

EIR

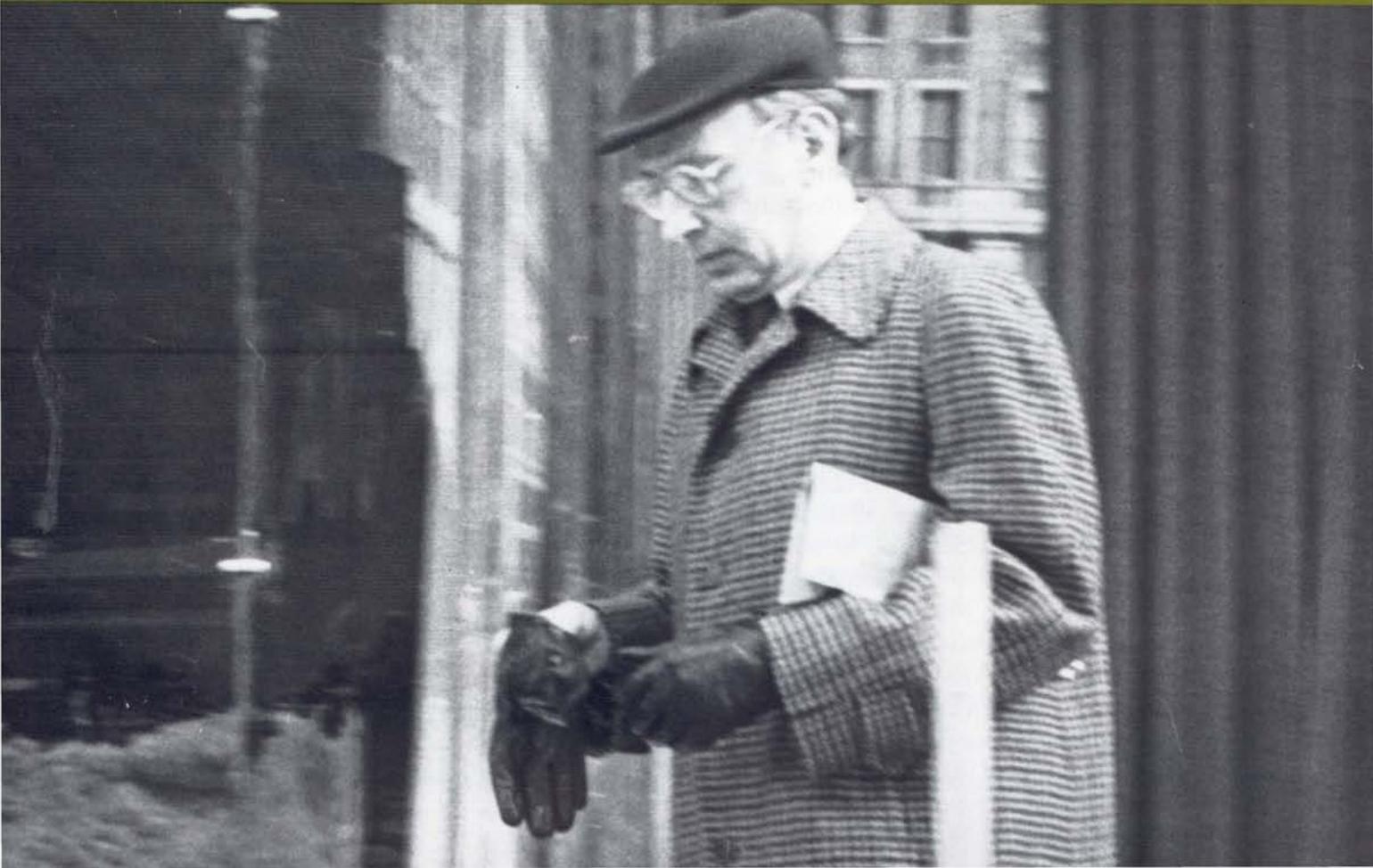
Executive Intelligence Review

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\$10.00

Clinton's honeymoon with the markets is over
Join economics and morality in Ukraine, Russia
The shame of the International PEN Club

**Justice closing in on
ADL spymaster Suall?**

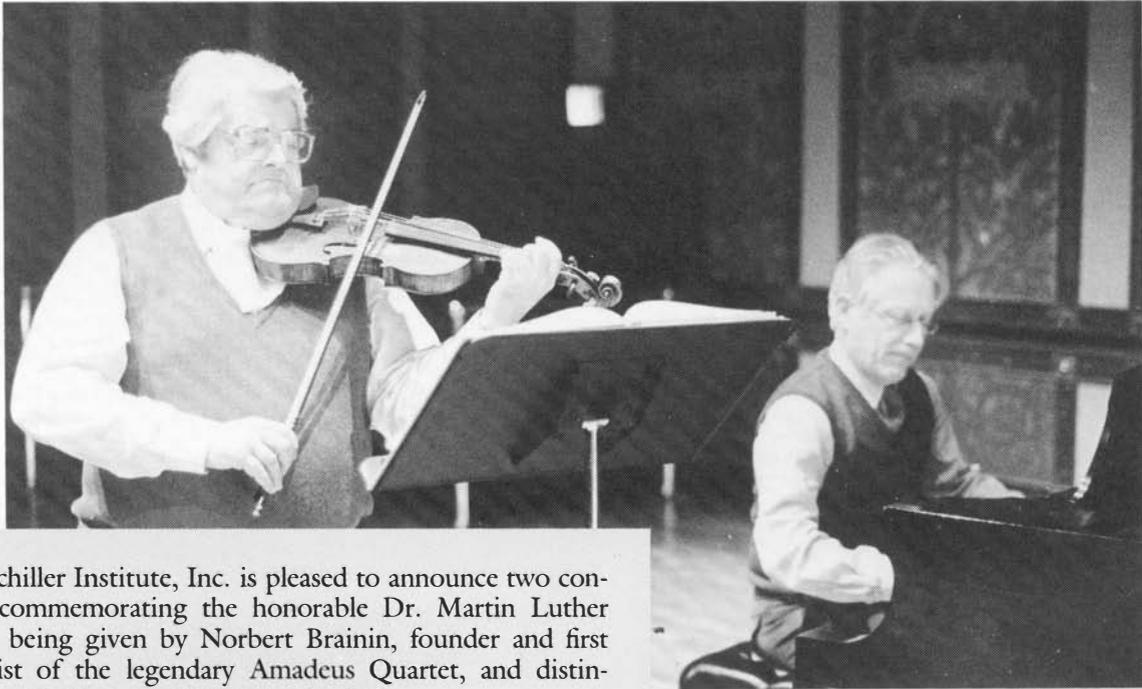


CONCERTS

In Memory of Dr. Martin Luther King, Jr.

BY

Norbert Brainin, *violin* Günter Ludwig, *piano*



Schiller Institute, Inc. is pleased to announce two concerts commemorating the honorable Dr. Martin Luther King, being given by Norbert Brainin, founder and first violinist of the legendary Amadeus Quartet, and distinguished German pianist Günter Ludwig.

In his book *Strength to Love*, Dr. King spoke of the emotional state required of those who fought most successfully against injustice in America. He used the Greek term *agapē*, and he said, "Agapē is understanding, creative, redemptive, good will to all men. . . . Theologians would say that it is the love of God operating in the human heart."

It is exactly this emotional state that great Classical music is intended to evoke, and it is that which great musicians, like Maestro Brainin, are able to produce in their audiences. Therefore, we see this concert as the marriage of two friends, the ideas of King, and the music of Beethoven, Mozart, and Franck, which both spring from the same source—this sacred love for all mankind, which makes mankind better just by its experience.

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- G. F. Handel, *Sonata for Violin and Figured Bass in D Major*, Opus 1, No. 13 (1750)
- C. Franck, *Sonata for Violin and Piano in A Major* (1886)

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From the Editor

The furtive figure on the cover is Irwin Suall, director of the Fact-Finding Division of the Anti-Defamation League, a tax-exempt entity with the face of a civil rights lobby and the poisonous tail of a spying-and-dirty-tricks outfit for the Anglo-American financial oligarchy. The ADL with its offshoot, the Cult Awareness Network (CAN), bears a frightful responsibility for the fiery hecatomb of Waco.

Time is running out for these citizens “above suspicion,” however.

● On April 27, the *Jordan Times* (Amman) charged that the ADL is “operating as a government within a government.” Commenting on the ADL’s “massive nationwide intelligence-gathering operation against a wide spectrum of political groups operating in the U.S.,” the paper editorialized: “There is nothing more serious than conducting espionage activities on nationals within a country. ADL and AIPAC have both abused their privileges and violated the trust that state and federal governments have had in them as essentially charitable agencies engaged in benign activities. If the two establishments escape U.S. justice scot free in spite of the damaging information about them, then we have a right to question the integrity of American justice, its fairness and even-handedness. . . .” (See background in the *Feature*.)

● In Colombia, ex-Labor Minister Jorge Carrillo exposed the threats from AIFLD, an ADL-dominated “labor” outfit which attempted to intimidate him out of his support for Lyndon LaRouche (p. 51).

● A national Italian newsweekly reported on Suall’s role in abetting Soviet libel of Lyndon LaRouche and his associates in the murder of Swedish Prime Minister Olof Palme seven years ago (p. 42).

● In Virginia, Omnibus Motions were filed in the cases of five LaRouche associates still to be tried for alleged securities fraud, which present the devastating evidence of sweeping illegalities by the government and the ADL (page 65).

Maybe the “most unkindest” cut to Mr. Suall is that LaRouche’s influence is spreading faster than ever, despite ADL perfidy. One special example is the contribution on p. 18 of Prof. Muranivsky, who shows the unity of LaRouche’s approach with some of the great minds of the Russian and Ukrainian past.

Nora Hamerman

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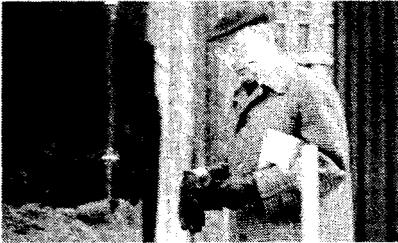
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Clinton's honeymoon with the markets is over

by Chris White

When Bob Dole, Phil Gramm, and their friends on the Democratic side of the aisle sank the Clinton "economic stimulus" package late last month, their action brought to an end the new administration's brief honeymoon with the international money markets. Flaunting their new-found muscle, like some pumped-up, well-oiled body builder, they ought to be more mindful of the medical consequences of steroid use. He who sows the wind, reaps the whirlwind.

Clinton's money market honeymoon was consummated in the bond markets. It began on Nov. 8, and it ended on April 22, when Dole and company buried the stimulus package. The bond market rally, with interest rates on long-term U.S. government paper coming down to all-time lows by late February early March, and nearing those lows again in the second week of April, was supposed to portend an open-ended perspective of lower interest rates, lower inflation, more mortgage refinancing, and more housing construction—all elements idiotically assumed to be vital in promoting an upturn in so-called "consumer confidence." On the back of the bond rally, the Dow-Jones continued to rise to its recent all-time highs. And all those are supposed to be the vital signs of the recovery in progress.

All this was always complete codswallop anyway: There never was any recovery going on in the first place. The last place anyone in their right mind would look for evidence that there was, is the financial markets, whether in the U.S., or anywhere else in the world for that matter. What there was, was a bond market-driven speculative boomlet, money breeding more money, before the realization hit that unless fundamental changes are made, Clinton's public budget and economic plans are only what they always have been: dead meat for the scavengers in the marketplace. There, Dole, Gramm, and company are among the pack of jackals and

hyenas, whose presence signals the coming of the killers.

For they say—as Newt Gingrich did, with different words, for the House Republicans after the Senate voted—"Clinton, we killed your stimulus package, and we will kill again with anything else you put before us. If you want your budget, if you want your health care reform, you must deal with us."

The "us" in this case is something broader than the Republican caucuses in the House and Senate. Look what else bubbled up to the surface, just one day after the Republicans killed the package: none other than George Soros, Jimmy Goldsmith, James Rothschild, and the crew which made multibillion-dollar windfalls in their speculative assault on the European Monetary System last fall.

On April 23, Soros is reported to have paid \$650 million for shares in a gold-mining company, Homestake, held by Jimmy Goldsmith's General Oriental. Goldsmith is then supposed to have turned around and used some \$400 million of the proceeds to purchase options in gold. As Clinton appeared before the press corps during lunchtime that same day, to address what had happened the day before in the Senate, the price of gold leaped \$6 per ounce on the market. Goldsmith's collaborator Soros, it was reported April 27, had gone short on U.S. government bonds via another options purchase. Those who used the leverage of "derivatives" to wreck the European Monetary System last fall, now appear to be turning the same weapons against the speculative bubble they helped to develop in the United States.

That, at any rate, is the current scuttlebutt in the markets; but it is not only that. It is also publicly reported in the pages of European newspapers like the London *Financial Times*, which devoted three articles on April 27 to Soros and Goldsmith's latest dirty games. Indeed, their current activities are

also known to be of some concern to the Clinton Treasury Department, which is in the throes of organizing the upcoming quarterly auction of U.S. government debt.

Going short on the government's bonds, means betting that their price will fall, and their interest yield rise. That indeed did begin to happen during the time from the Republican vote on April 22, up to April 27, when reports surfaced about what Soros and company were supposed to be doing. Over that time, the yield on the 30-year bonds increased from around 6.7% to over 6.8%. And that can be presumed to be just the beginning.

It is not the first time that Soros, Goldsmith, and their backers, who include Citibank, have played this one-two routine with the whited sepulchres of supposed financial orthodoxy among the political representatives of the myths of the "magic of the marketplace" in the House and Senate.

Soros fronted for the combination last fall with an assault on Europe's financial viability. It was the U.S. free marketeers who insisted that the turmoil in Europe was of no concern to the United States, and that the U.S. could only benefit from it.

Soros also fronted for the same combination in Eastern Europe and Russia, beginning even before the fall of the Berlin Wall in November 1989. Soros is said to have set up, in Hungary, channels employed by Russia's Communists to smuggle out ill-gotten financial gains, through holding companies in Budapest to shelters in Switzerland and Gibraltar.

Together with the Reichmanns of Toronto, Andrew Sarlos, and Henry Kissinger's protégé Mark Palmer, Soros was a principal in the Thatcherite looting operation which wrecked the potential of 1989 in eastern Europe and Russia through the promotion of privatization swindles and outright speculative asset stripping. He is now promoting a so-called a dollarized "safety net" for Russian social welfare programs—a deal which would finish off the ruble as a national currency. This is the political operation which was headed by President George Bush, Prime Minister Margaret Thatcher, and Henry Kissinger, and is what the International Monetary Fund-sponsored "shock therapy" actually represents.

The economy-killers

Goldsmith was one of the unindicted co-conspirators in the leveraged buy-out binge of the 1980s. His holdings in Homestake were purchased from his fellow Thatcherite Lord Hanson, who, like Goldsmith, bought up cheap U.S. assets which had been bankrupted by Federal Reserve Chairman Paul Volcker's high interest rate policies of the late 1970s. He then used the spread between bankrupt share prices and the book value of nominal assets to promote the later leveraged buy-out binge. Debt taken on to finance purchases of equity was supposed to be paid down by liquidating assets of taken-over corporations at higher prices.

Goldsmith's attempted buy-out of Goodyear Tire and

Rubber promoted a congressional investigation and hearings into leveraged buy-outs. That attempt, at least, was stopped. Goldsmith was also a member of the Project Democracy-sponsored Public Diplomacy section of the Reagan National Security Council, which was used to coordinate press smears and slander campaigns against economist Lyndon LaRouche. The Soros-Goldsmith financial political operation is co-extensive with the mobsters at the Anti-Defamation League of B'nai B'rith.

In short, this is the operation which has been responsible for the bankrupt wreckage the U.S. has become, especially since 1979, when Jimmy Carter appointed Trilateral Commission member Paul Volcker to head the Federal Reserve.

From the European side, market insiders have been warning, since before Clinton's inauguration, that everything would be in place by the end of April for a new round of market turmoil. On cue, Dole and Gramm set the political scenery for the operation which Soros and Goldsmith had launched.

Around the same time, Lyndon LaRouche warned the incoming Clinton administration that unless it was prepared to clean up the financial bubble that had been caused by trading in derivatives, nothing that it proposed, financially or economically, would work.

