Challenge for a New Era." The project chairman is Robert D. Hormats, vice-chairman of Goldman Sachs International. Hormats began the first of many posts in the U.S. government as senior staff member for economic affairs at the National Security Council (1969-73, 1974-77), where he was a protégé of Henry Kissinger. Kissinger directed the drafting of National Security Study Memorandum 200, which took the neo-malthusian view that "overpopulation" represents a national security danger to the United States.

Hormats advances similar arguments in terms of migration flows:

"Population policy is a first-order priority. The decade of the 1990s presents the last chance for action if world population is to be stabilized by the middle of the next century. With the change of administrations in the United States, a



Trilateral Commission North American Chairman Paul Volcker. The former Federal Reserve chief, who collapsed the U.S. economy, wants his policy of "controlled disintegration" for the whole world.

major philosophical shift in official attitudes has occurred which should be the basis for renewed American leadership."

Hormats calls for nations to prevent migration:

"In some circumstances, sizeable emergency migrations can even constitute legitimate security concerns, when they undermine the well-being of receiving countries. Thus, migration prevention must become a legitimate objective of international diplomacy and national policy."

But the Trilaterals offer no solution to the political and economic problems that cause large numbers of desperate people to leave their homes. They simply call for giving people some bare incentives to stay where they are:

"Comprehensive policies that address the causes of political and economic migrations will require a fundamental shift in the outlook and actions of Trilateral states. That shift should be anchored in a new international imperative, the right of individuals to stay where they are. . . . The vast majority of individuals prefer home and will stay there, if conditions are even barely tolerable."

To make conditions "barely tolerable," Hormats suggests creating "buffer states." To halt the flow of migrants from the Americas to the United States, Mexico would become such a state under the North American Free Trade Agreement (NAFTA), while migration from the Middle East and Africa to Europe would be halted by limited investment in certain

Mediterranean states.

The fraud of the Trilateral policy is revealed most starkly in the case of former Yugoslavia, where millions of people have been forced to "migrate" by Serbia's "ethnic cleansing" policy. They would like nothing better than to return to their homes, but are prevented from doing so by the refusal of the rest of the world to do anything to stop Serbia's genocide.

Hormats admits that there is a problem here:

"In attempting to protect people inside their countries [in the Balkans] and prevent displacement, persuading people to remain where they are poses fundamental dangers to life and liberty. But helping people to move facilitates ethnic cleansing. The humanitarian agencies have put the lives of civilians first, though it aids and abets ethnic cleansing. . . . There are limits to what humanitarian action and presence can accomplish; those limits have been dramatically exceeded in ex-Yugoslavia."

The Balkans and Russia

At the press conference, a reporter for *EIR* asked Count Lambsdorff about Gen. Paul Albert Scherer's analysis of the Balkans crisis (see *EIR*, March 26, 1993). General Scherer, the former head of West German military intelligence (MAD), had on a recent U.S. tour charged Russia with catalyzing the Serbian aggression against Croatia and Bosnia, triggering a crisis that might be the tinderbox of World War III. Because of the weakness shown by the West in response, General Scherer presented evidence that the Russian military was preparing attacks either on the Baltic states or Ukraine. The *EIR* reporter also asked Count Lambsdorff to respond to General Scherer's "endorsement of Lyndon LaRouche's proposal for the Productive Triangle as the only way to solve the underlying economic crises in Europe and the Community of Independent States."

Both Volcker and Lambsdorff flinched at the mention of LaRouche. Lambsdorff replied: "We don't share the position you have just quoted. It is not the position of the German government. While it is true that there has been Serbian aggression, we don't think that all the parties involved [in the Balkan war] are angels. It would not be right to lift the embargo on arms supplies to Bosnia, since this would just be pouring fuel on the fire."

As for the Productive Triangle, which is a plan by LaRouche for a modern infrastructure grid to integrate eastern and western Europe, as the cornerstone of an international economic recovery program, Lambsdorff responded: "I do not share General Scherer's opinion on this, either. I never have shared and do not now share the opinion of Lyndon LaRouche on anything."

Another reporter asked whether the Trilaterals were prepared to abandon the "shock therapy" policies identified with Harvard professor Jeffrey Sachs, which had collapsed the economies of Poland and the former Soviet Union to lower levels than under communism. The reporter noted that emer-

gency aid for Russia was to be a major topic at the next meeting of the Group of Seven industrial nations. He asked whether alternatives were being considered for a combination of debt relief and government-backed credits for building modern infrastructure—e.g., rail and modern energy sources—as well as the conversion of antiquated industry.

Volcker responded: "I cannot agree with your prejudicial comment on advisers [i.e., Jeffrey Sachs]. Yes, debt relief is under consideration. But the question remains how much and in what way to invest in Russia."

Lambsdorff stated that when German Chancellor Helmut Kohl came to meet President Clinton, he told him that Germany had been the largest contributor to the CIS, and it could do no more without a common effort. Lambsdorff adopted the "Big Lie" of Jeffrey Sachs, that the Polish economy was better off now because of "shock therapy":

"Given the adviser you mentioned, it is unjustified to say that the economy of Poland has fallen below communist levels. Balcerowicz and Mazowiecki accomplished a lot. The economy is more stable. Yes, there has been some pain, but the economy is on the right path. It has been moderately successful."

According to a Trilateral official, a decision had been made to add a closing panel at the plenary on Russia, because of the upheaval there. An attempt was made to get Ambassador-at-Large Strobe Talbott, who is the special coordinator for all aid projects in the Clinton administration, to speak, but he rejected the offer.

Clinton snubs Trilaterals

President Bill Clinton turned down the request of Paul Volcker for a reception for all the Trilateral members at the White House at the end of the plenary. Clinton had himself been a member of the Trilateral Commission for several years, but he never attended a meeting. Sources in Europe report that Clinton may have wanted to distance himself from the Trilateral Commission, given the problems that association with it caused President Jimmy Carter.

Still, there were plenty of members of the Clinton administration who took the opportunity to meet with the Trilaterals.

The opening panel on March 27 was called "The New U.S. Administration." The speakers included Leon Panetta, the director of the Office of Management and the Budget; Mickey Kantor, U.S. trade representative; and John Deutch, undersecretary of defense-designate for acquisition. Deutch, who has not yet been confirmed, is still an active member of the Trilateral Commission.

Secretary of State Warren Christopher, until recently a longtime member of the commission, hosted a reception for the members at the State Department on the evening of March 28, while on the morning of March 29, Treasury Secretary Lloyd Bentsen addressed a breakfast of Commission members.

New court evidence confirms innocence of John Demjanjuk

by Jeffrey Steinberg

Special Master Thomas Wiseman, a federal district court judge from Nashville, Tennessee, will hold oral arguments later this month in the final phase of his probe of alleged "fraud upon the court" by officials of the Department of Justice's Office of Special Investigations (OSI) in the case of John Demjanjuk. Demjanjuk, a Ukrainian-born naturalized American citizen, was accused in 1978 of being the Treblinka, Poland Nazi concentration camp guard "Ivan the Terrible" who was responsible for the murders of an estimated 80,000 prisoners, mostly Jews, during 1942-43.