Now Soros and Goldsmith are making it clear that that is indeed the case. Their latest shenanigans ought to serve as an object lesson for those who insist that derivatives, like options, have a "proper" place in the so-called markets. They insist that derivatives are a way of hedging "risk." As was proven last fall, derivative trading is a way of shaping the direction "the market" will go, by organizing a stampede in the desired direction. The Senate and House opponents of the Clinton stimulus package were among those assigned to get the stampede rolling, the hucksters who drum up the crowd for the circus.

And that is one of the ways in which those who scream loudest about cutting the deficit, and balancing the budget, contribute to just the opposite, i.e., to *increasing* the budget deficit. In this case, they set the stage for a speculative maneuver to increase interest rates. Higher interest rates increase debt service charges, increase unemployment, reduce tax revenues, and increase the deficit.

All of which would have happened anyway, even without the sinking of the stimulus package. It had already been in the works earlier.

What the budget balancers and the deficit cutters are protecting, is the organization of the flow of credit in the economy. They insist that government not use its lawful power to create money and credit, but instead use its power to underwrite debt and speculation already incurred. They don't want to create credit to put people to work; they want to use the tax revenues to increase the speculative returns of the crowd George Soros represents, no matter what the cost to the country's productive potential.

‘Solve the U.S. budget crisis with 6-8 million new jobs’

The following are excerpts from the April 28 “EIR Talks with Lyndon LaRouche,” a weekly radio interview conducted by telephone with the former presidential candidate from federal prison in Rochester, Minnesota. He was interviewed by Mel Klenetsky.

EIR: Mr. LaRouche, Clinton’s domestic program is falling apart at this point. The stimulus package, the investment tax credit, budget director Panetta is painting a grim picture of the health program; a lot of pressure is being put on President Clinton from Ross Perot to concentrate on budget cutting; what would you suggest Mr. Clinton do, in order to pull this domestic agenda problem out of the hat at this point?

LaRouche: As long as Clinton is stuck with the “spook” image of Ross Perot hanging around the White House, Clinton faces a disaster on all fronts. There is only one possible way—and I say only one *possible* way, it is not a choice of several possible ways—to balance the U.S. federal budget, and to prevent the federal deficit, the federal debt, from growing astronomically; *only one thing can be done*. And that is to increase the number of well-employed taxpayers by about 6-8 million Americans, of the something like 18 million who are actually available to be employed, because they are unemployed.

So if you take 6-8 million out of the 18 million or so who are, according to Labor Department estimates, unemployed, put them to work in infrastructure-building jobs, infrastructure repair jobs, and into high-tech jobs, by re-expanding, say, the auto, aerospace, and related capacities for these jobs, then you will have a very quick increase in the tax revenue base, from both personal (household) and business income. And you can do that, without any monkeying around with tax increases, such as the BTU tax—other things are going to fail.

If you try to balance the budget by *cutting* the budget, what you will do, is you will cause an absolute disaster, and you will end up with a bigger budget deficit than you started with.

Now, I don’t know what happened to Ross Perot’s mind. Up until the eve of the Democratic and Republican conventions, before he dropped out, he was saying a lot of things

which were good observations, sensible observations. When he came back, he came back as Johnny One-Note, with a kind of Senator “Landfill” Gramm line of “cut the budget, cut the budget, cut the budget.”

I don’t care how much clout Ross Perot may have politically with his campaigns; the fact is, clout or not, what he is proposing, would be an absolute disaster for the United States, and an immediate disaster for Clinton. That would ruin Clinton. Maybe Ross Perot’s doing it thinking he can pressure Clinton into committing political suicide so Ross can be the candidate next time around—I don’t know what’s going on; but it is an absolute disaster.

So what Clinton proposed, was only a toe-in-the-water: a miserably small number of jobs, just to get the ball rolling. What he needs is 6-8 million jobs; and that can be done the way I indicated.

But the problem here, the political problem, is not just the Republicans, who seem to be following that—I must say that lunatic, Phil Gramm, who certainly has proved himself to be a lunatic, with the Gramm-Rudman catastrophe, and the Republicans seem to be following him. I don’t know if they actually are, or if they are just playing with him; but in any case, that duck-billed platypus of the Senate, who looks like a mammal but just lays eggs all day; his ideas must go.

But the other side of it is, you must take on the Federal Reserve question. As long as you try to chain our money supply to the Federal Reserve’s whims, you’re going to get debt-money; that is, the national debt will grow every time you try to put a dollar in circulation; and under Wall Street’s management, the money that goes out from the Fed, won’t go into investment in creating useful jobs; it will go into speculation in the stock market and in the derivatives market, into the already-overblown financial bubble.

So Clinton has to, at some point, face up to that.

Now, there is a certain amount of facing up to it, in a certain degree, around the Clinton administration. They said reluctantly that they were going to accept Wall Street’s pronouncement that there was a recovery. Of course, there never was a recovery; and Clinton and his Labor Secretary, Robert Reich, and now Panetta, are making noises to indicate that they never really believed there was a recovery, and they

also believed that the evidence shows there never was. So, Clinton's only bet, politically, is to use the fact that there never was a recovery, the pain, the depression in the U.S. economy, rage by American people (just like the Russians, who are enraged against Yeltsin's package), and to use that rage as a way of hanging the donkey's tail on the nose of the Republicans, who pulled this filibuster fiasco.

EIR: One of the things that both Gramm and Perot seem to count upon, is hoodwinking the American population into thinking that you can balance the budget in the same way that you balance a household budget. You sort of have this "common horse-sense" that they are appealing to in the American population.

Why doesn't this kind of approach work?

LaRouche: Well, it can't work. It's insane.

A national budget, a national economy, is based on the use of credit to expand the economy. There is no way that a household can use credit to expand its economy—that is, not in any ordinary sense. It is the job of the national economy to expand the economy, not the household. The household is based on a fixed income, the income of its income-earners. And they can do a number of things to increase their income, or, in former times, you could use credit to rearrange your circumstances to reduce the cost of living by prudent investments in better ways or more efficient ways of living.

But the household has no ability to *create wealth* within the household; the national economy *does*. The household cannot increase the number of jobs within the household. It sometimes does by getting the kids to do more work and clean up, but that does not do much for increasing the income of the household.

In a national economy, on the contrary, *job creation* and *increase in productive powers of labor* through use of better technology, is the watchword. In the national economy, the ability of the households—or anybody else—to make a living, depends upon government direct intervention, or regulated sponsorship of, public and private utilities, such as water projects, power projects, transportation projects, schools and medical facilities, and so forth. Without those *public works*, an economy does not work.

So a government has to expand itself, expand its activity, through credit, to be able to provide public works, and to provide an increased number of useful workplaces; so the functions of the government and the household are completely different.

Gramm appeals to one thing. First of all, most of the college-trained economics profession today, are complete monetarists, which means that they are completely incompetent, and you should never employ a college-trained economist for your business or your government, because they are incompetent. They should be put away, and put out to one side, where nobody uses them. Secondly, the idea of the

appeal to the household is to say to the family, "Well, there is no such thing as economics really. There is no science of economics, it is only like a household budget."

This is like saying to the passengers in a 747, "Look, you've got this pilot up here. He claims to be a technician. But there's nothing to running a plane. Any one of you guys can run a plane. So let's heave the pilot out of the cockpit, and let's get in there and run it ourselves." And that is essentially what Gramm is saying; and he is appealing to the popular impulse—a pathology within the American population.

Let me put it this way, let me put it very brutally.

You have a man who, if he has the leisure, will spend most of his day in front of a television set watching soap opera, watching that kind of fictional entertainment called the television news broadcasts; watching MTV for his sexual kicks, or things like that; and then watching hours upon hours of sports. When that man gets up from his chair, and expresses an opinion, and one is inclined to look at him and say, "Buddy, the way you waste your mind, the level to which you bring it down in front of that boob tube, you want to tell me that you have an opinion worth my hearing?"

Unfortunately, many Americans wish to have an opinion without thinking. And they like someone like that dummy, Milton Friedman, or the cheap imitation Milton Friedman, Phil Gramm, who comes along and says, "Look, you can be stupid and run an economy." Look at Gramm. He's stupid, and he pretends he can run an economy; and look at the disaster he creates. I think that is the answer to give to this stuff. . . .

EIR: Mr. LaRouche, we have been talking about Clinton's job creation program and, while we shouldn't be picking on Clinton, because he attempted to do something, he nevertheless faces a very severe problem at this point, because Congress is not even implementing what he wants.

So what does President Clinton have to do in order to deal with this crisis?

LaRouche: Well, I am a real loose cannon, and I would suppose that if I were out loose—which would mean exposing the fraud, at a very high level, which was used to put me into prison, on the orders of former Soviet President Gorbachov, back in 1986 through 1988, when he ordered that I be put in prison by the United States as a condition of good faith showing by the incoming Bush administration.

If that's exposed, then I'm a loose cannon; and I can do the job of catalyzing a general popular revolt, through aid of leading circles around the country, which will set a fire under the tail of the Congress. . . .

The problem is, the public is afraid of new taxes, and as long as Clinton is frightening them with the bogeyman of new taxes, he's going to find that he is alienating the very voters who would support him on a job creation program and would support him if he had to take on the Fed, too.

Russia's offer of SDI cooperation is a chance not to be lost

by Michael Liebig

While the domestic political situation in Russia continues to deteriorate, Moscow is making an extraordinary strategic initiative. In the context of the Clinton-Yeltsin summit meeting in Vancouver, the Russian government proposed technology cooperation to the American government in the development of missile defense systems based on "new physical principles." Moscow's *Izvestia* reported in detail on the Russian offer in its April 2 issue, for joint development of beam weapon anti-missile defense based on microwave, laser, and plasma technologies. Allegedly "exotic" beam weapons are a technology of the Russian arms industry "confirmed by tests beyond the laboratory phase." Almost exactly ten years after President Reagan's famous television speech introducing SDI, the issue is now at the top of the strategic agenda (see *EIR* for April 16 and April 23 for more details).

The deafening silence with which the Russian proposal has been greeted by western government institutions and media is astonishing. Two weeks after publication of the proposal, most western strategic experts were still either completely uninformed, or shocked and speechless. The Russian initiative comes at a point in time when the tendency of expert evaluations and public opinion is to believe that SDI is ultimately "finished off."

SDI seemed dead

An article in the March issue of the leading scientific journal *New Scientist*, entitled "The Rise and Fall of Star Wars," is typical of this point of view. Triumphant, the article describes the SDI which Reagan propagated as "technologically unfeasible," "unfinanceable," and "strategically untimely" wishful thinking. "In the initial phases of SDI, enormous sums were spent for 'directed energy weapons' such as laser and particle accelerators. These beam weapons created the special aura of Star Wars in public opinion. The program promised to make science fiction real, first in the realm of weapons, and then in the technology of daily life." But this "music of the future" played itself out, since there would be nothing more than improved "Patriot" missiles against "Scuds."

The extraordinary feature of the Russian offer for cooper-

ation on SDI consists in the fact that it does not focus on kinetic-energy systems ("anti-missile missiles"), but assigns the crucial role to beam weapons. Russia had put out feelers at both of the Yeltsin-Bush summit meetings in 1992, to see if the United States would be willing to cooperate with Russia in the field of beam weapons. This offer, kept in a general form, was blocked by the Bush administration. The new proposal from Moscow for cooperation on systems based on "new physical principles" is all the more significant, since only beam weapons have an inherent superiority over nuclear-armed assault missiles. And only these systems have the potential to become a technology driver for the economy as a whole.

The 'LaRouche factor'

In one sense the Russian offer came as a surprise, but it is not a proposal which fell unpredictably out of the "clear blue sky" of strategic thinking. On Feb. 26, 1993, Lyndon LaRouche published a memorandum from prison, in which he described his role in the emergence of the SDI in 1982-83, as well as his discussions at that time with the Soviet side. At that time, the issue was a historic shift of direction. The Soviet rejection of SDI at that time and the Soviet demand for his—LaRouche's—political elimination have blocked a fruitful, development-oriented East-West cooperation down to this day. LaRouche identified the key points of his absolutely up-to-date SDI program as follows:

- ending the danger of war entailed in nuclear assault missiles by means of anti-missile defense based on "new physical principles";
- cooperative development and deployment of this SDI together with Russia;
- a revolution of the entire economy on the basis of "new physical principles."

On March 23, 1993, the anniversary of Reagan's SDI speech, LaRouche published a declaration in which he said: "The time has come for a similarly bold initiative. This time President Clinton has the ball in his hands. We can only hope that the President will listen to the advice of those who earlier supported President Reagan's announcement."

Shortly before the Vancouver summit, both President Clinton and his secretary of state, Warren Christopher, declared that the political and economic life and death crisis of Russia is "the greatest strategic challenge of our time." The state of the world in 1993 is the inevitable consequence of the ten years of blockage against LaRouche's "strategic political package." Together with the three cited basic principles, the SDI has a crucial role in this package. For ten years the attempt has been made to do things in a way directly contrary to what LaRouche proposed. But the present world economic and world political situation emphatically demonstrates that no other way will work. The Russian April 2 offer for SDI cooperation reopens once again, probably only for a short time, the window of a historic opportunity.

The SDI offer as a litmus test

How does it happen that, after almost ten years of hysterical diatribes against the SDI strategy, the Russian government has decided to become an active proponent of this strategy now?—And, in fact, an SDI, which largely corresponds to the definition which LaRouche gave the policy over ten years ago? To the extent that it is possible to identify the various forces behind the Russian SDI initiative, these forces come from a diversity of political currents. Support for the SDI offer, or rejection, as the case may be, runs straight through the "Yeltsin camp," the "National Security Council" of Yuri Skokov, the "Citizens Union" of Arkadi Volsky, the "military-industrial complex," and the scientific elite of the "Academy of Sciences." There is obvious opposition to the offer from the military, and from the foreign policy establishment. But in Russia there seems to be a fundamental consensus, that the SDI offer is a "strategic litmus test" for the West. Does the West want a long-term, geopolitically based weakening of Russia? Does the West want to hold Russia in a condition of economic and political paralysis, to such an extent that Russia would maintain control only over its nuclear arsenal? Or, does the West want development-oriented cooperation with Russia as an equal partner?

First of all, we reemphasize the military urgency of an effective anti-missile defense, which can be efficiently achieved only with beam weapons. The form of threat represented by weapons of mass destruction and ballistic missiles has indeed changed since the early 1980s, but not the fact of the threat itself. Worldwide economic and political instability has led to an increase of this military threat on all sides. The situation in the Balkans and in the territory of the former Soviet Union makes that clear. Indications are already accumulating, that Serbia is in the process of procuring medium-range ballistic missiles. In view of the international instabilities, the Nuclear Non-Proliferation Treaty, which is supposed to be extended in 1995, proves to be quite fragile indeed.

Now to the economic-political dimension. Only if the West reacts positively to the Russia offer to cooperate on SDI, will it be possible to solve a fundamental problem of

the development of Russia's real economy. This is the problem of the "military-industrial complex." The Russian military-industrial complex binds the best personnel and material-technological resources of the Russian economy. At the same time, and for that reason, the military-industrial complex possesses the great potential for development in the real economy in Russia. Without the economic power center of the military-industrial complex, there can be no economic progress in Russia. The issue must therefore be to tap the enormous economic-technological potential of the military-industrial complex as a productivity-driver.

A 'breakout' for the economy

In precisely that sense, the cooperative development of beam weapons for anti-missile defense would make a forward breakout possible. That goes for both the domestic economic situation as well as the political situation.

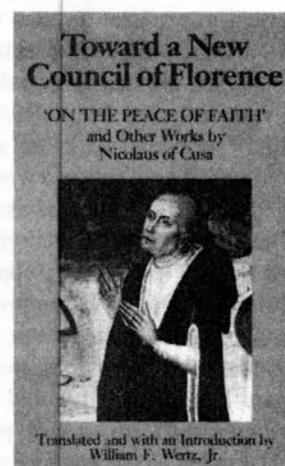
The moves in the direction of "converting" the Russian military-industrial complex made in the past three years have proven to be an utter failure. To the extent that a shift to civilian production occurred at all, this happened in a way such that technologically high-quality goods were replaced by technologically inferior consumer goods. That led to a reduction of the productivity potential of the military-industrial complex, and the total productivity performance level of the Russian economy continued to fall as well.

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“Conversion” might seem to be a laudable effort, if it means making tractors instead of missiles, or televisions instead of fighter aircraft. But in the real economy the precise opposite of such noble intentions is the result, because the average level of productivity is lowered technologically.