In the mid-1980s, Demjanjuk went through a series of denaturalization, deportation, and extradition trials in federal court in his home state of Ohio, leading to his 1986 extradition to Israel. In 1988, he was tried in Israel, found guilty, and sentenced to death. The Demjanjuk trial was shown on national television in Israel and was the biggest "show trial" since the early 1960s trial of Adolf Eichmann. His case is now on appeal before the Israeli Supreme Court, which has delayed its ruling for almost a year.

Several years ago, however, through the efforts of his friends, relatives, and U.S. Rep. James Traficant (D-Ohio), Demjanjuk began to assemble a mass of evidence showing that the U.S. government had been in possession of evidence as early as 1978 casting strong doubts on his guilt. Correspondence between Rep. Joshua Eilberg (D-Pa.), a sponsor of the OSI unit, and the Department of Justice revealed that the unit and its patrons were desperate for a high-profile prosecution following a series of failed efforts to deport accused Nazi war criminals at the time the Demjanjuk case was launched. At the time, the Israeli government had also formally written to the OSI expressing strong interest in the unit's continued effort to find and prosecute Nazi war criminals. All of these interventions created a climate in which the OSI attorneys were under pressure to win a big case "no matter what." One OSI attorney, George Parker, who was involved in the early phase of the Demjanjuk probe, quit the unit after his warnings that the Demjanjuk prosecution was horribly flawed were ignored by senior OSI officials.

New evidence obtained since the collapse of the Iron Curtain and the opening up of some East bloc security files leaves virtually no doubt that John Demjanjuk was the wrong man.

Judicial review launched

In January 1992, the Sixth Circuit Court of Appeals, sitting in Cincinnati, Ohio, began an informal review of the Demjanjuk case, motivated by news accounts indicating that the government had withheld key evidence from defense attorneys that would have proven at the outset that Demjanjuk was not "Ivan the Terrible of Treblinka." Leonard Green, clerk of the Sixth Circuit, wrote a series of letters to the Department of Justice requesting copies of the prosecution files in the Demjanjuk case. Deputy Attorney General John Mueller refused on at least two occasions to even respond to the court query.

Finally, in June 1992, after repeated rebuffs by the Department of Justice, the Sixth Circuit reopened the Demjanjuk case and invited attorneys for Demjanjuk to present their evidence and suggest possible remedies.

At a hearing in August 1992, prominent civil rights attorney Michael Tigar, representing Demjanjuk, urged the court to launch a review of the Demjanjuk proceedings on the grounds that standing Supreme Court precedents provided for retrial in cases where willful fraud had been committed against the court.

The Sixth Circuit decided a week later to adopt Tigar's argument. They appointed Judge Wiseman to serve as Special Master for the Circuit, responsible for gathering evidence on whether the Justice Department had committed willful fraud in withholding key evidence from the defense and the court during the original denaturalization and extradition hearings.

For the next six months, Judge Wiseman held a series of evidentiary hearings at which officials of the Office of Special Investigations and other government lawyers were questioned by Demjanjuk's lawyers and Department of Justice attorneys. The purpose of the fact-finding effort was to determine whether OSI attorneys knowingly withheld evidence from the court and Demjanjuk's attorneys which would have indicated his innocence. The last of the hearings and depositions took place early this year, and on March 30, both the government and lawyers for Demjanjuk submitted proposed findings of fact and conclusions of law, which formed the basis of Wiseman's report to the Sixth Circuit Court of Appeals.

Mountains of evidence

The 166-page brief submitted to the court by Demjanjuk's attorneys Tigar and Edward F. Marek contains devastating evidence that the Justice Department buried critical evidence of Demjanjuk's innocence.

As early as 1950, eyewitness accounts of the Treblinka concentration camp had established that during the 1942-43 period when Demjanjuk was allegedly running the diesel engines of the gas chambers, there were only two men in that position. One of the two men, Nikolai Shalayev, was interviewed by Soviet authorities in 1950 after he was already sentenced to death for his war crimes. Shalayev had nothing to gain by lying about the identity of his co-operator. He identified the other man as Ivan Marchenko. Records maintained by the Polish Main Commission, the equivalent to the OSI in the United States, revealed that an Ivan Marchenko had been on the list of guards at Treblinka at the time. The list contained no mention of a John Demjanjuk or any name even similar to that.

Wartime photographs of Demjanjuk and Marchenko, however, were similar enough that photographic identification of Demjanjuk would be totally unreliable, especially 30 years after the fact. George Parker, an OSI attorney who worked on the early Demjanjuk case investigation, noted in memos to his superiors that there was a serious problem in the use of photo identification.

According to the Demjanjuk brief, there were six major bodies of evidence that were in the possession of the OSI prior to the first action against Demjanjuk. In some cases, the evidence was never supplied to either the defense or to the court in any of the court actions in the United States. The six packages of evidence cited in the Demjanjuk brief were:

1) The 1978 Fedorenko Protocols, a series of documents provided to the OSI by the Soviet government. Among the material in the protocols were statements by two Treblinka witnesses, Lelko and Malagon, identifying another man as "Ivan the Terrible of Treblinka."

2) The Polish Main Commission report, which contained the most complete list of guards at Treblinka. While Demjanjuk's name appeared nowhere on the list, Ivan Marchenko's name did appear.

3) The 1979 protocols which included details of interviews with one Danilchenko and a second interview with Malagon in which further evidence pointed to Demjanjuk's innocence. It was the 1979 protocols that prompted Parker to conclude that Demjanjuk was not "Ivan" and to write a memorandum to his superiors on Feb. 28, 1980 urging them not to proceed with the Demjanjuk case.

4) November 1979 memos from OSI staffers Garand and Dougherty describing manipulative techniques used by OSI attorney Norman Moscowitz in a crucial interrogation of former Treblinka guard Otto Horn. Garand and Dougherty accompanied Moscowitz to West Germany to interrogate and eventually videotape testimony from Horn. Moscowitz

discussed the OSI's case against Demjanjuk with Horn prior to the photo-identification session and the videotaped interrogation, thus leading Horn to make false statements, according to the judgment of the two OSI staffers present. The Garand and Dougherty memos were never provided to the defense or the court but were fished out of the garbage cans of the OSI office at Department of Justice headquarters.

5) Sol Lackman interviews conducted by the OSI in 1976 and 1980. Lackman was a survivor of the Treblinka concentration camp who worked nearby the gas chambers and had the opportunity to see the two diesel engine operators on a daily basis over a long period of time. On the two occasions when he was queried by the OSI, Lackman failed to identify the photos of Demjanjuk. OSI acknowledged that Lackman, of all of the victim-witnesses, had the closest view of "Ivan" of any of the Treblinka survivors. Yet, Demjanjuk's attorneys and the court were never informed of Lackman's existence throughout the judicial proceedings in the United States.

6) OSI interrogations of Franz Suchomel. Another important eyewitness to the gas chamber at Treblinka, Suchomel was interviewed by the OSI in September 1979, and he, too, failed to identify photographs of Demjanjuk as being that of "Ivan." According to the Parker memo of February 1980, the Suchomel deposition included "highly exculpatory evidence." The Suchomel material was never provided to the Demjanjuk defense.

In addition to these six packets of highly exculpatory evidence withheld from the defense and the court, the Tigar-Marek brief also revealed that another half-dozen critical OSI documents proving Demjanjuk's innocence were missing from the Department of Justice files altogether. The only record of these documents was citations in other OSI material, some of which was only obtained by the defense under the Freedom of Information Act or by rummaging through the Department of Justice trash.

Court will decide

After oral arguments later this month, in which both the OSI and Demjanjuk's lawyers will have the opportunity to present their version of the key facts before the Special Master, Judge Wiseman will prepare a fact-finding report for the Sixth Circuit.

Once the Sixth Circuit has had the opportunity to review those findings of fact, they will rule on whether or not the government did commit fraud upon the court. If they rule in favor of Demjanjuk, the court could declare the entire denaturalization and extradition process null and void. At that point, the U.S. State Department could be pressed to ask Israel to free Demjanjuk and allow him to return to America.

At stake is John Demjanjuk's life. The case may also determine the continued existence of the Justice Department's Office of Special Investigations, a unit that has made a mockery of justice and due process.

'Docu-trial' acquits Ray in MLK shooting

by Scott Thompson

On the April 4 anniversary of the assassination of civil rights leader Dr. Martin Luther King, James Earl Ray, the alleged assassin, was found "not guilty" of the crime for which he has spent 24 years in jail without trial. The venue for this acquittal was a "docu-trial" staged by the Home Box Office television network, which used a real judge, prosecutor, and Ray's own attorney, and included testimony of surviving witnesses to aspects of the assassination of Dr. King. Ray participated in this highly risky enterprise, because he has been seeking through every possible means to get a courtroom trial and due process. In statements to *EIR*, Ray expressed the hope that he would not only eventually win acquittal, but be able to present new evidence on the conspirators who used him as a "patsy" in King's murder.

In the docu-trial, Ray's attorney William Perry described how methods of coercion similar to those employed by the KGB in Stalin's days were used to compel Ray's original guilty plea. After his arrest, Ray was kept in a special cell of the Tennessee prison system where the lights were kept on 24 hours a day; there was constant surveillance by video cameras and microphones, even while he was planning his defense with his attorney; and, the windows were sealed by steel plates. He underwent nine months of this inhuman treatment before a new attorney, Percy Foreman, according to Ray's account in his book *Who Killed Martin Luther King*, began to tell him that a guilty plea was the only way to escape dying in the electric chair and to save his brothers from being indicted as co-conspirators in King's murder. After two months of such negotiations, Ray pleaded guilty. He later appealed to the judge for a trial despite the threats, but the judge died mysteriously while reading Ray's appeal. For the next 24 years, every attempt by Ray to win a trial was thwarted.

Reasonable doubt

In his opening statement in the docu-trial, Perry explained the context of King's murder. King had made enemies within the U.S. establishment by expanding his civil rights struggle to encompass opposition to the Vietnam War and to the economic plight of the poor. It has been discovered through the Freedom of Information Act that the FBI sent agents provocateurs to turn the March 28, 1969 Memphis sanitation workers march into a "riot." Other testimony of defense witnesses in the enactment included:

- Arthur Murtagh, who was head of the Atlanta FBI regional security squad, stated that 90% of his unit's activities were to "denigrate the character" of King and to organize informants within the Southern Christian Leadership Conference (SCLC). Murtagh broke down crying while describing these unconstitutional actions. He admitted that there was "a great deal of evidence that the FBI was part of the plot to kill Martin Luther King," but on cross-examination he said that he had no direct knowledge of such involvement.

- Barry Lynville, who was present in the operating room when the bullet which killed King was removed, testified that that bullet and the one presented by the FBI for forensic study were different. The implication was that the bullets had been switched.

- The sworn statement of a taxi driver, James McCraw, was read by the defense. He stated that the key witness used by the FBI for the initial identification of Ray as the primary suspect, Charlie Stephens, was dead drunk 15 minutes before the shot was fired. McCraw also stated that the bathroom next to room 5-B, from which the shots were ostensibly fired, was empty. Several other witnesses, including law enforcement officers, corroborated that Stephens was too drunk to even stand.

- Four African-American police officers and firemen testified that they were all transferred from the fire station across from the Lorraine Hotel, where King was staying. Each was told something to the effect that there was a contract out on their lives. At the back of the fire station, a Memphis Police Department (MPD) squad was carrying out surveillance of King's activities at the Lorraine Hotel.

- Rev. James Orange testified that right after he heard the shot, he saw smoke rising from the bushes underneath the boarding house facing the Lorraine Hotel. Ray ostensibly shot King from the second floor bathroom of that house. Earl Caldwell, then a reporter for the *New York Times*, stated that he saw a man crouching in the bushes from which the smoke arose. However, at the request of the MPD, these bushes were all cut and cleared the day after the assassination. The police told Reverend Orange to "be quiet and get out of the way," while Caldwell was never questioned.

- Jim Smith of the Memphis District Attorney's office testified that he was detailed to work with two FBI agents to keep King under electronic surveillance; the surveillance continued until the moment of King's assassination.

While the prosecution at best raised circumstantial evidence against Ray, the testimony of defense witnesses proved sufficient to win Ray's "acquittal." However, the defense case was only the tip of the iceberg of the conspiracy to assassinate King. Over the 25 years since King was shot, crucial U.S. government documents have been sealed from public access and witnesses have been tampered with, so that only the shadow of the real conspiracy remains: a shadow strong enough to show that James Earl Ray was indeed a "patsy."

Oregon health care rationing plan is a dangerous precedent

by Linda Everett

Secretary of Health and Human Services Donna Shalala announced on March 19 her provisional approval of a plan of the state of Oregon to expand its Medicaid program and ration health care services to its most needy residents—the poor, uninsured, elderly, and disabled. Shalala said that since 1989, when the state initiated a process to “meet the health care needs of all its people,” Oregon has significantly modified its proposal to the federal government to waive more than a dozen requirements that states typically must meet to qualify for federal Medicaid matching funds. Her decision to grant those waivers, Shalala said, “reflects a deeply held philosophy of the Clinton administration. We believe the federal government must give states the flexibility to design new approaches to their local problems, provided those initiatives observe federal standards. . . . The American people want, need, and deserve peace of mind of knowing that their health care needs will be covered.”