The cooperative development of SDI technologies based on “new physical principles,” strengthens the scientifically and technologically high quality of the military-industrial complex, but not the mass production of “conventional” standard weapons. The aim is to achieve a lasting increase of the total economic productivity level. Still more important, with the development and production of beam weapons for anti-missile defense, these technologies become available, practically automatically, to revolutionize the structure of production of the civilian economy. The proposed concrete project for joint development of plasma weapons demonstrates, that Russia’s military-industrial complex does in fact have a leading position, worldwide, in fundamental and crucial areas of science and technology. The cooperative SDI effort would thus not only constitute a crucial contribution to the economic reconstruction of Russia, it would also allow the development of new pioneer technologies in the world economic context, technologies for which there is often no real scientific-technological base as yet. The potential contribution which the Russian military-industrial complex could make in the areas of laser applications, plasma technologies, nuclear fusion, new materials, space travel, etc., is enormous.

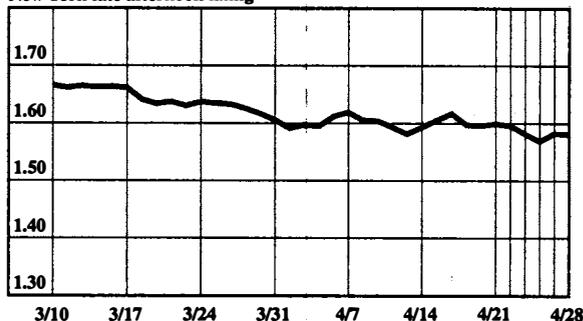
What is at stake?

Should the West either reject the Russian offer for cooperation on SDI categorically, or seek to stall it out, then those forces in Russia will inevitably gain the upper hand, which are in general hostile to a policy of cooperation with the West. The expectation then would be that particularly the Civic Union, which represents the Russian military-industrial complex politically, would be driven into the arms of the restorationist, Great Russian anti-western forces. The military-industrial complex would then probably fall back into its traditional role and would once again, cut off from the general economy, become the logistical base for the Russian military apparatus. A dictatorial Great Russian regime would view the Russian military apparatus, including the military-industrial complex, as the primary instrument of power domestically and to the outside. Under conditions of dictatorship and civil wars domestically, and military aggression toward the outside, it would be highly improbable that the personnel and technological potentials of the military-industrial complex would be employed for reconstructing the Russian economy at a higher technological level. That in turn would mean that the chance had been missed to exploit the potential of the military-industrial complex productively, to contribute to the economic and thus political stabilization of Russia.

Currency Rates

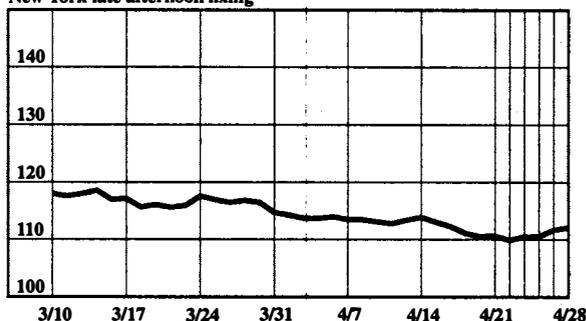
The dollar in deutschemarks

New York late afternoon fixing



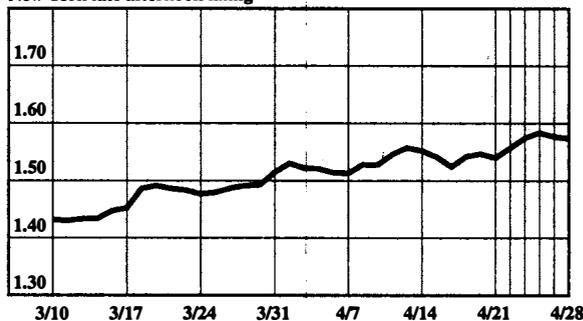
The dollar in yen

New York late afternoon fixing



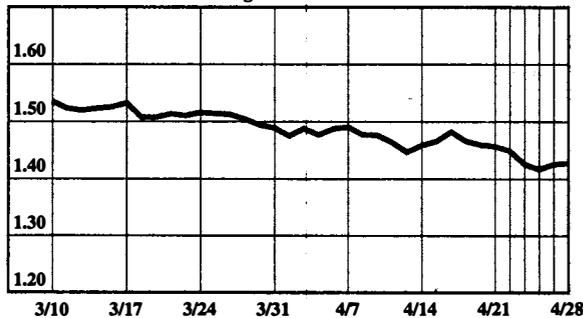
The British pound in dollars

New York late afternoon fixing



The dollar in Swiss francs

New York late afternoon fixing



Dakota farm banks function as slush fund for the mob

On March 22, North Dakota House Resolution 3037, which calls for an investigation of fraud in credit practices against farmers and a moratorium on farm foreclosures pending the outcome, was defeated in the North Dakota Senate, after having sailed through the state's House and the Senate Agriculture Committee. The defeat of the resolution, which had been sponsored by the Food for Peace organization, came as a result of a mobilization by what is best termed the "bankers' faction" in the state legislature.

But these were no ordinary community bankers who quashed the resolution. Led by Democratic Party hack Al Wolf, lawyer for the Independent Bankers' Association who testified against the resolution, these legislators were protecting the proprietary interest in the North Dakota farm banks, and the state-owned Bank of North Dakota, controlled by Minneapolis mob financier Carl Pohlad. Up until the recent sale of Pohlad's Marquette National Bank in Minneapolis to First Bank Systems in a stock swap, as many as 33 North Dakota farm banks had corresponding banking relationships with Pohlad's bank. Pohlad is now the second-largest shareholder in First Bank, which ranks just behind the Minneapolis-based Norwest Bank Corp. as the second-largest bank system in the upper Midwest.

Beginning in the 1960s, the Bank of North Dakota was turned into a slush fund for the far-flung speculative activities of this Minneapolis banker and his partners. Al Wolf is also the attorney for the Richter brothers, who operate five banks in North Dakota and are known to be heavily indebted to Pohlad.

One of the prime pieces of evidence presented to the legislature in support of H.R. 3037 was the fact that farm loans were being sold to Pohlad from the Richter bank in Regent, North Dakota. The bank had fraudulently obtained Farmers Home Administration (i.e., government) guarantees on the loans, which makes them prime speculative instruments in the international money markets.

Gangster to banker

Pohlad is a rags-to-riches billionaire who typifies the transformation since the 1960s of the "Minneapolis Mob" from gangster to banker in a three-piece suit. In the late 1950s, Pohlad was given the mob franchise over respectable business fronts, which masked widespread money-laundering and looting operations.

In 1958, he took over the Minneapolis Transit Authority from Isadore Blumenfeld (a.k.a. Kid Cann) and his associates, the Minneapolis representatives of the "national crime syndicate." Cann had outlived his usefulness, having looted the transit system flagrantly, and was indicted in order to satisfy public outrage. Pohlad instead adopted a lower profile, and affected the style of a respectable businessman, which gave him and his mob backers a much wider latitude to steal.

The Minneapolis Transit Authority was transformed into Minnesota Enterprises Inc. (MEI), which over the next 30 years bought and sold dozens of cash-rich businesses, including Pepsi-Cola distributorships, snack food companies, beauty salons, and, between 1968 and 1972, the Meyer Lansky-controlled Tropicana Casino in Las Vegas. He also built a banking empire, which consisted initially of the family-owned Bankshares Inc. and its lead bank, Marquette National, out of Minneapolis. Pohlad became the president and chief executive officer of Bankshares in 1955, after his brother-in-law, the original owner, died. According to published accounts, Pohlad worked the banks in the Ninth Federal Reserve District, offering them collection and loan services in return for becoming their corresponding banker.

As Pohlad became the corresponding banker for numbers of smaller, weaker banks, he was able to profile their financial condition. It also gave him access to their funds. By leveraging his stock and borrowing on correspondent banks' balances, over 25 years he bought up 30 troubled banks. In 1980, he took over the bankrupt Farmers and Merchants Savings Banks and merged them with his Marquette National—with \$30 billion worth of government assistance. Together with the Chase- and Citibank-controlled Norwest Banks, and with First Bank Systems, the Pohlad banking empire now dominates the banking market in the upper Midwest.

Pohlad and the Humphrey machine

Pohlad and his partner and protégé Irwin Jacobs are known as "liquidators." They buy up distressed properties, loaning just enough, not in order to make an enterprise work, but so that the debtor cannot get out of debt, allowing his assets to be looted. Pohlad's enforcers, who give his far-flung enterprises the license to steal, are located in the notoriously

mob-controlled Minneapolis Democratic Farmer Labor (DFL) Party machine. With Floyd Olson at its helm beginning in the 1920s, and the Humphrey family beginning in the 1940s, DFL protected the Lansky mob's gambling, prostitution, and bootleg liquor proprietorships. Pohlada is a major moneybags for the DFL.

One of Pohlada's partners, mob-financier Deil Gustafson, was Hubert Humphrey's campaign manager for his 1960 campaign for the Democratic presidential nomination. DFL kingmaker Gustafson bought the bankrupted Tropicana Hotel and Casino from Pohlada in 1972. In 1978, he was caught kiting checks backed by Pohlada's Marquette bank in an attempt to keep the Tropicana afloat. Two years later, he was jailed for skimming the proceeds for organized crime interests in Kansas City.

In the days of Lansky associate Kid Cann, if you wanted a liquor license, you got it from the mob. Of course, you had to use all their suppliers. And naturally, the mob skimmed off every transaction. When the business went bankrupt, the mob banker bought it out at 30¢ on the dollar, and the whole thing started afresh under a new cover. These are the methods of Cann's successors, the bankers, "investors," and developers in the three-piece suits associated with Pohlada.

Today these mob-backed financiers approach banking the way their more colorful predecessors approached the granting of liquor licenses: as a license to steal. If you want to borrow from Carl Pohlada to buy a bank, you first buy a box seat at the Minnesota Twins baseball games. You might have his friends in the bank examiner's office declare the bank insolvent first, so that you can buy it cheaper. And you can borrow the money from the Bank of North Dakota. Before he went to jail, Deil Gustafson was the one who supplied the banking licenses.

How the Bank of North Dakota was ruined

The Bank of North Dakota, technically owned by the citizens of the state, was founded as a result of a political movement of farmers and their allies to establish and control a source of credit to fund their farms and infrastructure needs. To secure the bank in 1918, they defeated for a short time the Minneapolis and Wall Street speculators who controlled all access to credit and at usurious interest rates. But by 1921, the speculators and grain traders had wrested control of the bank away from the farmer leaders of the Non-Partisan League.

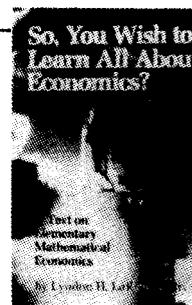
Since the 1960s, the Bank of North Dakota has been the property of the Minneapolis mob and their Democratic Party henchmen, who brought the Democratic Party of North Dakota back into power in the early 1960s. The Democratic Party anoints the Industrial Commission, a three-man executive committee which oversees the bank. The power resides in Minneapolis: In 1972, a "confidentiality law" was passed by the North Dakota Legislature which prohibits public disclosure of the bank's loans, even though it is the depository for

the state's funds, as well as for those of private corporations.

The farm banks in North Dakota all have corresponding relationships to the Bank of North Dakota. Increasingly, as the region's productive economy has fallen into the hands of speculators, the local farm or farm bank has become merely another asset to be looted. Today, no farm bank in Minnesota or the Dakotas will make a farm loan which is not guaranteed by the government, and which its corresponding bank does not approve. The financially strapped farmer will find his loan liquidated so that the speculators can collect on the guarantees.

The bank of North Dakota participates in farm loans with the privately owned farm banks, and the government-supported Farm Credit System, which uses the Bank of North Dakota as a depository. These loans are pooled with their government guarantees and discounted in multimillion-dollar packages on the international money markets.

Pohlada, using his control over the farm banks and the Bank of North Dakota, is a major speculator on the international markets. He is listed by *Forbes* magazine as one of the 100 richest men in the United States. His partner Curtis Carlson is the wealthiest man in Minnesota. The brokerage companies and security firms which make the deals for the Bank of North Dakota securities and bond sales all make sizable percentages on every transaction.



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Phylloxera spreads in California vineyards

A new strain of the wine grape root louse is more damaging than experts have wanted to admit.

An expert panel discussing the resurgence of a deadly enemy of wine-grape vines, recently confirmed in significant part the warnings advanced by *EIR* last August on the spread of the problem. Phylloxera expert Lucie Morton and Philip Freese, viticultural director for the Robert Mondavi vineyards, addressed the matter on March 19 in a discussion chaired by renowned wine writer Barbara Ensrud at a conference of the American Institute for Wine and Food in Washington, D.C.

Phylloxera is a root louse. It feeds on vine roots, sapping the nutrients from the plant and killing it. For over a century, winemakers have grafted their vines onto various root stocks which seem to heal themselves as fast as the phylloxera munch. However, the most resistant stocks do not produce yields as high as even moderately resistant ones, and compromises were made years ago by many California growers, based on research at the University of California at Davis, a viticultural center, choosing a hybrid stock called AxR-1. The compromise worked for about 40 years. Then, apparently, the phylloxera changed.

The new infestation, first noticed but not fully recognized in 1979, involves a new biotype, Biotype B, which has higher egg-survivability and reproduces about 40 times faster than the old Biotype A. One female (and all are female), in the five-cycle breeding of one summer, can potentially give rise to a billion others. When phylloxera hits, the vines must be pulled and new ones planted on resistant stocks.

EIR issued its warning on the

scope of the phylloxera threat after the industry and consumer magazine *The Wine Spectator* published an article last August downplaying the significance of the problem. The *Spectator* implied that only two counties would be badly hit, and that the cost would run between \$500 million and \$1 billion. *EIR* warned that both of these forecasts were dangerously short-sighted.

According to the panelists, San Joaquin, Santa Clara, Mendocino, and Lake counties now also have Biotype B. In laboratory tests, Morton said, the Santa Clara specimens appear even more virulent than those decimating Napa's vines. Napa has about 34,000 acres of vines, 65% of which are planted on the susceptible AxR-1 root stock. So far, about 17% of vines planted on this stock have been removed. Mendocino has a similar profile. Lake County vines, according to Freese, may be 90% planted on their own roots, i.e., not grafted at all. By 1996-97, said Freese, California can expect a reduction in yield by about 33%. However, he forecast that it will recover, and that by the year 2000 there may even be an oversupply in some parts.

Various means have been tried to avoid pulling vines, including flooding the vineyard and surrounding the vine roots in sand, but they are not satisfactory. Experiments are now under way, planting a resistant stock next to the existing vine and regrafting. However, a small, young root system cannot support an older, larger vine.

Asked if there is any way for a winemaker to live with a phylloxera

infestation, Freese says, "No."

It was also stated that many biotypes "probably exist" in addition to Biotype B. Although it is unknown how the louse spreads, evidence now exists that winged varieties, previously thought unable to establish themselves, can indeed do so. In any case, the rate of vineyard decimation in California, as shown by NASA satellite monitoring photos, is phenomenal. What appears as a healthy vineyard in an early spring photo is virtually dead by late fall.

Mondavi, which produces some of the world's finest wine as well as a great deal of everyday table wine, has changed its cultivation approach. Instead of 640 vines per acre in some vineyards, it will plant 2,000. The new stocks will reduce yield, but Mondavi, which has a joint venture with Chateau Lafite-Rothschild of Bordeaux, is confident that with careful pruning and time-honored European, low-to-ground vine-training instead of the "high-wire" act favored in the United States, the concentration of fruit in the wine may improve.

Many growers will not be able to afford this innovation. Freese said that, from pulling of the old vine to first fruit (2-3 years), the Mondavi vineyards will spend \$25-35,000 per acre. While these may be prime vineyards getting state-of-the-art treatment, *Wine Spectator's* estimate of an average \$10,000 per acre sounds low in comparison.

Over 30 states now produce table wine, from Washington to New York to Texas. Since even the old phylloxera has been endemic east of the Mississippi for, literally, millions of years, and many of the soils (such as northern Virginia's clay) are favorites of the louse, planting has always been on resistant stocks. However, Lucie Morton said, some other type of vine disease or problem could develop.

They're not banks any more

The "record profits" of the U.S. banks come from federal subsidies, unreported losses, and wild speculation.

Commercial banks in the United States posted record profits of \$32.2 billion in 1992, and judging by the reports coming in for the first quarter of 1993, they're in for another big profit this year. At least they would be, were these income reports not lies, designed to hide the massive losses of the bankrupt U.S. banking system. Despite these happy numbers, and the ongoing covert federal bailout, the banking system is sinking fast.