The facts, however, both regarding the open-ended rationing of the plan itself, as well as the *known* horrors experienced by patients under a managed care system of delivery of services on which the Oregon plan depends, speak differently. It bodes ill for the future of health care reform that Shalala took lightly the concerns raised in a March 16 letter sent to the White House by a coalition of over 70 organizations, representing tens of millions of Americans including the elderly, the handicapped, unions, and civil rights advocates, all of which urged the administration to reject the rationing plan because it violates the Americans With Disabilities Act.

Shalala set certain conditions for the waiver, but no provisions can reverse the fundamental flaw in this plan, which destroys the Hippocratic ethic that has historically guided both the practice and science of medical care in this country—the safeguarding and enhancement of all human life.

Don't become seriously ill

Most media coverage of the plan focuses on how it rations health care by eliminating any services not provided for by the state's biannual budget. Bob Griss of the United Cerebral Palsy Foundation and spokesman for the coalition, points out another form of rationing, in which the state seems to force

out of the plan the patient population whose needs are chronic and complicated. The list of prioritized medical services is based on the needs of the average patient—while persons with disabilities or chronic conditions often “require different health services to avoid death and maintain health.”

Oregon's plan for the poor is also just a springboard for imposing top-down state controls on what medical treatments or technologies are approved, used, or denied overall in state-covered insurance programs, and economically discouraged in private ones. The Oregon Health Resources Commission is charged with making recommendations by which “the state can act to limit excessive acquisition and utilization of such medical facilities, technologies, and services as the commission determines warranted.”

There are three parts to Oregon's plan, the centerpiece of which is the expansion of Medicaid coverage to about 120,000 more of the state's uninsured residents with family incomes below the federal poverty level (about \$14,343 for a family of four). The state also passed “pay or play” legislation that requires all employers by 1995 to either provide a basic benefit package like the Medicaid plan to employees working at least 17.5 hours a week, or to pay into a general fund. Already in effect is a plan that provides coverage to anyone rejected by private insurers because of existing conditions. The state's general fund cannot pay the estimated \$116 million needed to fund the expanded Medicaid plan, so it was designed to eliminate some life-saving services to the poor and reduce medical services overall. Gov. Barbara Roberts has also proposed a gross receipts tax on all providers. Allegedly, the federal government will pay \$1.65 for every \$1 paid by Oregon hospitals and physicians. *EIR* was told that providers who treat patients on the Medicaid plan will be paid back because the tax assures that they are at least paid for services rendered. Historically, doctors and hospitals were reimbursed only a small percentage of the cost of a service from Medicaid, and were not reimbursed at all for treating the uninsured poor. Those who refuse to ration services under the Medicaid program will still be taxed.

The plan ranks 688 medical conditions and the approved medical treatment for each, according to treatment cost, medical “effectiveness,” and alleged “social value.” For instance,

appendicitis and its treatment, appendectomy, rate high on the list as a condition-treatment pair. The state budget dictates how many services will be provided, eliminating those lower on the list. Already, about 150 medical treatments fall below the budget cutoff. The services which are funded shrink each time the state budget shrinks. Only after Governor Roberts promised not to allow any further cutback in services for the next five years of the demonstration, did a formidable critic of the plan, Rep. Henry Waxman (D-Calif.), agree not to block passage of the plan.

Rationing 'rationally'

The social "value" of a treatment, which has nothing to do with what medical science can do to save or extend life, is a formula developed after malthusian economic policy planners spent years brainwashing Oregonians in meetings and surveys debating "Who should live, who should die?" This subjective "value," heavily biased against treating older or handicapped patients in favor of preventive and primary care for the generally healthy working population, affects both the likelihood that a treatment will be funded and also the kind of treatment allowed. This more subtle rationing is harder to recognize, because conditions like birth trauma in newborns or coma appear high on the list, leading one to believe treatment for the condition is covered. But, only "medical therapy" (not medical treatment or surgery) is listed as the approved treatment. Similarly, once a diagnosis of "terminal" cancer is given, palliative care only is allowed, even though "terminal" can mean five years of life with medical intervention.

The plan says it provides "unlimited medically necessary hospitalization for any covered treatment." That sounds reasonable, except the terms "medically necessary" and "medically effective" are defined according to the latest malthusian guidelines rammed through hospitals or courts of law. One Minnesota hospital went to court to demand the end of "futile" ventilator support that kept alive a woman who asked for all life-saving treatment. Even life-sustaining treatment and basic patient feeding have been considered "futile."

The problem becomes exacerbated under managed care and health maintenance organizations (HMOs), where doctors and hospitals must provide all the medical treatment a patient needs for a flat rate, called capitation. Under such a system, there is a financial incentive to withhold treatment, so doctors become gatekeepers blocking access to specialists and testing. The well-established medical standards that define when individual patients need treatment (medical necessity) are replaced with a determination of a treatment's "medical effectiveness" based on the experience of "average patients."

Multiple or chronic problems need treatment, but doctors may not find a "medically effective" treatment on Oregon's list. Also, medical treatments that result in a residual symptom, like a disability, are ranked *lower* than treatments that

eliminate all symptoms. So, even if that treatment saves your life, you could be denied treatment.

No guarantee of treatment

Addressing this bias, Shalala said Oregon must not allow its "medical effectiveness criterion" to take into account the change in a patient's functional limitation as a result of treatment. Shalala also instructed Oregon doctors to find another funded service if a person's condition is not on the list of funded treatments. But, that's no guarantee. First, doctors and hospitals are protected from liability *even if* they withhold medical services that are on the prioritized list. Besides, how much time will a doctor in managed care, who profits when limiting access to specialists, spend to learn alternatives to a prescribed treatment, let alone the treatment for any one of the 4,000 rare diseases out there, most of which are not on Oregon's list? And, is it realistic to expect primary physicians to understand the integrated needs of people suffering from any one of thousands of disabling conditions?

Take the example of Dr. Robert White of Yale-New Haven Hospital in Connecticut and one of the few specialists in the country with the expertise to treat hereditary hemorrhagic telangiectasia (HHT). He must spend hours, and sometimes entire weekends, to convince managed care or HMO programs to pay for preventive and life-saving treatment. Either the base-line medical workup is rejected repeatedly or, typically, physicians treat one symptom of the disease, not knowing it affects four organs, causes brain aneurisms and malformations, intractable bleeding in the nose, lungs, and gastrointestinal system, and could cause strokes and possible death in the third trimester of pregnancy. Another crisis arises when these managed care patients are not allowed to participate in experimental protocols at university hospital centers that could save more lives and be truly cost-effective.

Despite the fact that Shalala was a longtime board member of the Children's Defense Fund, which details the poor health care the nation's children receive, she stated that under Oregon's new Medicaid plan "no one now covered will lose coverage." She overlooked the fact that Oregon *disbanded* the federally mandated "Early and Periodic Screening and Diagnosis and Treatment Program" that guarantees low-income children access to preventive health services and diagnosis and treatment for existing conditions. Now, if the recommended treatment falls below the cutoff, the child is denied life-saving treatment.