The banks piled up an impressive number of full-year and quarterly records in 1992. The claimed net income for the year was 30% above the previous record of \$28.4 billion in 1988, and 80% above the \$17.9 billion of claimed profit for 1991. The first quarter's \$7.6 billion profit was the highest quarterly profit on record, easily topping the \$7.3 billion reported in the first quarter of 1989. The second quarter was even better, at \$7.9 billion, and the third quarter better still, at \$8.5 billion, or nearly half the full-year 1991 profits. The string was broken in the fourth quarter, when banks reported \$8.2 billion in profits, but it was still the second-best quarter ever.

"The numbers also tell a story of strong, clear, undeniable improvement in earnings, capital loan losses, charge-offs—all the vital signs," Federal Deposit Insurance Corp. (FDIC) Chairman Andrew Hove insisted in a press release announcing the 1992 results.

How does it happen that the banks can claim to do so well in a year in which the economy sank deeper into depression, personal and business

bankruptcies hit new highs, real estate values continued their plunge, and unemployment soared?

The answer is that, in many respects, the biggest U.S. banks have ceased to be banks and have become speculators, using money provided by the U.S. taxpayers to gamble in international financial markets, while lying about the deterioration of their assets and loan portfolios.

The taxpayer funds come in the form of loans from the Federal Reserve to the big banks. The banks use these loans, for which they pay some 3% interest, to buy U.S. government-guaranteed securities which pay interest rates in the range of 7%. The result is a federal subsidy of some 4% or so.

Thanks to what the FDIC termed an "unusually wide" spread between short- and long-term interest rates, the banks' 1992 net interest income of \$133.5 billion was up \$12.6 billion over 1991.

On top of that, the banks do not have to set aside any reserves for their holdings of U.S. government securities, whereas they must set aside reserves for any loans they make.

No wonder the banks are pouring money into government securities instead of making loans.

During 1992, the dollar value of loans held by U.S. banks fell by \$27 billion, to \$2,032 billion, while their holdings of government securities soared. Commercial banks' holdings of U.S. government securities rose by \$99 billion during the year, to \$661 billion from \$562 billion, according to the Federal Reserve. At the same time, the banks' business loans

dropped \$15 billion, to \$603 billion from \$618 billion.

Meanwhile, the banks' reported levels of non-performing loans have dropped for seven consecutive quarters. From a peak of \$83 billion at the first quarter of 1991, non-current loans and leases fell to \$62 billion at the end of 1992. This magical decrease in bad loans has allowed the banks to reduce their reserves for loan losses and their charge-offs of bad loans. The banks charged off a net \$25.5 billion in bad loans in 1992, compared to \$32.8 billion in 1991, for the first year-to-year decline since 1978.

With a guaranteed income from the federal government and the illusion of improving loan portfolios, the banks have been free to rush headlong into the derivatives markets.

According to Salomon Brothers, the U.S. commercial banks' notional principal holdings of derivatives instruments jumped from \$2.2 trillion in 1986, to \$8.3 trillion in 1989, and \$15.2 trillion in 1991. As of June 30, 1992, Salomon reported, Citicorp had a total notional value of derivatives instruments of \$1,426 billion, seven times its \$213 billion balance-sheet assets; Chemical Banking Corp. had \$1,296 billion of derivatives, or nine times its \$140 billion in assets; J.P. Morgan had \$1,014 billion, or ten times its \$103 billion in assets; Chase Manhattan had \$837 billion, or nine times its \$96 billion in assets; Bankers Trust had \$958 billion, or 13 times its \$72 billion assets; First Chicago had \$387 million, or eight times its \$49 billion in assets; and Continental Banking had \$136 billion, or ten times its \$14 billion in assets. BankAmerica was conservative by comparison, with \$795 billion in derivatives, or just four times its \$181 billion in assets.

Overall, banks reported securities gains of \$4 billion in 1992, compared to \$3 billion in 1991.

Little people face big depression

Neither the German government, the opposition, management, nor labor know how to overcome the depression.

Mark my words: We'll all celebrate the existence of the first blossoming economic regions in the east of Germany on my [64th] birthday on April 3, 1994," German Chancellor Helmut Kohl declared at a Bonn press conference March 24, 1992. One year later, he's still giving out the same line—Kohl's equivalent to George Bush's famous "read my lips" remark—even though there is not the slightest indication that an upswing in Germany's east will come by 1994.

The nervousness underneath the official propaganda facade in Bonn is already great enough to explode into the angriest comments, like those on April 27, when Björn Engholm, the chancellor candidate of the opposition Social Democrats for the 1994 elections, said at a business event in Düsseldorf that he saw signs pointing to 7 million jobless by the end of 1993—twice as many as the official figure of 3.5 million that has been projected by the government for the end of this year.

But, although Engholm's remarks were denounced by chancellery spokesmen as "hairy," "irresponsible," and "panic-mongering," the real data are that today 5.25 million Germans of working age are without a regular job, and that at least 300,000 more in the western states, and another 400,000 in the eastern states of Germany, will have to be added to that figure by the end of this year. Officially, everything on top of the government unemployment figure of 3.4 million is being covered up by a set of state programs for re-training, make-work projects, and other short-term, ad hoc initiatives without any plans

for participants to get real jobs at the end of such a program.

The category of government-funded "programs for job creation" covers about 1.4 million Germans who have no job, but who are not counted in official jobless statistics. Another 400,000 Germans of working age—blue-collar workers in most cases—have been put on early retirement, so that they enter the category of pension recipients even though they haven't reached retirement age.

Kohl and his entourage of upswing propagandists are thus committing the same mistake Bush made in 1992, when he discounted any viable chance for his challenger Bill Clinton to win the elections, because the Democrats had no real programmatic alternative. Similarly, Kohl sees his Social Democratic challenger Engholm as weak and without a convincing alternate program to his policy, and so he is confident he will remain chancellor after the elections, which are scheduled for October 1994.

It is true that Engholm, whose position as chancellor candidate is contested even inside his own party, has no real economic program. At the event in Düsseldorf, he also proposed that a "secondary labor market" be created, which would employ jobless workers in state projects of public infrastructure, but at lower pay than the average. This would enable the state, which is in urgent need of funds, to employ many jobless people who couldn't be employed at normal pay, Engholm said, and it would help to fight overall unemployment.

Not surprisingly, those who criti-

cized Engholm for his remark about the 7 million jobless, did not attack him for his wage-cutting proposal. Here, Engholm is in line with the huge chorus of Bonn government officials, industry bosses, bankers, and "free" labor market experts who all mouth the same message: The salaries in Germany are too high, they make industry uncompetitive, and they must come down; otherwise, economic recovery will be impossible.

Engholm's "mainstream" proposals also have the moral support of former chancellor Helmut Schmidt, who is still a senior power-broker inside the Social Democratic Party, and who has recently enjoyed a kind of political comeback. Schmidt is trying to revive a mixture of old austerity proposals, dating from the time before 1982 when Schmidt was chancellor, and the new proposals for ceilings on wage increases, budget cuts, and a gradual but drastic lowering of living standards.

Schmidt's reappearance on Germany's political stage is reminiscent of the situation in 1982, when a deepening depression that had begun with the rise of interest rates in late 1979 wouldn't go away. Popular support for Schmidt was eroding among industrialists, labor, and bankers alike, and even within his own Social Democratic Party, his friends were deserting him. At that time, Schmidt thought that his challenger Kohl's program was too little of an economic alternative to worry about; but Kohl replaced Schmidt in October 1982, before the latter's term as chancellor ran out.

The fact that a bit more than 10 years later, Kohl finds himself in a similar situation vis-à-vis the opposition leader Engholm, may come as belated revenge for Schmidt; it's bad news, though, because Germany's elites haven't learned anything from the past 10 years.

Business Briefs

Nuclear Energy

China and Russia cooperation planned

China and Russia are cooperating on the uses of nuclear energy and will conduct joint research on reactor design, with Russia planning to send 10 scientists to China for the project, according to the official Chinese news agency Xinhua on April 19, UPI reported.

The 10 Russian scientists will work on joint research on a fusion-fission hybrid reactor, touted as a more efficient nuclear energy producer, and will study conceptual design and technology feasibility research.

At a conference in Chengdu, the capital of Sichuan province, Chinese and Russian scientists recently held discussions on various nuclear issues, including design, technology, waste disposal, and environmental safety.

China has already contracted to buy a Russian-made nuclear power plant, to be located in northern Liaoning province, but has denied reports of hiring large numbers of Russian nuclear scientists.

Debt

Kenya capitulates to IMF conditionalities

After a stand against what Kenyan President Daniel arap Moi called the "dictatorial and suicidal policies of the International Monetary Fund" (see *EIR*, April 9), Kenya announced its commitment to "economic reform" in order to receive aid from western donors. Kenya was forced back into the jaws of international financial institutions ironically as resistance to IMF conditionalities policies is growing on the continent.

"Kenya has met the conditions. The President and his economic team have reaffirmed their commitment to reforms in a very convincing way," World Bank Vice President Edward Jaycox said after announcing that the World Bank would resume aid to Kenya on April 30, ten days after his meeting with Kenyan officials. "Kenya suddenly realized it could not

afford a fight with the donor community. It has decided to bite the bullet," said one western aid official.

On April 11, *The Standard* of Kenya reported on the Schiller Institute's international mobilization to support Moi's resistance to the IMF. The paper quoted extensively from the *EIR*'s April 9 issue, in an article entitled "Moi Praised Over IMF—Kenya a 'Rare Third World Model.'" "The campaign notes that the [World] Bank and IMF demands are 'genocidal demands' supported by Anglo-American political institutions aimed at ensuring that Kenya as a nation, disintegrates into tribal warfare like Somalia," the paper reported.

Poland

Former ambassador scores 'shock therapy'

Zdzislaw M. Ruraz, a former ambassador of Poland to Japan, attacked the International Monetary Fund (IMF) "shock therapy" policy and its effects on Poland, in a letter to the editor in the April 19 *Washington Post*. The *Post* gave it the headline "Poland's Lesson for Russia."

"Michael Mandelbaum's 'Polish Model for Russia' [a commentary in the April 12 *Washington Post*] is out of touch with reality," Ruraz wrote.

"Mr. Mandelbaum lauds the Polish market-oriented reform and recommends it for Russia at a time when Poland may drop it altogether, because it has failed miserably.

"The 'shock therapy' launched in Poland on Jan. 1, 1990, has plunged the country into deep recession, and its brain father, Leszek Balcerowicz, was long ago fired from the job.

"The much-lauded convertibility of the zloty has cost the country about \$7 billion and did nothing good to the economy (Poland's hard currency export earnings in 1990 were only \$7.5 billion.) Besides, the zloty has been devaluing rapidly and may soon become inconvertible.

"Inflation is around 40% a year and may be still higher when the budgetary deficit becomes larger, and it doubtlessly will, than what was approved last February.

"As to the privatization of the economy, it exists mostly on paper. Apart from 'one-man companies,' mainly in retail trade, which are indeed private, all other companies, with very few exceptions, are private in name only. The traditional private sector, like agriculture, handicrafts and small businesses, is in deep crisis. Unless engaged in speculation, newly emerging private businesses fare very poorly. The average annual profit rate in manufacturing is only 0.4%, and most of these companies go bankrupt."⁴⁹

"In other words, almost everything has taken a course contrary to what was originally planned. And the last rejection by parliament of the 'mass privatization bill,' unless reversed, virtually ends market-oriented reform in Poland. If Russia is to copy the Polish model recommended by Mr. Mandelbaum, it should copy its conclusion and not the beginning."

Confirming this assessment, large numbers of Poles saw their real income drop by 7% in 1992, according to the new annual report of the state statistical office issued in mid-April. The biggest factors in decreasing living standards were price increases of 400% in private electricity supply, rents, and heating expenses which had been recommended by the IMF as part of its request for "budgetary consolidation" and "build-down of state support."

Central Asia

Kyrgyzstan to dump ruble for national currency

The central Asian republic of Kyrgyzstan plans to dump the ruble in favor of its own national currency. Kyrgyz Prime Minister Tursunbek Chengyshev told a session of Parliament on April 19 that the only way forward for the republic was to issue its own currency and leave the ruble zone.

Chengyshev pointed out that all his government's work had come to nothing because of the rampant inflation the rapidly devaluing ruble had spawned. "All our efforts to stop the economic downturn have not given us any results because of the uncontrolled money and credit system," Chengyshev told the 313 deputies. "The only way to solve our crisis is to issue

our own national currency.”

After his speech, the chairman of the national bank, Kemil Nanayev, endorsed the proposal and called for the new currency to be issued “as soon as possible.”

Protection

Tariff cuts cause big Australian job losses

Tariff cuts have cost 100,000 Australian jobs, a parliamentary tariff inquiry has found, the Melbourne newspaper *The Age* reported on April 23. The inquiry also revealed that more than half of the manufactured goods Australians buy are now imported, as part of the federal government's drive to cut protection of local industry.

The inquiry, held by the Australian Democrats after the main parties refused to take part, concluded that slashing tariffs and quotas had badly weakened manufacturers and imposed heavy costs on the economy. The chairman of the inquiry, Sen. Sid Spindler, called for a 12-month pause in the tariff-cut program. He suggested this would enable a reassessment of the effects and a refocusing of industry policy so that viable industries were protected and helped to grow.

The inquiry concluded that no other country was cutting protection faster than Australia. In 1980, only 35% of the manufactured products sold in Australia were imported; now it is more than 50%, and the nation has a chronic current account deficit and 1 million unemployed.

Eastern Europe

Hungarian minister rejects radical ‘shock therapy’

Imposing radical “shock therapy” in Hungary would cause a dramatic worsening of the economic situation there, Bela Kadar, the Hungarian minister for international financial and economic relations, declared in an interview

with foreign press correspondents in Budapest on April 20.

Kadar did not reject the policy of “privatization” of former state enterprises, which usually results in the shutdown of productive capacity, but insisted that the policy should be a cautious one. He said that the total volume of privatization of former state sector enterprises will be limited to the equivalent of 6 billion deutschemarks (\$3.75 billion) this year.

He said that while Hungary was still suffering from the consequences of an abrupt 30% drop in industrial output and a 20% drop in overall living standards in 1991, which led to an official jobless rate of 15% in 1992, a slow transformation of the economy was the only solution appropriate for the country's situation.

Africa

World Bank freezes loans, energy scarcity hits Sudan

The World Bank on April 18 froze ties with Sudan because of its arrears in repaying loans, of which it has a debt obligation of about \$10 million a month. The bank stopped granting new loans to Sudan at the end of 1992.

The bank is stopping 15 projects, including an \$80 million renovation of the Gezira agricultural scheme, a new power plant near Khartoum, and consultancy on its privatization program, for which the bank had just pledged \$700 million.

The decision comes as Sudan is experiencing an acute energy shortage, and is seeking oil from Libya, Reuters reported on April 21. The Sudanese finance minister has gone to Libya to seek to revive a barter agreement in which Libya would deliver oil to Sudan in return for livestock and other agricultural products. Such a deal was in effect before last year.

Sudan is currently paying up to \$300 million a year for oil on the spot market. Government officials report that some factories are operating at 20% capacity because of lack of fuel, and private car owners must pay \$10 per gallon for gasoline. Although there are major oil fields in southern Sudan, the civil war has made Sudan 100% dependent on oil imports, a major drain on foreign exchange reserves.

Briefly

● **FIFTEEN** pharmaceutical companies from Europe and the United States want to closely cooperate in the effort to find a better treatment and cure for AIDS victims, the German daily *Die Welt* reported on April 23.

● **MAD COW DISEASE** (bovine spongiform encephalopathy) is spreading in England, and now kills 850 dairy cows every week. It is still not clear what microbe causes the disease, which has killed 100,000 cows since 1985. Other countries affected (but with only a handful of cases so far) are Denmark, France, and Switzerland.

● **CHINA'S** 35 largest cities have seen a 15.7% increase in the cost of living during the first quarter of 1993. Guangzhou, Shanghai, and Beijing had the stiffest price hikes. One official attributed the rise in part to government policies introduced last October which deregulated the price of grain.

● **THE WEST** must resist the temptation to impose Manchester liberalism approaches in the East, warned German President Richard von Weizsäcker, in an address at the opening of the international industrial exhibit in Hanover on April 20. He advocated a mixed approach which was neither pure free market economy nor pure state centralism.