Each type of rationing begun in the Medicaid program is likely to be replicated in private insurance plans as well as all employer "pay or play" plans which Oregon law says must provide health benefits "substantially similar" to the state's Medicaid benefit package.

Last April, Vice President Al Gore (then Senator Gore) said the Oregon plan is "seductive to policymakers but dangerous to the people who really need help." That assessment was correct then, and it's still correct now.

North Korea cited for withdrawal from NPT

Sen. Chuck Robb (D-Va.) introduced Senate Resolution 92 on April 2, calling for the condemnation of North Korea for its planned withdrawal from the Nuclear Non-Proliferation Treaty (NPT). The resolution says "that the United States and its international partners should take measured steps to compel North Korea to remain a party to the treaty and to allow unconditional special inspections of apparent nuclear waste sites and other areas suspected of harboring a nuclear weapons-building program."

In remarks motivating the resolution, Robb called for a "full court diplomatic press . . . to promote dialogue and communication with the North Korean leadership."

He also called for consideration of this matter by the U.N. Security Council, in spite of Chinese opposition to such a move. "To add further pressure," he said, "a list of punitive sanctions should be crafted between now and mid-June," when North Korea's withdrawal from the NPT takes effect. "The sanctions list should include oil, agricultural products, military supplies, and heavy machinery. Japanese investment in North Korea and food shipments from the United States should also be targeted."

Democrats push for line-item veto

With the shift in administrations, Democratic House leaders, responding to President Clinton's call for a line-item veto, have begun testing the waters to see if that particular creature would sink or swim. The line-item veto would shift significant power to the Executive branch from the Congress.

President Bush had several times called on Congress to give him a line-item veto, by which he would be able to selectively cut certain items out of the budget passed by the Congress without being forced to either sign or veto the budget resolution as a whole.

Clinton's appeal is receiving a better response, but the move for a line-item veto is anything but sewn up. House Democrats, who feel that a line-item veto would have a much greater chance of passing there than in the Senate, proposed to allow the President to veto, for two years, specific items in appropriations bills unless a simple majority in the House or Senate objected.

To their surprise, the Democratic leaders realized they didn't have the votes. The 175 House Republicans are prepared to vote in unison against the rule to protest not getting a chance to debate a stronger version of the line-item veto. And the Congressional Black Caucus, with 38 members, also rejected the measure, expressing an unwillingness to cede these legislative powers to the Executive branch.

McConnell urges plan to help Russian soldiers

Sen. Mitch McConnell (R-Ky.), in remarks on the Senate floor on April 1, called on President Clinton to adopt a plan, which he said he hoped could be discussed with Russian President Boris Yeltsin at the Vancouver summit, to deal with the problem of demobilizing the Russian Army. The plan McConnell suggested would put newly demobilized soldiers to work in a "new civilian capital projects corps. With relatively little funding, we can serve urgent public sector needs as we avert an emergency crisis within the military."

The corps, with assistance channeled through private companies, would build roads and housing, improve railways, clean up the water supply, and upgrade public utilities.

"Initially," McConnell said, "soldiers could be encouraged to participate with a 'you build it, you own it' plan. . . . Homeownership would reinforce free market principles. This kind of approach would go a long way to fulfill President Clinton's call today to convince the Russian people that they are beneficiaries of democratic reform, not victims."

EPA programs ridiculed, targeted for cuts

Sen. Kit Bond (R-Mo.) has introduced an amendment to the emergency supplemental appropriations bill (H.R. 1335) to eliminate \$23.5 million in funding for the Green Lights, Energy Productivity, and Methane Gas Recapture programs of the Environmental Protection Agency (EPA).

The first two programs, Bond said, give corporations taxpayer funds so that they can save money on their own taxes, and should therefore be eliminated.

However, Bond saved the Methane Gas Recapture program for his most pungent comments. "The laudable purpose of this program," he said, "is to help companies and farmers recapture methane gas from coal mines and natural gas pipelines, landfills and livestock—yes, livestock—so that emissions are not wasted but rather used for energy purposes." He read from an EPA document which states that the program will aim at "partitioning carbon to useful products, meat and milk, by nutritional supplements and/or range improvements." He pointed out that the EPA

has given a grant of \$210,000 to Washington State University to study "cattle belching," and that there was previously a \$19 million appropriation to study "other cow gases." As an alternative, Bond suggested that the Clinton administration ought to study natural wetlands, "which are estimated to produce 20% of the methane discharged into the atmosphere."

In the House, Rep. John Duncan (R-Tenn.) attacked the EPA as out of control in remarks on the House floor. He cited a *New York Times* article which reported that many scientists, economists, and government officials have concluded that billions of dollars are wasted each year to fight problems that are no longer considered serious.

"Most environmental activists are wealthy or at least upper income and thus are insulated from the economic harm their policies cause. But now, as the *New York Times* points out, environmental overkill has cost this nation hundreds of billions. It has cost us millions of jobs. It has made everything much more expensive. Environmental extremists have really hurt the poor and the working people of this country."

Talbot nomination approved by Senate

The nomination of former *Time* magazine correspondent Strobe Talbott to become ambassador at large and special adviser to the secretary of state on newly independent states was approved by the Senate by a vote of 89-9 on April 2.

In remarks on the Senate floor prior to the vote, John McCain (R-Ariz.) opposed the nomination. He criticized Talbott on the basis of his opposition to President Reagan's 1983 policy for the Strategic Defense Initiative, and

his support for arms limitation agreements as the basis of policymaking between the superpowers.

West must act to stop Balkans war, members warn

Rep. Frank McCloskey (D-Ind.) called for an immediate end of the Balkans war "for the sake of our own national security," and targeted Serbia as responsible for genocide, in extensive remarks on the House floor on March 31. His speech echoed the analysis of Gen. Paul Albert Scherer (ret.), the former head of West German military intelligence who visited Washington in March, and outlined the strategic need to quickly end the war.

"There is no doubt in my mind that the Balkan crisis is the defining issue of the post-Cold War world. We are already paying the price for our failure to confront this crisis over the past two years. . . . The growing aggressiveness of hard-line, reactionary, irredentist forces in Russia—what observers call a red-brown coalition that is so threatening to Boris Yeltsin and to Russia's future relations with its neighbors and the West—also owes much to western equivocation in the face of Serbia's version of this coalition," McCloskey stated.

McCloskey warned that "if the United States and Europe do not recognize and establish diplomatic relations with Macedonia in the very near future, we will bear a heavy historical responsibility for encouraging Serb aggression against that democratic, newly independent state."