● **BELGIAN** Finance Minister Philippe Maystadt said on April 18 that Belgium might need to impose a “robot tax” on manufacturing machines in order to get humans back to work, Reuters reported. Government policy should not “encourage the replacement of men by machines,” he said, echoing the Luddites, the 19th-century English workmen who smashed labor-saving machines to try to prevent the loss of their jobs.

● **SPECULATORS** account for 21% of the trading volume on the International Petroleum Exchange in London, the second largest energy futures exchange in the world, the April 19 *Wall Street Journal* reported.

Let us unify economics and morality in Russia, Ukraine

by Prof. Taras V. Muranivsky

Professor Muranivsky is the rector of the Ukrainian University in Moscow, and is the scientific editor of the Russian edition of Lyndon LaRouche's textbook So You Wish to Learn All About Economics? He delivered this presentation, entitled "Some Ideas and Concepts of Physical Economy in the Works of 19th- and 20th-Century Russian and Ukrainian Scientists," in February to a seminar of Russian and Ukrainian representatives in Kiedrich, Germany. It has been translated from the Russian by EIR, and subheads have been added.

Lyndon H. LaRouche, in his book *The Science of Christian Economy* (1991), wrote that the essence of economic science is reflected in two conceptions: orientation toward scientific and technological progress, and the recognition that creativity is a sovereign process of an individual personality (p. 229).

In another book, *So, You Wish to Learn All About Economics?* (1984), which we were able to translate into Russian last year and issue in a large edition in Moscow, LaRouche poses the question even more categorically: "Is continued technological progress indispensable for continued human existence, as well as simply advantageous?" (p. 28). In answering this question, the author stresses that the entire economic policy of a state ought to be oriented toward continuous technological growth and efficient utilization and economy of energy, and not toward financial games.

The idea of continuous scientific and technological progress occupies a central place in the new concept in economic science, developed by LaRouche, which he calls physical economy. Its heart is the analysis of economic processes as inseparably connected with technological development. LaRouche weaves into the cloth of economic analysis such

categories as work, energy, and power (in the sense that they have in physics).

The basis of physical economy is not monetarism (the principle that money governs the economy), but cameralism (the principle, according to which economic science analyzes real economic processes and their optimal organization).

LaRouche considers Gottfried Leibniz the founder of this new tendency in economic science. Based on the methods of investigation employed by Leibniz for heat-powered machines, he formulated the principles and methods of physical economy, whose subject matter is the functional dependency between the perfection of productive processes (improvement of equipment and production technology) and the growth of the productive power of operatives in production.

The concept of energy flux density is an important indicator used by LaRouche. Of greatest interest is his conclusion, based on calculations, concerning the interrelationships among energy flux density, expenditure of energy, and work performed. It turns out that, using an energy flow of higher density, but comprising only a portion of the total power supplied to the mechanism, a greater volume of work can be performed, than by using the entire energy flow at a relatively lower energy flux density.

LaRouche generalizes this conclusion to the economy as a whole, and considers it to be one of the characteristics of economic science. He shows that the idea of flux density has been used for a long time in agriculture, where crop productivity is measured by the yield per hectare or per worker employed. It is not difficult to see, that such indicators are comparable with the technological characteristic of the flux density of energy and its power.

LaRouche develops the principles of physical economy in the broad context of the development of scientific thought,

grounding his arguments not only in philosophy and economic science, but also in mathematics, physics, astronomy, chemistry, philology, and art. The source lines lead to Plato, Nicolaus of Cusa, Leonardo da Vinci, Leibniz, Alexander Hamilton, Riemann, Gauss, Cantor, and others.

A parallel tradition: Podolinsky

The ideas of physical economy are also to be found in the works of Russian and Ukrainian scientists. Studying and making use of them will make it possible to find new directions for the development and practical application of the principles of physical economy.

One genuine scientific innovator in the investigation of economic and social problems, and their harmonious unity with energy and technological processes, was the Ukrainian economist, sociologist, and naturalist Sergei Andreyevich Podolinsky (1850-91). His most important work in this field was the monograph, "Human Labor and Its Relationship to the Distribution of Energy" (1880).

Like LaRouche, Podolinsky analyzes economic processes in their inseparable connection with the development of energy systems (both natural ones and those involving technology). In particular, he stresses: "The productivity of human labor is significantly increased by the use of that labor for transforming lower kinds of energy into higher; for example, by the raising of working cattle, the construction of machines, and so forth" (p. 81).

When Marxist ideology reigned in the former U.S.S.R., the work of Podolinsky was consciously blacked out for a long time, despite the fact that Engels called the author's ideas "a real discovery of his." But this evaluation applied only to agriculture. Podolinsky showed that the farmer's expenditures of energy on plowing, planting, and gathering the harvest were lower than the reserve of energy which (under influence of sunlight) was accumulated in the harvest itself.

If Engels or some other Marxist had accepted the generalization of this rule to production as a whole, they would have had to accept the physical nature of "surplus product," discovered by Podolinsky. But that would have meant recognition that the Marxist treatment of "surplus value" was in error, whereas Lenin called it "the cornerstone" of Marx's teaching. (There is some evidence, that Marx recognized Podolinsky's views.)

The amplification of power

The return of Podolinsky to science is connected with the name of our contemporary, Candidate of Chemical Sciences Pobisk Georgiyevich Kuznetsov. On his initiative in 1991, Podolinsky's monograph was published for the first time since 1880.

He considers the discovery of Podolinsky to be a positive answer to a question which until recently was answered only in the negative. In the opinion of Kuznetsov, Podolinsky proved that there exists a class of processes in nature, charac-

terized by an efficiency factor greater than 100%. He considers one such process, in particular, to be human labor, which can be viewed as a power amplifier. The question, however, is what to take as 100%.

In order for such amplification to be possible in nature, it must be possible to "catch" a flow of energy. One of the simplest examples of "catching" a flow of energy in nature is photosynthesis, which provides for plant growth.

All man-made machines and mechanisms work on the principle of storing and amplifying power. People would not waste energy making sails, if it did not economize on the physical source of power (the force of the rower), replacing it with the energy flow (power) from the wind. A water mill economizes labor by utilizing the energy flow (power) of falling water, etc.

We have grounds to think that human activity, directed at comprehending the natural forces and exploiting them with the aid of technical means and technological processes invented by man, is lawful and is governed by the law of organization of energy flows ("Podolinsky's law"). The utilization of natural energy flows leads to economy of the muscle force of human labor, at the same time as it raises its productivity. Control of energy flows is directed toward raising their density or amplifying their power.

The concept of "power amplification" of energy flows was not new for physics at the end of the 19th century: The law of conservation of energy flow or conservation of power (although it was still not included in physics textbooks) had been observed by scientists in the past.

The French mathematician and mechanical physicist Joseph LaGrange (1736-1813) formulated the law of conservation of power already in 1788. This law follows from the law of conservation of energy, which Podolinsky considers to have been established by the Dutch scientist Christiaan Huygens (1629-95). From the ideas of Huygens, the German philosopher and mathematician Gottfried Leibniz (1646-1716) developed the principle of conservation of vital force.

LaGrange observed the law of conservation of power in the product of force multiplied by velocity. This is easy to see in a mechanism like a pulley block, whose action is based on the equality of two products: the force of the worker's traction times the velocity of displacement of the rope, on the one hand, and on the other, the weight of the object being lifted (much bigger) times the velocity of its rise (which decreases by a factor equal to the factor by which the weight of the object exceeds the effort of the worker).

Theoretical generalizations connected with processes of the control of energy flows include the law of economy of labor (Lyndon H. LaRouche), the law of economy of time (P.G. Kuznetsov), the law of displacement of the boundaries of the division of labor (T.V. Muranivsky), and others. These and other questions deserve to be considered separately.

The search for ways to organize energy flows is connected with the solution of the problem of an organic comprehen-

sion of the essence of life as a form of motion. One important side of this process is the study of the lawfulness of heat radiation in nature, and of the energy, information, and economic processes related to this. In this connection, the attention of many specialists has focused on the second law of thermodynamics.

Podolinsky was very cautious in his attitude to the law of dissipation of energy (entropy). At the very beginning of his monograph, he admits the law, but only for “as long as no new objections arise” (p. 15). But further on in his text, Podolinsky himself raises a very substantial objection. Having described the mechanism of the process by which plants increase the reserves of convertible energy on the Earth’s surface, he concludes: “On Earth, plants are the worst enemies of the worldwide dissipation of energy” (p. 30). Then, while examining the process of labor, Podolinsky comes to yet another objection against the universal character of the second law of thermodynamics. He considers that labor has “as its invariable result, the increase of converted energy or the preservation from dissipation of energy, which upon being utilized will yield an increase in the reserve of energy” (p. 37).

Podolinsky considers the malthusian theory of arbitrary limitation of the quantity of the population to be the equivalent of the dissipation of energy. He subjected this theory to very convincing criticism. Basing his argument on concrete factual material about the economic development of England, France, and other countries, Podolinsky shows that “given a rational application of labor, productivity increases more rapidly than the population” (p. 77). This idea has acquired a constructive form in LaRouche’s concept of relative population density. It is noteworthy, that this concept was developed independently from the views of Podolinsky, about which LaRouche likely did not know.

Twentieth-century advocates

The ideas and views of Podolinsky were advocated and continued by such scientists as N.A. Umov, K.A. Timiryazev, and V.I. Vernadsky. At the beginning of the 20th century, they were all professors at Moscow University, and they all resigned together in 1911, as a protest against oppression of the students. Each of them made a contribution to the development of Podolinsky’s ideas.

Nikolai Alekseyevich Umov (1846-1915) was the first Russian theoretical physicist. In 1901, he proposed to introduce into physics a law contrary to the second law of thermodynamics, which would encompass the specific peculiarities of all forms of life. Umov was the first to introduce the notion of energy flux density, which LaRouche so effectively applies and develops in physical economy. He also formulated the equation of motion of energy.

Klimenti Arkadyevich Timiryazev (1843-1920) was a Russian natural scientist, and one of the founders of a school of plant physiologists. He discovered the energy laws of photosynthesis as a process of utilizing light for the creation

of organic matter in plants. At a lecture in London in 1903, Timiryazev presented a concept, contrary to the second law of thermodynamics.

Vladimir Ivanovich Vernadsky (1863-1945) was a Ukrainian and Russian scientist, who founded geochemistry, biogeochemistry, radiogeology, and the theory of the noosphere. He was the founder and first president of the Ukrainian Academy of Sciences (1919).

Vernadsky’s teaching on the biosphere views all forms of life in their organic unity and interconnection. For him, “living matter” is not a body, but a process. Vernadsky studied the natural mechanism of accumulation of free energy in the biosphere, while his teaching on the noosphere discovered the active functioning of energy concentrated under the influence of human labor activity.

It is important to note, that the notion of the noosphere, which, according to Vernadsky, “flows from biogeochemical ideas,” is completely coherent with the notion of “natural law” in the economic theory and economic policy of LaRouche. According to Leibniz’s interpretation, which was subsequently adopted and further developed by LaRouche, natural law defines the basic principles of the continuous development of mankind. These principles address the moral and intellectual qualities of people—both of the individual, and of society—that are necessary for human development. They also address the physical-economic conditions for sustained reproduction on the basis of scientific and technological progress.

Entropy not a governing principle

In summarizing this survey of Podolinsky’s views, their development in the 20th century, and their connection with LaRouche’s concept of physical economy, it must be noted that criticism of the second law of thermodynamics does not at all mean a denial of the process of dissipation of energy (entropy).

In his “On the Subject of Metaphor,” LaRouche asks: “Does entropy exist?” And he answers: “Yes, but not as a governing principle of the physical universe” (*Fidelio*, Fall 1992, p. 31).

From the standpoint of world view, the problem of the dissipation and concentration of energy in nature and society is complex and contradictory. On the one hand, entropic processes do take place, while on the other, a pre-established well-orderedness is observed. On the whole, there is a combination of organization and disorganization. One does not exist without the other.

Florensky and living processes

In examining the scientific basis and the methods of physical economy, it is appropriate to turn our attention to the views of the leading Russian scholar (philosopher, mathematician, and theologian) Pavel Aleksandrovich Florensky (1882-1937). At the height of his creative powers, Florensky



Prof. Taras Muranivsky (second from right) in Moscow, with (left to right) Rachel Douglas of EIR, president of the Schiller Institute in Germany Helga Zepp-LaRouche, and Karl-Michael Vitt of the Schiller Institute.

was arrested, and then repressed in 1933. First he was exiled to the Far East, where he worked at the Skovoroda Permafrost Scientific Research Station. Here he made several valuable discoveries, while he was studying permafrost. In 1934, he was transferred to the Solovetsk camp, where he worked on questions of extracting iodine and agar from seaweed. He was so successful at this, that he won several prizes.

But the *gulag* could not suffer talent. P.A. Florensky perished in 1937. Before his arrest (between 1921 and 1933), he wrote 225 scientific works and made many discoveries, especially in electric technology.

His views of science as a whole, and economics in particular, laid out in his correspondence with V.I. Vernadsky, are of great interest. Some of them are presented in what follows.

In a Sept. 9, 1929 letter to Academician V.I. Vernadsky, Florensky wrote: "You notice, that there does not exist a single complete chemical analysis of a living organism. Here it should be added, that whatever field you run into, it turns out from the very first steps, that the simplest and most essential necessary phenomena have not been systematically studied at all, but there are just disparate scraps, mixed up any which way in arbitrary schemata. As a result, everything that really exists, that is the most important for us, is only half recognized or is not recognized at all." (Correspondence of V.I. Vernadsky and P.A. Florensky. *Novy Mir*, 1989, No. 2, p. 197.)

We will not go into the question of what degree of completeness of chemical analysis science has achieved today. LaRouche draws attention to this in *So, You Wish to Learn All About Economics?*

Concerning the question of studying life phenomena,

P.A. Florensky in the same letter insistently recommends "somehow to penetrate more deeply into the structure of matter. The naive schematism of contemporary models of the atom stems from mechanistic metaphysics, which from the outset denies the phenomenon of life." These evaluations largely coincide with LaRouche's views.

Florensky condemns the practice of expelling the notion of life from "naive models of mechanics." He generalizes this approach to economics, as well, stressing that "mechanistic models are nothing but a superstructure on top of an obsolete form of the economy, long since surpassed by industry, and therefore, consequently, these models do not correspond to the economy of the present. I would say more, that they are socially and economically harmful, since they lead to reactionary economic thought and, consequently, they restrain and distort the development of industry. If, at the present time, industry means an electric-powered economy, and partly a heat-powered economy, but not a mechanically powered economy, and physics is electrophysics, then it must be obvious to anybody observing the course of industrial development, that the industry of the future, and perhaps the very near future, will be bio-industry, and that on the heels of electric technology, which has practically eclipsed steam technology, comes biotechnology, and that, accordingly, chemistry and physics will be restructured as biochemistry and biophysics."

Here we see not only the organic connection of economics with the natural and technical sciences, but also a forecast of some prospects for the development of this interconnection, which is so graphically manifested in LaRouche's physical economy.

The economics of Tugan-Baranovsky

Just how difficult it is to realize the ideas and principles of physical economy, is apparent from the attitude of scientists and specialists to other ideas and views of western economists. The influential scientist from the Schiller Institute, Prof. Jonathan Tennenbaum, in his article "Keynes's Fascism with a British Face" (*EIR*, Jan. 8, 1992, p. 14), writes: "It happens that some well-intentioned, but poorly informed individuals in the Third World and eastern Europe sometimes associate the name of British economist John M. Keynes with

Tugan-Baranovsky especially annoyed the orthodox Marxists. He provoked them against himself by exposing Marx's theory of surplus value as purely a methodological gimmick, a fiction. This was reflected in his book Foundations of Political Economy.

alternatives to 'shock therapy' and other IMF [International Monetary Fund] policies. Not only is such reference false and misleading—Keynes was himself a chief architect of the Bretton Woods system, including the IMF, World Bank, and the General Agreement on Tariffs and Trade (GATT)—but it opens a window of vulnerability to dangerous sorts of mischief. We have reason to think that scoundrels, of the British species to which Sir John belonged, might undertake to circulate various illusory 'liberal alternatives' to IMF policies, as a deliberate counter to LaRouche."

In connection with Tennenbaum's critique of Keynes, it is worth turning our attention to an unusual personality in Russian economics, Mikhail Ivanovich Tugan-Baranovsky (1865-1919). In our country, it is customary to call him a Russian bourgeois economist and an enemy of Marxism. Being Ukrainian, Tugan-Baranovsky became minister of finance in the government of the Ukrainian Central Rada, during the Ukrainian People's Republic (1919).

Tugan-Baranovsky's books, *Industrial Crises in Modern England* (1894) and *The Russian Factory in the Past and at Present* (1898), were a visible event in economic science.

In former Soviet political economy, Tugan-Baranovsky was criticized for his opposition to Marx's theory of reproduction, and for denying the impoverishment of the proletariat and the contradictions between production and consumption, as well as the dependence of production on consumption.

Tugan-Baranovsky asserted that the increase of surplus

value depends on the growth of constant capital, not variable capital, which is of immediate significance for physical economy. Tugan-Baranovsky especially annoyed the orthodox Marxists. He provoked them against himself by exposing Marx's theory of surplus value as purely a methodological gimmick, a fiction. This was reflected in his book *Foundations of Political Economy*.

Characteristic for Tugan-Baranovsky is the humanism of his methodology, which in the past brought down on him accusations of "idealism" and "anarchism." In reality, Tugan-Baranovsky considered "the multiplication of wealth to be an indubitable evil, if it is purchased at the price of degrading the individual working person." Thus, while criticism of Keynes is completely justified, Soviet political economy's evaluations of Tugan-Baranovsky do not stand up to critique.

Kondratyev and 'long waves'

In connection with a review of the principles of physical economy, there is another repressed Soviet economist, who considered himself a disciple of Tugan-Baranovsky. That is N.D. Kondratyev. In his 1923 book about Tugan-Baranovsky, he called Mikhail Ivanovich "an outstanding personality."

Kondratyev himself is the author of the theory of so-called "long waves." According to this theory, the economies of the developed capitalist countries experience extremely deep collapses approximately every 50 years. And in the fifth decade of a big cycle there is a kind of general psychological discombobulation, which is expressed particularly in an extremely aggressive reaction to state intervention in the social and economic sphere. Society plunges into a nostalgic dream about the "good old days." And nobody thinks about how the "good" of those old days ended in a great depression or a world war.

LaRouche assesses the situation existing in the United States and other countries as a crisis. The profound works of the Schiller Institute on this account are well known. It would seem that it was no accident, that one of LaRouche's recent books was called *In Defense of Common Sense*.

In this connection, the question arises: Are not the theories of the Russian scientist N.D. Kondratyev confirmed by the facts and the evaluations of the Schiller Institute, according to which the West in the mid-1980s entered its latest phase of collapse (a new "long wave")? Doesn't this explain the recent hysterical preoccupation in the United States and other western countries with the ideas of neo-conservatism and its economic instrument, monetarism? It is precisely monetarism that revives the ban on state interference in the social and economic sphere, and defends the principle of early capitalism, "each against all."

Here I cannot fail to mention the substantial chapter in LaRouche's above-mentioned 1984 book, dedicated to monetarism.

Incompetent social movements

The dream “about the good old days” is taking on a special coloration. First of all, it is a question of some kind of image of “the future behind us,” in the historical past. For example, for Margaret Thatcher that “future” was Victorian England, while for Ronald Reagan and George Bush it was the epoch of President Herbert Hoover. Schiller Institute works provide an exhaustive assessment of these periods and statesmen. Secondly, at the present phase of economic development, “the dream about the good old days” is interwoven with the problem of the environment and ecology. We have all witnessed, how not only incompetent social movements (like the “greens”), but also associations of scientists (like the Club of Rome with its *Limits to Growth*) are calling to stop scientific and technological progress.

Unfortunately, these phenomena and processes are occurring also in Russia, Ukraine, and other newly independent states. What rational justification, for example, can there be for the Russian government’s adoption of a monetarist reform, in 1992? As for the acceleration of scientific and technological progress, the measures adopted by the government are more ritual than real. (Following the rules worked out in the Gosplan era, abstract programs for the acceleration of scientific and technological progress are elaborated, but nobody is seriously engaged in the introduction of new technologies into practice.)

It should be noted, that there are quite a few people among the scientists of Russia and other newly independent states who do understand that it requires more sensitive economic regulation to manage reforms, than simply manipulation of the monetary mass. G. Avrekh of the Russian Academy of Sciences Institute for Problems of the Market is evidently right, when he writes that the type of economic reforms selected in 1992, providing for the action of an “invisible hand,” turned into painful and disorderly kicks by an “invisible foot,” from which both production and consumption suffered plenty (*Poisk*, 1993, No. 6).

As a result, none of the expected “natural” flows of capital occurred. Wholesale and retail prices increased tens of times over. Industrial output shrank by 20-25%. Russian industry began to resemble the china shop that the elephant barged into. The country ended up in a deep “investment hole.” By comparison with 1991, capital investments in construction for production shrank twice as much in 1992. Capital investments in the agro-industrial complex shrank in 1992 by two-thirds.

In this connection, it is appropriate to recall the assessment given by LaRouche in his book *The Science of Christian Economy* (1991). In particular, he writes: “When cartels are permitted to loot agriculture, by the dropping of government parity-price protection for farmers, free agriculture vanishes, and, sooner or later, hunger enters” (p. 290). This assessment, unfortunately, fully applies to Russia today.

The higher hypothesis

As his scientific research method, Lyndon LaRouche chose the principle called by Plato the Hypothesis of the Higher Hypothesis. According to this principle, any investigation begins when some existing conception is subjected to doubt, and subsequently may be refuted. The scientist experiences such doubts, when he “is annoyed by a noticeable smell of falsehood or superficiality” in some scientific axiom or doctrine.

The Schiller Institute discerned and exposed such a “smell of falsehood and superficiality” in the statistical methods, employed in modern economic science. This is demonstrated in the writings of Jnathan Tennenbaum, Dennis Small, Richard Freeman, and others.

LaRouche analyzes “twin economic pestilences” in 19th-century economic science: “British liberalism’s ruinous cult-dogma of ‘free trade,’ and also Adam Smith’s terrible grand-child, the economic doctrine of Karl Marx” (*The Science of Christian Economy*, p. 273).

The well-known Russian scholar and revolutionary P.A. Kropotkin (1842-1921) once observed that contemporary political economy in reality was metaphysics, as, for example, geology had been at the end of the 18th century.

LaRouche considers that all political economy is metaphysical in nature. The ideal form of economic behavior in that situation is usury, which is so closely connected with the organizer of today’s world economic system, the International Monetary Fund, whose main activity is purchasing money more cheaply and selling it dear.

Among contemporary Russians who have cast doubt on the statistical methods being applied in our economy, the works of V. Selyunin and G. Khanin deserve attention. In their methodology, which is essentially close to the methods of physical economy, the record increases in volumes of production and national income, declared by statistics, are totally refuted. They showed that the successes boil down to “price glazes,” which merely depicted the increment of the final product.

LaRouche attributes great importance to questions of the unity of morality and economics, which he links with the activity of the Roman Catholic Church. In particular, he wrote: “The Church does not propose economic and political systems or programs, nor does she show preference for one or the other. . . . But for a century it has been the largest institution in the world to stand up for the identity of morality and economics” (*EIR*, Jan. 29, 1993, pp. 18-19).

The unification of morality with economics in Russia, Ukraine, and other newly independent states will occur, when they are cured, after Marxism, of that new pestilence of “the free market,” and begin to employ the methods of physical economy. The soil has been prepared for this by LaRouche and the Schiller Institute and, besides them, by many of our own scientists and specialists, on whose views the present lecture has made some partial comment.

Fifty years of illegal ADL spying on U.S. citizens

by Jeffrey Steinberg

On April 8, 1993, as raids were proceeding against the San Francisco and Los Angeles regional offices of the Anti-Defamation League of B'nai B'rith, the San Francisco police released nearly 800 pages of documents obtained during their six-month probe of illegal spying by the ADL. The documents spell out a massive illegal spy operation, run under the cover of the ADL. The April 8 action was the second such raid carried out against the ADL offices since last December. For the first time in decades, the ADL has been targeted by public officials for what it is: a treacherous agency engaged in spying on American citizens, subverting the proper functioning of government agencies at every level, spreading the mind-destroying New Age counterculture, and protecting organized crime.

The prospects of the ADL being brought to justice are greatly enhanced by the fact that the San Francisco spy scandal surfaced simultaneously with the release of a best-selling book by the editors of *EIR*, titled *The Ugly Truth About the ADL*, was released on Jan. 7 at press conferences in many world capitals and major cities throughout the United States. It has so far sold 70,000 copies and been through three printings. The book provides an encapsulated history of the 80-year-old group and its nineteenth-century "mother," the International Order of B'nai B'rith.

Since the book's release, *EIR* spokesmen have been touring the country providing more information about the ADL's perfidy to news outlets, government officials, and civic groups. Interest has been further sparked by the daily revelations from San Francisco about the scope of the ADL's illegal spying.

The *EIR* intelligence package which follows is devoted to an in-depth look at two past cases of ADL illegal spying—one involving U.S. government agencies, and another involving the government of Israel. Neither of these cases was treated in detail in *The Ugly Truth*, so this will serve as an appendix to that book. The lesson to be drawn from these two case studies is simple: The ADL's illegal espionage did not start in 1990 in San Francisco. It did not even start with the Jonathan Jay Pollard spy scandal, in which the ADL played a prominent and,



Who will have the last laugh? Left: Federal agents in 1986 cart away documents from offices of a publishing company associated with Lyndon LaRouche. The Anti-Defamation League played a leading role in the "Get LaRouche" task force behind that massive 400-man raid by state and federal agents. Right: ADL headquarters in San Francisco are raided on April 10, 1993, as seen on ABC News. Finally, the truth about the ADL's corruption and illegal activities is coming into the public view.

perhaps, decisive role. Such espionage has been going on for decades, and it will continue unless the appropriate agencies of government are compelled by the American people to take decisive action to shut down this center of subversion.

The San Francisco story

The April 8 raid on the ADL's offices in Los Angeles and San Francisco resulted in the seizure of "a mountain" of documents revealing that the ADL's illegal spying was not some rogue operation, but was carried out in a top-down fashion, centrally directed out of the League's national headquarters in New York City. The San Francisco investigation is still ongoing. The city's district attorney, Arlo Smith, has announced that the Anti-Defamation League is now the central target of his probe into illegal possession of secret government data, tax evasion, solicitation of violence, and foreign espionage.

At least two figures in the ADL spy operation, undercover sleuth Roy Bullock and former San Francisco police officer Tom Gerard, have been linked to illegal intelligence gathering by the government of the Republic of South Africa. Gerard, who fled the country last November, is now spilling his guts about his own illegal spying on behalf of the CIA in Central America and elsewhere. Assistant District Attorney John Dwyer revealed in open court in February that at least one target of illegal ADL spying, a Chicago grocer named Mohammad Jarad, had been arrested by Israeli authorities in late January when he arrived there to visit relatives. One

ADL investigator admitted to police that the League regularly passed dossiers to the Israeli Consulate in Los Angeles.

Among the serious crimes for which the ADL is being investigated is illegal possession of confidential government data on American citizens. According to an affidavit by San Francisco Police Inspector Ron Roth, Bullock received police records, California Department of Motor Vehicle files, and other protected government information on scores of Americans who were not targets of any legitimate law enforcement investigation, but were political targets of the ADL. According to one report, an estimated 4,500 members of just one group, the Arab-American Anti-Discrimination Committee (AADC), had their government files illegally obtained by the ADL.

Former Congressman Paul N. McCloskey, Jr., now a lawyer in San Francisco, has filed a class action suit against the ADL, charging that the League illegally gathered data on thousands of Americans simply because their views on apartheid and Israel's repression of Palestinians in the Occupied Territories conflicted with the views of the ADL and the governments of Israel and South Africa.

Growing national outcry

It may be weeks or months before the district attorney unseals indictments in the case. However, the release of the 800 pages of investigative documentation on April 8 triggered a flurry of national media attention, and prompted demands for similar probes of illegal ADL spying in a number

of other cities around the United States:

- Anti-apartheid groups in New York City have asked Manhattan District Attorney Robert Morgenthau (himself a longtime member of the ADL) to open a probe of ADL spying. The ADL maintains its headquarters in New York, and the League's Fact Finding Division head Irwin Suall, the man believed to have been in charge of the nationwide spying, has his offices there.

- The *Amsterdam News*, probably the most influential black newspaper in New York City, published an editorial on April 24, entitled "Story of ADL's Nationwide Political Spy Operation Continues to Unfold; Most of Nation Shocked by Revelation." Citing the ADL's spying against the National Association for the Advancement of Colored People (NAACP) and other black groups, it calls the ADL "the most powerful, and possibly most destructive Jewish organization in America."

- In Portland, Oregon (where police, according to the San Francisco probe, provided the ADL with dozens of dossiers on local skinhead groups), citizens groups and one local newspaper have demanded a full investigation. Mayor Vera Katz may have been herself a target of ADL illegal spying, as was the local head of a Jewish peace group, the New Jewish Agenda.

- In Colorado, the American Indian Movement (AIM) has demanded that the Denver Police Department review all of its correspondence with the San Francisco police to determine whether some of their files on the group's activities were illegally passed on to the ADL.

What triggered this nationwide outcry was the release of a list of 950 U.S. political organizations that were under surveillance by the ADL. The list, obtained from computer data banks, revealed that the ADL has been spying on virtually every activist group in America, from the radical left to the radical right. Such respected civil rights groups as the NAACP were targets, as was the White Aryan Resistance (WAR). Environmentalist groups like Greenpeace were targets, as well as "gay rights" groups like Act Up. In raids on West Coast ADL offices in December 1992 and April 1993, police found files on members of the United States Congress, including the current chairman of the House Armed Services Committee, Ron Dellums (D-Calif.), and even longtime backers of Israel like Sen. Alan Cranston (D-Calif.).

All told, the San Francisco ADL office maintained files on over 12,000 American citizens. A national inventory of ADL espionage targets would likely turn up a far greater total.

Not the first time

ADL officials were quick to deny any wrongdoing. Following the second raid, the ADL sent a team of top national officials, led by National Chairman Melvin Salberg, General Counsel Barbara Wahl, and Executive Director Abraham Foxman, out to the West Coast to arm-twist local officials and

news media into dropping the probe. Their efforts were of only limited success, and the League is now reportedly assessing its options. Local San Francisco ADL sleuth Roy Bullock could be set up as the fall guy, charged by the League with operating a rogue operation. Irwin Suall, who has directed the ADL's dirty tricks unit since 1968, could be put out to pasture and blamed for letting things get out of control.

But *EIR* investigations of the the Anti-Defamation League, an 80-year-old tax-exempt organization, reveal that this is by no means the first time that the ADL has been caught illegally spying on American citizens. In league with both the federal government and foreign states, the ADL has been repeatedly hauled into court or before congressional committees to answer charges of spying.

A careful review of the ADL's organizational chart and its official budget reveals that the group devotes nearly all its resources to the kind of activity for which it is now under criminal investigation in San Francisco.

- Since 1987, the ADL has regularly sponsored all-expenses-paid junkets for U.S. police officials to Israel. Suspected spy Tom Gerard was a participant in one such junket in May 1991. Another local police officer who traveled to Israel with Gerard admitted to San Francisco police investigators that the trip was a payment for "services already rendered" to the ADL, and that the purpose was to build closer "emotional" ties to Israel. Former Mossad officer Victor Ostrovsky, in his 1990 book *By Way of Deception*, revealed that Israeli intelligence used such activities to recruit thousands of agents of influence inside the United States.

- In February 1985, then-FBI Director William Webster ordered the 25 largest FBI field offices to establish liaison with the ADL. Long before this official "marriage order" from the director, the ADL maintained intimate ties to the Bureau. A review of the 950 groups that were under ADL surveillance suggests that the League was conducting its own Cointelpro (Counterintelligence Program) operation. According to some specialists on the ADL, the League may have been functioning as a private arm of the FBI. Indeed, one ADL regional director from the Pacific Northwest told reporters that the ADL's spy files in San Francisco may have been gathered as part of their "government work." ADL surveillance of political economist Lyndon LaRouche dramatically escalated in 1977, when the FBI officially shut down its illegal Cointelpro operation against LaRouche's political association, the National Caucus of Labor Committees (NCLC).

This *EIR* feature is based upon archive material on two illustrative past instances of ADL espionage. It reveals a side of the ADL that is now at long last drawing nationwide headlines: its 50-year history of illegal spying for shadowy agencies of the U.S. government and for foreign states targeting the United States for espionage.

ADL foreign espionage didn't start with Jonathan Jay Pollard. ADL domestic spying didn't start with Roy Bullock and Tom Gerard. It is endemic, and it is time for it to stop.