McCloskey demanded that President Clinton define the Balkan crisis to the American public as aggression and genocide in Central Europe; that a deadline for Serb forces to sign and comply with the Vance-Owen peace

plan on Bosnia be established; that the U.N. arms embargo from all former Yugoslav republics except Serbia and Montenegro, be lifted, and western air power be used; and that the United States lead the way on western recognition of Makedonija.

"If President Clinton does not take such steps, genocidal Serb aggression will continue in Bosnia and Croatia, spread to Macedonia and Kosova, spill over to a wider Balkan war, and continue to embolden the Russian hard-liners who are threatening Yeltsin's reform effort."

Rep. John Olver (D-Mass.) seconded McCloskey: "If unchecked, this attempt to exterminate Bosnian Muslims encourages attacks on national minorities in Slovakia, Bulgaria, Moldova, Romania and a dozen other places, and in Lithuania and Latvia, and encourages attacks by any powerful neighbor on any small neighbor where a national minority resides. . . . Who can believe that Estonia, Latvia, and Lithuania, for instance, would be secure and could stand up to a virulent nationalist Russia if the world community is unwilling to stop genocide in Bosnia?"

Olver also called for the use of air strikes against Serbian artillery and tanks which are shelling civilians in Sarajevo and other cities, and for the lifting of the arms embargo against Bosnia.

In the Senate, freshman Sen. Russell Feingold (D-Wisc.) also called for lifting the arms embargo. Feingold invoked the right of self-defense as guaranteed by Article 51 of the U.N. Charter. "The United States and United Nations," he said, "have recognized the Republic of Bosnia and Herzegovina as a country, but when it comes to the fundamental right of self-defense we have done just the opposite—rather, we have imposed an arms embargo."

National News

British review praises exposé of ADL

The March issue of the British League of Rights-connected publication *On Target*, features a lengthy review of *The Ugly Truth About the ADL*, issued this year by *EIR*. *On Target* editor Donald Martin underlines the substantial differences he and his circles have with *EIR*—particularly this publication's alleged "Anglophobia"—but he nonetheless acknowledges that the magazine's founder, Lyndon LaRouche, was framed up. He dismisses Dennis King's book *Lyndon LaRouche and the New American Fascism*, noting that "a glance through the text suggests a fairly crude attempt at character assassination."

On Target, widely circulated in the British Parliament and among British conservatives, continues: "Unfortunately, LaRouche's reputation had been smirched for some years by rumors of fundraising irregularities, and at the end of 1988 he was sentenced, along with three [sic] of his aides, to a lengthy term of imprisonment. Since then there has been a sustained campaign to reverse the conviction. The material since furnished by his staff suggests that he has been victim of a deliberate and fraudulent legal process."

U.S. bishops call for limited force in Balkans

On March 29, the Administrative Board of the U.S. Catholic Conference issued a statement, "War in the Balkans: Moral Challenges, Policy Choices," calling for the limited use of force to stop "the litany of horrors" in former Yugoslavia, according to Catholic News Service. The story was carried front page in the *Arlington Catholic Herald* on April 1, the diocesan newspaper for the suburban Washington area in northern Virginia.

The statement calls for "religious believers and the international community to act with new resolve" in the conflict, and approves "strictly limited" use of force, a

political solution to the war, the creation of a war crimes tribunal, and help for refugees and nations accepting them. It quotes at length from Pope John Paul II and religious leaders in the Balkans.

"We agree with the Islamic, Serbian Orthodox, and Roman Catholic leaders in the region who have declared that 'the evil has surpassed all bounds' and that the international community must show more clearly the political will to use 'all morally justifiable means' to stop aggression and 'ethnic cleansing,'" the statement says. It also concurs with "the view . . . that Serbian military forces bear the greatest responsibility for aggression and abuses."

The newspaper also announced worldwide prayer rallies for Bosnia over the April 3-4 weekend. The Washington, D.C. rally sponsored by Americans for Freedom in Former Yugoslavia and other organizations, drew several hundred people.

LaRouche discusses SDI, small nuclear powers

Imprisoned U.S. statesman Lyndon LaRouche discussed how his policy for a strategic ballistic missile defense would protect against a small nuclear aggressor without imposing anti-nuclear "technological apartheid" on the Third World, in the weekly "*EIR* Talks with Lyndon LaRouche" on March 24. In response to a question on North Korea's alleged development of a nuclear weapon, LaRouche pointed out that his original 1982-83 proposal, which became known as the Strategic Defense Initiative, was aimed at making the "penalty of launching a strategic style of nuclear attack by any nation . . . horrendous."

He continued, "That does not mean that you can stop every possible missile they might launch; but it means you can effectively stop a general launch. That is, you can destroy it to such a degree, that either none or only a very small part of the whole attack succeeds, and you can even damage that.

"If we had a *global defense*, any attack from a nation such as North Korea would be totally impotent with modern technology.

But that would require using the new physical principles, not interceptor rockets. As I said, interceptor rockets have *inherent* shortcomings from economic, military, and other standpoints. They are too slow, whereas lasers travel at the speed of light and other types of systems travel at high relativistic speeds. . . .

"One calculation was . . . that possibly a strategic defense would cost us 10¢ for every missile stopped, as against a dollar's worth of missile stopped" by using interceptor rockets. "So you have essentially a 10:1 advantage in economy and in other qualities over the offense . . . and against a small country—this was something we discussed back then, in 1982-83—even apart from the major nuclear powers, against small nuclear powers, the defense, of course, would even have a relatively much greater advantage, almost an absolute advantage as in the case of a country such as North Korea."

Spannaus petitions for Virginia governor

The Spannaus for Governor campaign began petitioning on April 2 to qualify Nancy Spannaus as an independent for governor of Virginia. The Commonwealth requires the filing of 15,243 valid signatures by June 8 for independent candidates. Spannaus, a longtime associate of Lyndon LaRouche, has issued a leaflet for the petitioning effort, which identifies the choice for Virginians in 1993 as "barbarism or justice," personified by the choice between herself and the presumptive Democratic candidate, former Attorney General Mary Sue Terry.

Spannaus would not rule out making a last-minute intervention into the May 8 state Democratic Party Convention, scheduled for May 8. Democratic delegates were chosen in virtually closed caucuses, over March 21-22. Spannaus has four delegates pledged to her at the convention, and 60 more at least are uncommitted. So far, the State Central Committee appears to have organized the convention as a coronation of Terry.

"I am a Democrat," Spannaus stressed, "in the pro-science, pro-progress mainstream of the party, whose economic growth

policies are represented in the programs of President John F. Kennedy and, today, of economist Lyndon LaRouche. But if the corrupt powerbrokers of the party succeed in pushing through their candidate, Mary Sue Terry, then I will be prepared to run on the independent line. If I do this, I can assure you that I will be joined by a slate of citizen candidates for the state legislature as well. All of us will be committed to finally cleaning up the corruption and barbarism in Virginia, reversing the economic depression, and freeing the statesman with the solutions to today's crises, Lyndon LaRouche."

Reno announces new Justice appointments

U.S. Attorney General Janet Reno announced on April 2 that President Clinton has nominated Philip Heymann as deputy attorney general, Webster Hubbell as associate attorney general, and Drew S. Days III as solicitor general.

Reno gave the following background information on the nominees:

Philip Heymann has been the James Barr Ames professor at Harvard Law School, director of its Center for Criminal Justice, and professor at the Kennedy School of Government. He was assistant attorney general in charge of the criminal division from 1978-81, associate Watergate special prosecutor from 1973-75, and in the prior decade held various posts at the Department of State. As director of Harvard's Center for Criminal Justice, Heymann has in recent years managed a number of projects supposedly designed to improve the criminal justice systems of countries including Guatemala, Colombia, South Africa, and Russia.

Webster Hubbell was mayor of Little Rock, Arkansas from 1979-81. He has also been chief justice of Arkansas, and a law partner of Hillary Clinton.

Drew Days is a professor of law at Yale Law School. In the fall of 1969, Days joined the staff of the National Association for the Advancement of Colored People (NAACP) Legal Defense Fund in New York. At the Legal Defense Fund he litigated cases in the areas of school desegregation, police misconduct, and employment discrimination.

In March 1977, he was confirmed by the Senate to serve as Assistant Attorney General for Civil Rights. In January 1981, he joined the faculty of the Yale University Law School.

Execution date set for Supreme Court victim

Leonel Herrera, the Texas death row inmate whose *habeas* appeal to the U.S. Supreme Court was denied, has been scheduled to die on May 5. The court ruled on Jan. 25 that innocent persons who have been convicted of murder may be executed without violating the Constitution.

Herrera's execution date is May 5, or Cinco de Mayo, the day Mexicans celebrate their country's defeat of the French invasion in 1862. Herrera told the press that he's offended and angered by having his execution take place on this day.

Eco-terrorists threaten Mt. Graham telescopes

Earth First, an environmentalist terrorist group, plans to hold an eight-day rally on Mt. Graham, near Safford, Arizona from June 27-July 4, which is expected to be attended by 300-500 activists, near where the University of Arizona is completing an observatory with two multimillion-dollar telescopes. The group has long opposed the project on the grounds that construction of the 24-acre facility will dispossess a species of squirrel.

Over the years, Earth First members have made threats against the construction program. In a 1988 interview with the *Arizona Daily Star*, Dave Foreman, a co-founder of the group, stated, "There are people who are prepared to make them put the scopes up several times, which means a telescope doesn't see the stars very well if its mirror is broken."

Earth First is known for the practice of "spiking" trees—driving spikes into trees that spew shrapnel when hit by a chain-saw—in order to terrorize loggers.

Briefly

● **A STATUE HONORING** the late Supreme Court Justice Thurgood Marshall has been proposed to be placed on Washington's Judiciary Square by a local civic group. The square is presently the site of a statue, maintained at government expense, of Ku Klux Klan founder Albert Pike.

● **MIHAILO MARKOVIC**, professor of philosophy and political science at the University of Pennsylvania, should be banned from the school, because he is a war criminal and spokesman for Serbian dictator Slobodan Milosevic, according to a Schiller Institute petition. Markovic is part of the network around *Praxis* magazine that planned and executed the Serbian "ethnic cleansing" against Croatia and Bosnia.

● **RICHARD THORNBURGH**, a former U.S. attorney general, has repudiated the debts from his failed campaign for the Pennsylvania U.S. Senate seat. He is being sued for \$175,000 owed to Texas political consultant Karl Rove. Thornburgh said that he is not personally liable for his campaign debt, and that if anyone is, it is members of his campaign committee.

● **MARIO CUOMO** asked to have his name withdrawn from consideration to replace retiring Supreme Court Justice Byron White, according to *New York Newsday* on April 7.

● **GARY SICK**, a former Carter National Security Council staffer, denounced the trend to make "Islamic fundamentalism" a replacement for the Cold War enemy image, in the *Washington Post* of April 4. "Egypt, Israel, and the CIA have all concluded that their interests are served by the propagation of a new enemy—Islamic fundamentalism."

● **OPENING STATEMENTS** were made in the trial of Robert Altman on March 30, who is charged with hiding the fact that Bank of Credit and Commerce International owned First American Bankshares.

A time for great concepts

Over the last several years there have been few bright spots in the news. War and economic depression have been the dominant themes, and seemingly nowhere were there men and women in positions of power with sufficient vision to support proposals such as the LaRouche-Reagan Strategic Defense Initiative. Such a gloomy view was fortunately mistaken, as the recent Russian initiative resurrecting an SDI based upon advanced physical principles, makes clear.

Indeed, human history has gone through many seemingly black periods, in which only the most discerning and the most optimistic could see the possibility of a renaissance. Thus it is our belief that now is the time to press ahead with the entire package of initiatives put forward by economist Lyndon LaRouche during the 1980s. These include the perspective of establishing a manned colony on Mars within a 40-year period, and the rapid implementation of his proposal called the "Productive Triangle."

The Productive Triangle includes the region of the greatest density of industrial production in Europe, encompassing Paris, Berlin, and Vienna, which would provide the economic weight to launch major infrastructure development projects throughout the former Soviet Union and other East bloc nations which were once under communist domination. When LaRouche first proposed this at the end of 1989, following the fall of the Berlin Wall, he anticipated the tremendous opportunity which would arise for launching a new period of prosperity, peace, and development throughout the world.

His proposal was not implemented, and instead, under the dictatorship of the International Monetary Fund (IMF), the people of these nations were subjected to a new tyranny, a bankers' dictatorship. The key individuals responsible for this outrageous failure to take advantage of an extraordinary historical opportunity were Mikhail Gorbachov, Margaret Thatcher, and George Bush. Fortunately, they have all been removed from the political scene, and there is still time to reverse what has seemed up until now an almost ineluctable slide into disaster.

It is not only the destruction of the Russian, Polish, and other economies of the East which presaged disaster. The accelerating economic collapse in the West, exemplified by the decline of French and German per capita productivity, as a result of the collapse of these economies, and the indications that the present worldwide economic depression may be more severe than that of the 1930s, are equally alarming.

Crucial to this economic decline has been the failure during the 1980s to implement the kind of initiatives which were put forward by LaRouche. In each of the three cases mentioned, the SDI, the Moon-Mars project, and the Productive Triangle, the centerpiece of the proposal was the emphasis upon investment in the most advanced technologies.

Productivity requires a higher standard of living; it requires investment in technology. A zero-technological-growth society, even without the kind of vicious practices embodied in IMF conditionalities and World Bank demands for the use of "appropriate" rather than advanced technologies, must ultimately lead to the depletion of a finite resource base and, as a result, a lowering of productivity.