The Joftes case: ADL spying for Israel since the 1960s

by Joseph Brewda

"I find it difficult, extremely difficult and painful, to view what is going on in San Francisco without asking: What is happening? What's the motivation?" Anti-Defamation League President Melvin Salberg told the *Los Angeles Times* on April 17. Salberg was commenting on the San Francisco Police Department raid of the ADL's offices for files relating to the spying of its decades-long employee Roy Bullock. Anti-Semitism, it was claimed, is the reason that the ADL is being picked on. "We have a lot of questions as to why we're being targeted," added ADL attorney Barbara Wahl, who had earlier been the ADL's representative in Israel.

But spying on behalf of Israel has long been a specialty of the ADL and its mother organization, B'nai B'rith, as shown by the little-known suit of former B'nai B'rith official Saul Joftes, first exposed by *EIR* in 1988.

In 1967, Joftes began a series of lawsuits against B'nai B'rith regarding the circumstances of his firing from his 20-year position as the organization's director of international operations. Joftes argued that he had been illegally fired and denied his pension, because he had repeatedly protested against B'nai B'rith and the Anti-Defamation League's facilitation of Israeli intelligence operations in the United States. By so doing, Joftes, told his former employers, they were violating the Foreign Agents Registration Act, and otherwise identifying B'nai B'rith and ADL interests with the political interests of the state of Israel, rather than with Jewry.

Depositions taken in one of the suits, *Joftes v. Rabbi Jay Kaufman* (CA 3271-67 District of Columbia), show:

- In 1960, Philip Klutznick, then president of B'nai B'rith, wittingly established a B'nai B'rith cover for an Israeli intelligence operation at its offices in New York.
- The Mossad case officer for the operation was Uri Ra'an, then the director of the Israeli Consulate's Information Department in New York.
- Arnold Forster, the decades-long counsel for both B'nai B'rith and the ADL, was involved in this cell.
- Then-ADL national chairman Benjamin Epstein emphasized the ADL's role in facilitating this spying, in his inter-office correspondence with B'nai B'rith during that period. Spying against Arab diplomats and Arab-American organizations, and providing this information to Israel, Epstein stated, justified requests for increased B'nai B'rith budget allocations.

Ra'an, now a professor of Russian studies and CIA recruitment officer at Boston University, later trained Jonathan Jay Pollard, the Mossad spy who penetrated U.S. Naval Intelligence. Pollard is now serving a life sentence in U.S. federal prison, after being convicted of espionage in 1986. Ruth Sella, who together with her husband, Col. Aviem Sella, was Pollard's Mossad handler, was an employee of the ADL legal department during the period that she handled Pollard's espionage assignments. Following Pollard's arrest, Sella fled to Israel to avoid prosecution for espionage. Forster, who ran the legal department, has subsequently admitted in his memoirs that he had been a longtime Mossad "source."

Ra'an also trained Mira Lansky Boland prior to her recruitment by the CIA. Boland now runs the Fact-Finding Division of the ADL in Washington, D.C. San Francisco police investigations have proven that Boland is an overseer of the ADL spy ring that prompted the recent police raid of ADL offices.

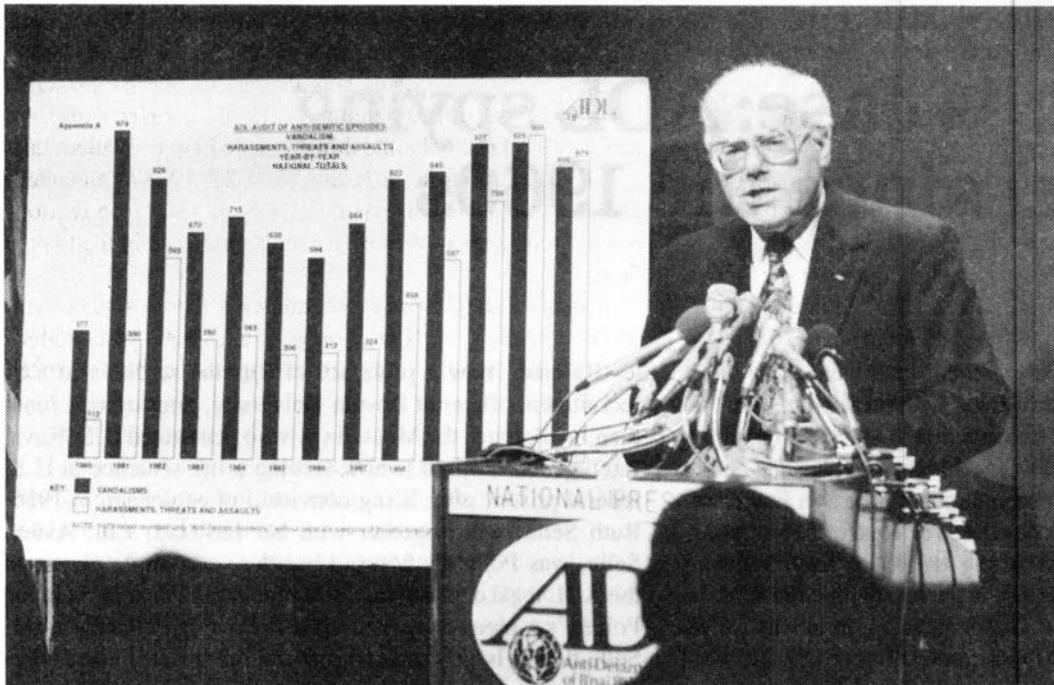
It was Joftes's attempt to block the B'nai B'rith's aid to Israeli foreign intelligence operations directed by Ra'an, Forster, et al. which led to his firing. Joftes summarizes his dispute with the B'nai B'rith, in his deposition to the court, as follows:

"Under the leadership of Mr. Klutznick, it [B'nai B'rith] has become an international organization engaged, by Rabbi Kaufman's admission, in other things besides charitable, religious, and educational activities. It engages in international politics and more often than not does the bidding of the government of Israel."

Joftes protested to the B'nai B'rith and ADL leadership that B'nai B'rith assistance to Israeli intelligence constituted a violation of the Foreign Agents Registration Act and related legislation, at the very least. In response to this charge, future B'nai B'rith President William Wexler rejoined sarcastically, "Here's to Joftes. The All-American boy. True blue and loyal, too." Joftes continued to protest. He was purged.

B'nai B'rith houses Israeli spy ring

Joftes's strongest opposition to B'nai B'rith's aid to Israeli espionage centered around the case of Avis Shulman. A Mossad agent, Shulman had been placed in a secret cell at B'nai B'rith's New York offices, with the purpose of infil-



Anti-Defamation League National Chairman Melvin Salberg at a press conference on Feb. 2, 1993, gives the ADL's annual count of "anti-Semitic incidents." Now that the ADL itself is facing the prospect of criminal indictments for espionage activities, Salberg and his cronies can only splutter that "anti-Semitism" must be behind it.

trating U.S. intelligence agencies by providing information about Moscow.

As internal B'nai B'rith documents presented to the court by Joftes show, Mrs. Shulman was controlled and financed by Uri Ra'an, then the director of the Israeli Consulate's Information Department, and a Mr. Eliav, then the Israeli consul general in New York, among others. Through Ra'an's efforts, and with Klutznick's sanction, Shulman was placed at B'nai B'rith's New York offices in the summer of 1960. Shulman's job was to facilitate Israeli intelligence debriefings of American Jews visiting the U.S.S.R., and Soviet citizens touring the United States.

In her correspondence with B'nai B'rith regarding this Mossad operation, Shulman noted, "Jewish organizations, particularly B'nai B'rith, are especially useful" as a "base of operation." She requested, and Ra'an demanded, that B'nai B'rith provide her a suitable title, office, stationery, and telephone. She asked that a subcommittee be "invented" with her as the "secretary" to give her "a handle that could be relatively inconspicuous, but meaningful."

Dr. William Korey, then head of B'nai B'rith's U.N. bureau, and formerly the director of the ADL's Washington, D.C. office (where Mira Lansky Boland now works), discussed Shulman's arrangements with Israeli consular officials, including Ra'an. He cited Ra'an et al. as "our friends" in inter-office correspondence presented to the court. Shulman reported that Ra'an and company insisted that she "report only to them. They wanted but very few people to know the inner workings of the operation."

In a memo written to Philip Klutznick dated Sept. 1, 1960, Korey reports:

"I met yesterday with Avis Shulman (she has just returned from her vacation) and Uri [Ra'an]. Some of Avis' thinking on the method of her operation has been crystallized and had already been, before we met, transmitted to Uri. This crystallization involved certain problems, among them are . . . an office or space in an already established office, preferably this one. She needs—she says—a place to hang her hat where she can receive mail, phone calls, and visitors. . . .

"She needs some identification, in effect a title, for stationery purposes as well as appropriate stationery. Is she to be secretary of some committee of the B'nai B'rith International Council? The latter point raises a question which I am not certain about. Was it your intention to have it understood that she was to work for the International Council (while I understood that she was to work under my supervision, I was never advised as to precisely what you conceived her public identification to be)?"

Shulman identifies her job as follows in an undated 1960 memorandum to Korey:

"A. The Job:

"1. Concentrating early information on all Americans to the Soviet Union and Soviet visitors to the United States—as far as is ascertainable.

"a. Channelling this information to the relevant quarters."

Shulman further specifies the need for "saturation briefings of Jewish tourists to the Soviet Union by creating suitable nationwide machinery via Jewish organizations, suitable individuals and especially through the use of tourist agencies. . . . Jewish agencies, particularly B'nai B'rith, are especially useful because of mass organization and trained

and experienced personnel throughout the country.”

After informing B’nai B’rith that “I have been asked to centralize activities, to find, choose and to establish personnel wherever necessary” for this intelligence operation, Shulman states the following requirements:

“1. In order to set the machinery into motion whereby the job can be done, it is essential that I be provided a proper base of operation which includes the following items:

“a. A name and a title. A sub-committee under the Office of International Affairs B’nai B’rith, with a name invented that is natural for the purpose would be ideal and the best base from which to operate. Such a committee might consist of Phil Klutznick as [sic] myself as secretary. In this manner, I would be provided with a handle that would be relatively inconspicuous but meaningful.”

‘She was working for them’

Who ultimately controlled this intelligence operation is shown by a confidential memo from Korey to Klutznick dated Nov. 2, 1960:

“Last Friday, I met with our friends plus Moshe [Decter] and Avis. Our friends wanted to know about the future budget for Avis. I made it clear that this was a matter for the International Council which meets late November. I said that while the present period was provisional, we looked forward to seeing how it would work and the hope that it could work successfully. They indicated that they were looking forward to its success but wondered out loud whether the project could run into difficulties with B’nai B’rith structure. They stated that if it did, then perhaps as an eventual alternative and simpler method, there ought to be formed an independent committee made up of Jews within which the project would operate.

“Concerning her title, I proposed the term ‘liaison’ but they objected, indicating that they wanted something with greater dignity and status—like ‘consultant.’ They said that they would think about it and come up with a proposed alternative. Again they indicated they wanted her name on the letterhead.

“They then surprised me by (for the first time in our discussions) noting, that her instructions would come only from them, that her program would operate independently of B’nai B’rith, that she would report only to them, the only exception being that she would keep me abreast of her activities approximately once a week. I objected, stating that I had assumed that she would be technically under our jurisdiction, that I would be in a position to place limits on any specific activity of hers that might prove embarrassing to B’nai B’rith, that, in effect, she would clear with me.

“They stated, that in the nature of the case, this was impossible, she was working for them, that her instructions came from without. . . . They indicated that they wanted but very few people to know the inner mechanism of the operation.”

Documents submitted in the suit show that Jofte repeatedly warned Klutznick that aiding Israeli intelligence operations in the United States was illegal. In one memo dated Sept. 16, 1960, Jofte denounces the Shulman scheme, and concludes, “I ask only one thing: before I am overruled, take a look at U.S. code Title 22 Sec 611-621 (1938 as amended) and Title 18 sec 951 (revision of 1 Sept 48).” The sections refer to registration of foreign agents operating in the United States.

Despite Jofte’s resistance, and even Korey’s queasiness about “our friends,” Klutznick went ahead and placed Shulman at B’nai B’rith. All evidence suggests that her secret cell still exists.

The Fulbright investigation

Even before the 1967 Jofte suit, numerous U.S. intelligence officials were concerned about B’nai B’rith and related Zionist lobby facilitation of foreign intelligence operations in the United States. Reflecting this concern, in 1963, Sen. J. William Fulbright (D-Ark.), then chairman of the Senate Foreign Relations Committee, convened hearings into “Activities of Agents of Foreign Principals in the U.S.” One session of the hearings, held May 23, 1963, exposed that planting Avis Shulman at the offices of B’nai B’rith was merely one of several operations directed by Uri Ra’anat at the time.

Other Israeli spying operations exposed by Fulbright include the Jewish Minorities Research project at the American Jewish Congress, directed by the above-mentioned Ra’anat agent Moshe Decter; the “Russian research project” of the Jewish Agency, directed by B’nai B’rith President Klutznick; and the American Conference on Soviet Jewry. The overall purpose of these Russian projects was to penetrate U.S. intelligence by providing Washington with purportedly high-quality information on the Soviet Union. That the project was not a one-way street was later exposed in the Pollard case. The policy of Israeli intelligence has always been to sell U.S. secrets to Moscow.

American Jewish Congress documents subpoenaed by Fulbright showed that “the Jewish Minorities Research project, of which Mr. Moshe Decter is the director, has for several years specialized in research on the status and problems of the Jews in the Soviet Union, and secondarily of the Jews in other East European countries.” Toward this end, Decter was allegedly only involved in “discussions with individuals who have had personal experience of life in the U.S.S.R.,” and “discussion with American and foreign scholars and experts in the field of Soviet and East European affairs.”

Left unsaid by this memo is that Decter was working under the direction and funding of Ra’anat. Assisting Decter in this project was Avis Shulman.

Funding for this American Jewish Congress operation did not come solely from that organization, or even the Jewish Agency, an official arm of the Israeli government. Some

indication of the covert laundering of funds for the Decter project is indicated by a subpoenaed Jewish Agency inter-office memorandum dated July 7, 1961, in which director Isidore Hamlin states:

"Further to my memorandum to you dated June 16, about the Russian research project, you will find attached hereto copy of a memorandum dated July 6, from the Consulate to the Treasury of the State of Israel asking them to transfer to our account the sum of \$5,500. You are asked to carry out the following:

"1. Inform the Treasury office that the \$5,500 has to be applied to the joint fund. . . .

"2. Of the \$5,500 transferred to us by the Consulate, \$4,375 has to be added to our monthly remittances to the American Jewish Congress for the Russian research project in proportionate amounts. . . ."

Under Senate Foreign Relations Committee questioning, Hamlin confessed that the joint fund was administered by the director of the Office of Information at the New York Consulate, Mr. Arnon, in 1963. In 1960, the fund was administered by Uri Ra'an.

Joftes's attorneys deposed Maurice Weinstein, then chairman of the International Council of B'nai B'rith, in 1967; the deposition shows that Klutznick continued to push his Russian project as late as 1966:

Q: Now look at the last paragraph [referencing an internal B'nai B'rith memo]. . . . "The Israelis are adamant we must keep the American Jewish Conference on Soviet Jewry, make it a permanent body, and they will help us raise the funds. In this they are now giving directions and will brook no opposition." . . . Does the B'nai B'rith International Council take orders from the Israelis?

Weinstein: No. . . .

Q: Now I see your report . . . to the Triennial Convention in Washington in 1968. . . . It said, "At the London meeting, October 1966, the International Council adopted a proposal by former President Philip N. Klutznick to establish, with the International Council a special budget of \$100,000.00 for work on the problem of Soviet Jewry." . . . Was that special budget \$100,000.00 created?

Weinstein: Yes.

Q: Now, where is that \$100,000.00 in the B'nai B'rith International Council budget? Do you know? . . . Here is . . . the B'nai B'rith International Council budget. Where is the \$100,000.00 special budget in it? . . . Do you know whether any of that \$100,000.00 has been spent?

Weinstein: Yes.

Q: How much of it?

Weinstein: I don't know.

Q: You know where that money is deposited?

Weinstein: I don't.

Q: Isn't this the \$100,000.00 budget the Israelis demand be set up for the American Conference on Soviet Jewry?