Instead of favoring an accountant mentality, the attempt to enhance short- to medium-term financial yields and apparent profitability—the kind of thinking which dominates economic policymaking today—LaRouche argued for the kind of far-sightedness exemplified by President Kennedy's Apollo Project.

What is urgently needed today, is a reversal of priorities. We need to move ahead with the rapid introduction of advanced technologies in the short term, such as magnetically levitated train systems; in the medium term, with the kind of directed-energy technologies which will spin off from a combined Russian-American SDI initiative; and in the long term, with the colonization of space. In other words, rather than cost-cutting measures which typically involve cutbacks in research and development, a 180 degree turn must be accomplished to favor investment in and development of the most advanced technologies based upon new physical principles.

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- ANCHORAGE—AC-TV Ch. 40
The LaRouche Connection
Wednesdays—9 p.m.

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The LaRouche Connection
Thurs., April 29—6:30 p.m.
- MTN. VIEW—MVC-TV Ch. 30
The LaRouche Connection
Tuesdays—4 p.m.
- SACRAMENTO—Access Ch. 18
The LaRouche Connection
Wed., April 28—10 p.m.

DISTRICT OF COLUMBIA

- WASHINGTON—DC-TV Ch. 34
The LaRouche Connection
Sundays—12 Noon

FLORIDA

- PASCO COUNTY—TCI Ch. 31
The LaRouche Connection
Tuesdays—8:30 p.m.

GEORGIA

- ATLANTA—People TV Ch. 12
The LaRouche Connection
Fridays—1:30 p.m.

IDAHO

- MOSCOW—CableVision Ch. 37
The LaRouche Connection
Weekly—usually Weds. eve.
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ILLINOIS

- CHICAGO—Access Ch. 21
The Threat of World War III
Thurs., April 22—9 p.m.
Thank God For Martin Luther King;
Tues., April 27—10 p.m.

- QUAD CITIES—Cox Ch. 4
The LaRouche Connection
Thursdays—10:30 p.m.

INDIANA

- SOUTH BEND—TCI Ch. 31
The LaRouche Connection
Thursdays—10 p.m.

MARYLAND

- MONTGOMERY—MC-TV Ch. 49
The LaRouche Connection
Tuesdays—11 p.m.
- WESTMINSTER—
Carroll Community TV Ch. 19
The LaRouche Connection
Tuesdays—3 p.m.
Thursdays—7 p.m.

MICHIGAN

- TRENTON—TCI Ch. 44
The LaRouche Connection
Wednesdays—2:30 p.m.

MINNESOTA

- MINNEAPOLIS—Paragon Ch. 32
EIR World News
Wednesdays—6:30 p.m.
Sundays—9 p.m.
- ST. PAUL—Access Ch. 33
EIR World News
Mondays—8 p.m.

NEW YORK

- BROCKPORT—Cable Ch. 12
The LaRouche Connection
Thursdays—7 p.m.
- BRONX—
Riverdale Cable CATV-3
The LaRouche Connection
Saturdays—10 p.m.

- BROOKHAVEN—TCI Ch. 6
The LaRouche Connection
Wednesdays—3:30 p.m.

- BUFFALO—BCAM Ch. 32
The LaRouche Connection
Mondays—6 p.m.

- IRONDEQUOIT—Cable Ch. 12
The LaRouche Connection
Tues. & Thurs.—7 p.m.

- MANHATTAN—MNN Ch. 69
The LaRouche Connection
Saturdays—12 Noon

- ROCHESTER—GRC Ch. 19
The LaRouche Connection
Fridays—10:30 p.m.
Saturdays—11 a.m.

- STATEN ISL.—
SIC-TV Ch. 24
The LaRouche Connection
Wednesdays—11 p.m.
Saturdays—8 a.m.

- WESTCHESTER—
Mt. Vernon PA Ch. 18
The LaRouche Connection
Fridays—6 p.m.

OREGON

- CORVALLIS—TCI Ch. 11
The LaRouche Connection
Wednesdays—1 p.m.
Thursdays—9 a.m.

PENNSYLVANIA

- PITTSBURGH—
PC-TV Ch. 21
Rev. James Bevel Interview
Sat., April 17—5 & 11 p.m.
Sun., April 18—5 & 11 p.m.
Wed., April 21—11 p.m.
Tues., April 27—1 p.m.

TEXAS

- HOUSTON—PAC
The LaRouche Connection
Mon., April 19—5 p.m.
Is the ADL the New KKK?
Tues., April 20—4 p.m.
Tues., April 27—4 p.m.
Mon., May 3—6 p.m.

VIRGINIA

- ARLINGTON—ACT Ch. 33
The LaRouche Connection
Sun.—1 p.m., Mon—6:30 p.m.
Wednesdays—12 noon
- CHESAPEAKE—ACC Ch. 40
The LaRouche Connection
Thursdays—8 p.m.

- CHESTERFIELD COUNTY—
Storer Ch. 6
The Schiller Institute Show
Tuesdays—9 a.m.

- FAIRFAX COUNTY—
Media General Ch. 10
The LaRouche Connection
Wednesdays—6:30 p.m.
Thurs—9 a.m., Fri—2 p.m.

- LEESBURG—MultiVision Ch. 6
The LaRouche Connection
Mondays—7 p.m.

- RICHMOND/HENRICO—
Continental Cable Ch. 38
The Schiller Institute Show
Mondays—8 p.m.

WASHINGTON

- SEATTLE—PA Ch. 29
The LaRouche Connection
Mondays—3:30 p.m.
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COLD FUSION

Challenge to U.S. Science Policy

The ground-breaking discovery announced by Martin Fleischman and Stanley Pons on March 23, 1989 has been received, not with scientific debate, but with a crude political witch-hunt. Compare what the anti-science mob is saying, with what Lyndon LaRouche writes in a 173-page science policy memorandum issued by the Schiller Institute.

Lyndon LaRouche



"These cold fusion experiments, taken together with other experiments exhibiting related kinds of anomalous results, should become featured elements of a special research project—a 'mini-crash program' of fundamental research—enjoying the moral and material support of appropriate public and private institutions of the United States and other nations."



Paul Ehrlich

Given society's record in managing technology, the prospect of cheap, inexhaustible power from fusion is "like giving a machine gun to an idiot child."

Jeremy Rifkin

"It's the worst thing that could happen to our planet."

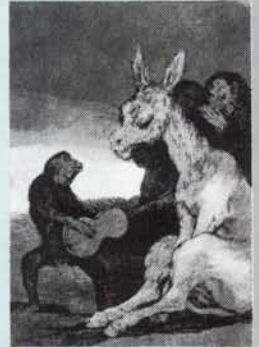


Nature magazine

"The Utah phenomenon is literally unsupported by the evidence, could be an artifact, and given its improbability, is most likely to be one."

The New York Times

"Given the present state of evidence for cold fusion, the government would do better to put the money on a horse."



LaRouche's memorandum is available for \$25 postpaid from

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