ADL memoranda demonstrating spying

In the course of the suit, Joftes not only documented that the B'nai B'rith and ADL leadership were wittingly facilitating Israeli spying for the state of Israel. He also proved that the ADL emphasized this role as a reason for the B'nai B'rith to increase its budget. The following letter, dated July 7, 1961, and addressed to Joftes on ADL letterhead by then ADL national director Benjamin Epstein, is an example. The letter is identified in the suit as plaintiff's Exhibit No. 1.

"Dear Saul,

"As you know, the Anti-Defamation League for many years has maintained a very important, confidential investigative coverage of Arab activities and propaganda. In terms of our interest, the anti-Jewish and anti-Israel propaganda programs for which the Arabs are spending millions of dollars, emanate primarily from the United Nations, New York, Washington, D.C., and Cairo. Their impact is worldwide and include anti-Jewish and anti-Israel programs affecting almost every nation in the world where they have diplomatic relations. In the course of our work, we have maintained an information-gathering operation since 1948 relating to activities emanating from the Arab Consular Offices, Arab United Nations Delegations, Arab Information Center, Arab Refugee Office and the Organization of Arab Students.

"In order to obtain complete and thorough data on these activities, we must follow the Arab diplomatic corps in their political efforts, lobbying activities and propaganda programs emanating from their embassies, as distinguished from the Arab League, Arab relations with organizations like the American Friends of the Middle East and all their professional publicity efforts.

"Our information, in addition to being essential for our own operations, has been of great value and service to both the United States State department, and the Israeli government. All data have been made available to both countries with full knowledge to each that we were the source.

"The nature of these activities has supplied us with substantive, documented information which has been the basis for exposés of anti-Semitic activities, anti-Israel programs and political maneuvers. In many cases our information has exposed Arab plans before they have been put into effect.

"In the course of our current difficult fiscal situation, there has been discussion of the reductions of our activities calling for the elimination of certain projects for which there are no funds. Considerable discussion was held at our last Commission meeting with respect to the subject at hand. It was felt that this activity is tremendously important and should not be discontinued. Therefore, we are requesting that you present this problem to the International Council for financial subvention.

"The cost involved in this entire effort is \$23,000. We hope that the International Council of B'nai B'rith will con-

sider the international aspects of this service as an area of proper concern for its support. Naturally, we are willing to give you any and all detailed information with respect to the activity that may be helpful in your considerations.

“Cordially,
“Benjamin R. Epstein
“National Director”

During the course of the case, Epstein was deposed, and the following question was put to him by Jofte’s attorney Byron Scott in respect to this communication.

Q: I notice this letter, which is dated July 7, 1961, plaintiff’s Exhibit No. 1 for identification in your deposition, states, “As you know, the Anti-Defamation League for many years maintained a very important, confidential investigative coverage of Arab activities and propaganda.”

Do you have investigative agents of the ADL in Cairo?

Epstein: First of all, I won’t answer the question.

Q: First of all what?

Epstein: I don’t care to answer the question.

Q: Why not?

Epstein: I don’t see its relevance to what we are talking about.

Q: Let me determine that.

Epstein: You are entitled to your view. I am entitled to mine.

Q: Is there something of a confidential nature that you might reveal to me if you answer the question?

Epstein: I don’t care to answer that.

Q: Of what possible interest to the Anti-Defamation League would anti-Israel propaganda be?

Epstein: The line between anti-Israel and anti-Jewish propaganda is a very faint line, about which many people might differ.

We are concerned about its impact on the status of American Jews. In many cases, attacks have been made on American Jews, under the guise of attacking them as Zionists and using anti-Israeli propaganda to attack American Jews.

Q: Is it the policy of the ADL to activate its organization to protect Israel from anti-Israel propaganda?

Epstein: I think our basic concern is to protect American Jews from any attack upon their security and position.

Q: Israel is an independent nation. That is correct; isn’t it?

Epstein: Yes.

Q: How could propaganda that is anti-Israeli affect the Jews in the United States?

We see here one of the reasons that the ADL insists that anti-Zionism is the same as anti-Semitism. If it did not do so, it would be admitting to being in violation of the Foreign Agents Registration Act. To combat anti-Zionism is to act explicitly in the interest of a foreign power.

Overseeing Israeli propaganda

Among the evidence presented in the Jofte suit was a letter from ADL President Epstein to all members of the ADL national commission reporting on the planned 1961 trip of ADL counsel Arnold Forster to Israel to monitor the Adolf Eichmann trial. Eichmann, a fugitive Nazi leader, had been kidnapped by the Israeli Mossad that year. The psychologically wrenching show-trial, by evoking memories of the horrors of World War II, prepared the Israeli population for the 1967 Israeli war against its Arab neighbors. It simultaneously laid claim to the idea that the Israeli government legally represented the Jewish people, and that it could carry out kidnapping and other crimes for this reason. The U.S. government, and many Jews, have always rejected both claims. The letter shows that the ADL counsel, reflecting ADL policy, advised the Israeli government on how to influence U.S. public opinion. He conferred with the Israeli government on handling Israeli public relations in respect to the case.

Here is Epstein’s memorandum to the National Commission, dated March 30, 1961:

“Arnold Forster will be in Israel from April 6th to April 24th as the ADL representative at the Eichmann trial. We have been so deeply involved in the public relations aspect of this forthcoming event that we felt it would be most helpful if he were to be on the scene.

“During his stay he will confer with Israeli government officials with respect to public relations aspects of the trial and will be addressing staff seminars of the Foreign Office of the Israeli government on American public opinion and media. Arrangements have been made for him to record on tape, three 10-minute commentaries per week, or a total of six reports, during his two-week stay in Israel. These will be flown to New York and made available to radio stations for their use.

“I am sure on his return he will have additional information of value and interest to us.”

Arnold Forster directed the ADL legal department from its inception in 1938 through 1979. His knowledge of Ra’anana’s intelligence operation within the B’nai B’rith is established by documents submitted in the Jofte suit.

In his memoirs, *Square One*, Forster admits to having been a friend of Mossad official Rafi Eytan since Eytan’s kidnapping of Adolf Eichmann in 1961. It was Eytan who oversaw Israel Mossad officials Col. Aviem and Ruth Sella’s deployment of Mossad spy Jonathan Pollard, during the period that Ruth Sella was an ADL employee. Forster admits meeting with Eytan in 1987, two years after Eytan was exposed for directing Pollard’s theft of classified U.S. documents. Speaking of his relation to Eytan and Israel, Forster frankly states: “Among other Israeli intelligence operations, the Mossad—an acronym for the Hebrew name of the underground service assigned to operate abroad—constantly sought leads from reliable governments and from other contacts and sources. I was a source.”

How the ADL surveilled and slandered the wartime Congress

by Jeffrey Steinberg

On Oct. 3, 6, and 7, 1947, the House of Representatives subcommittee of the committee on expenditures in the executive departments held extensive public hearings into illegal surveillance and file gathering on American citizens by the United States Civil Service Commission. The hearings, chaired by Rep. Clare E. Hoffman of Michigan, were apparently triggered by news accounts targeting members of the Senate and the House as wartime subversives. The sources of that libelous information were the "investigators' leads" files maintained by the Civil Service Commission.

Those files, gathered on over 750,000 American citizens who never applied for government jobs, were drawn from a range of public and private sources. One of the primary sources was the Anti-Defamation League of B'nai B'rith (ADL) and an ADL front group known as Friends of Democracy, Inc.

Representative Hoffman and other subcommittee members interrogated three top officials of the Civil Service Commission, who systematically dodged questions about their illegal links to the ADL and Friends of Democracy, Inc., and refused to provide the subcommittee with copies of the dossiers or any information on how they colluded with the ADL. However, in a Dec. 19, 1947 letter to Hoffman, Civil Service Commission President Harry B. Mitchell admitted that between 6,000 and 7,000 dossiers maintained in the commission's files were obtained from the ADL. Over 20,000 files were provided by Friends of Democracy, Inc.

At the time, the ADL did not have an in-house Fact-Finding Division, as it does now. Its spying on American citizens was conducted through a small army of private investigators, who in turn funneled their information to a New York City law firm, Mintzer and Levy, of 39 Broadway, Room 3305, New York City.

Infiltration and dirty tricks

One of the ADL and the Friends of Democracy, Inc.'s leading wartime operators was John Roy Carlson, a pseudonym used by one Avedis Derounian. Similar to the *modus operandi* of Roy Bullock and his confederates today, Carlson/Derounian carried out extensive infiltration and disruption of German-American groups and the America First movement. His exploits were catalogued in a series of auto-

biographical books, the most famous of which is *Undercover*.

While some of the targets of his spying activities were undoubtedly engaged in subversive activities on behalf of the Nazis, among others, a vast majority of his targets were innocent of any subversive ties or actions, and these people suffered a great deal as the result of the ADL's machinations.

Among the dirty tricks that Derounian describes in *Undercover* was how he got an informant in the German American Bund to meet with a congressman who opposed U.S. entry into the war as a dumb giant on a British leash, without revealing to the congressman the informant's affiliation with the Bund. After the meeting, Derounian's ADL spymasters ran a smear campaign to the effect that the congressman was in bed with the Nazis. In his two autobiographical books, Derounian describes numerous such entrapment, smear, and related dirty tricks.

Carlson/Derounian was closely involved with British Intelligence's Sir William Stephenson, head of the Special Operations Executive (SOE), and with the FBI's Division Five. In fact, *Room 3603*, which is the semi-official history of Stephenson's role as British Security Coordinator to the United States, makes clear that Stephenson controlled an array of front groups that carried out dirty tricks against opponents. These included Friends of Democracy, Inc. and the Fight for Freedom Committee. The Naval Intelligence unit in New York City, headed by Vincent Astor, who had cut his teeth in a private intelligence group founded by President Teddy Roosevelt's children, known as The Room, also worked closely with Sir William Stephenson and the ADL.

Although the United States had not entered the war yet, Sir William Stephenson conducted espionage upon U.S. officials, carried out dirty tricks and used smear tactics against U.S. citizens on American soil, as well as other illegal acts. His criminal enterprise was assisted by ADL operatives like Avedis Derounian. Anti-Defamation League links to the agencies that carried out this campaign with Sir William Stephenson have continued ever since that time.

In his interrogations by the San Francisco police, Roy Bullock admitted that he was recruited to work for the ADL by Carlson, with whom he maintained a correspondence in the early 1950s.

Commission spying

The Civil Service Commission's "investigators' leads" files, comprised of approximately 750,000 index cards, contained personal biographical data on individuals suspected of having some kind of contact with members of a wide range of organizations from pro-communist to pro-fascist. During intensive questioning by members of the subcommittee, Civil Service Commission officials James E. Hatcher, Frances Perkins, and Harry Mitchell openly admitted that the ADL and Friends of Democracy material, as well as other data compiled in the "investigators' leads" index, had been illegally gathered.

Commission President Mitchell, however, tried to downplay the implications of the spying by pointing out that "there is no evidence against the names on the list."

To which subcommittee chairman Hoffman responded: "But it furnishes a most admirable smear list . . . [if someone can say the information is out of the Civil Service Commission files] when it appears that the only source of the information is the Friends of Democracy or the Anti-Defamation League and it is all hearsay."

Mitchell confirmed the danger of the files being used for smears. Rep. Porter Hardy, Jr. of Virginia asked how the files had sometimes gotten into the hands of the Federal Bureau of Investigation and the House Un-American Activities Committee. Mitchell testified that the files were open to "any person who was conducting an investigation of the records."

Indeed, one of the initial reasons for the hearings was the appearance of stories under the byline of Walter Winchell and other reporters closely allied with the FBI and the ADL, containing information leaked from the Civil Service files smearing senators and congressmen.

Subcommittee chairman Clare E. Hoffman repeatedly asked Commission President Mitchell to explain what files from a private law firm in New York and the ADL were doing being used as U.S. government records. He pointed out that "quite a few cards, stating that this was from the subversive files in the office of Attorneys Mintzer & Levy . . . and the files were made up in cooperation with . . . the Anti-Defamation League, and also . . . that this information must not be disclosed, that it is confidential and secret and under no circumstances to be divulged, and that further information about it may be secured by contacting the office of Mintzer & Levy."

The Civil Service Commission admitted that for 60 days it had a staff of nearly 100 people in New York dumping this material into its files. However, Commission President Mitchell pleaded ignorance, when he was asked repeatedly to state who in his office was in contact with the ADL and how arrangements had been made for copying their files. Finally, Mitchell said, "It is possible that the information may have been gotten from the FBI files. We have contact with the FBI files."

On Dec. 19, 1947, Mitchell sent a response to subcommittee chairman Hoffman stating:

"In the third paragraph of your letter, inquiry is made as to whether any of the material contained in the reference file was secured from the Anti-Defamation League, the Friends of Democracy. . . . In respect to your inquiry relative to the Anti-Defamation League as a source of information for the establishment of the file, the Commission's records disclose that this particular organization is not listed by name as a direct source in connection with the compilation of the 487,033 cards at New York City in June and July 1943. However, a careful check of records reveals that 6,000 or 7,000 cards were based on information secured from a confidential source, and such confidential source, according to our understanding, compiled at least some of its information in cooperation with the Anti-Defamation League."

Unadulterated gossip

In its official history, *Not the Work of One Day*, the late ADL national director Benjamin Epstein states that, as U.S. involvement in World War II approached, the ADL opened up its files on alleged subversives and let the FBI make copies of them. According to FBI files released under the Freedom of Information Act, one ADL official boasted publicly that the League had assisted the Bureau in investigating 373 cases of "subversives." As with the Civil Service Commission, the FBI dumped this ADL material unscreened into its file base. The FBI's practice of unquestioning acceptance of the ADL's decisions on who was and who was not a "subversive" truly held what Rep. Clare Hoffman called the makings of "a most admirable smear list."

This was confirmed by the attorney general in a July 16, 1943 memorandum to Assistant Attorney General Hugh B. Cox and FBI chief J. Edgar Hoover. The attorney general wrote that the FBI must stop using the ADL as a reliable judge of whether someone was a "subversive," adding:

"After full re-consideration of these individual danger classifications, I am satisfied that they serve no useful purpose. . . . It is now clear to me that the classification system is inherently unreliable. The evidence used for the purpose of making the classifications was inadequate; the standards applied to the evidence for the purpose of making the classifications was defective; and finally, the notion that it is possible to make a valid determination as to how dangerous a person is in the abstract and without reference to time, environment, and other relevant circumstances, is impractical, unwise, and dangerous."

Thus in 1943, the U.S. attorney general had determined that the Anti-Defamation League's "fact finding" was gossip to be disregarded. Yet, Civil Service Commission President Mitchell was still defending his agency's wholesale copying of such garbage from ADL spying and lies into the commission's files during questioning by Congress some four years later.

Peruvian military insists war on terrorism to continue

by Valerie Rush

The issue of whether the sovereign rights of nations can prevail against the dictates of a supranational new world order came to the fore in Peru in April, when a combination of the U.S. State Department, the international human rights lobby, and pro-terrorist elements inside the Peruvian Congress launched an assault on the Peruvian Armed Forces—the country's sole bulwark of defense against the narco-terrorist Shining Path insurgency—posing the question of whether the country's formidable victories against narco-terrorism during the past year are going to be lost.

Backed by Shining Path propaganda retailed through such human rights non-governmental organizations (NGOs) as Americas Watch and Amnesty International, and supported by the Clinton State Department, a gaggle of Shining Path's collaborators in the Peruvian Congress demanded that the Peruvian Army be investigated for alleged "human rights violations" of the terrorists. A "hit list" of targeted military officers has already been released. On April 20, the head of the Joint Chiefs of Staff, Gen. Nicolás de Bari Hermoza, was brought before a closed-door session of the congressional Human Rights Commission, where he was treated to a barrage of unproven accusations and insults against the military.

An anonymous document was delivered to the Human Rights Commission accusing numerous high-level officers of the Army—including those considered closest to President Alberto Fujimori—with complicity in the alleged kidnapping and murder of nine students and a professor from Lima's La Cantuta University during an Army sweep last summer, following a terrorist car-bombing in the area. Despite the fact that the majority of those who were supposedly murdered are acknowledged members of Shining Path and that there is *no evidence* of either their kidnapping or murder, a congressional investigation into the affair was opened. Simultaneously,

a number of opposition magazines, including *Caretas* and *Si*, began publishing the names, and in some cases even photos, of several of the accused officers.

General Hermoza was asked to submit to the congressional commission a list of all responsible officers involved in Army operations on the Cantuta campus during the period in question, which the general has refused to do, on the grounds that any identification of the officers would virtually constitute a "hit list" for Shining Path assassins. During the last week of April, two anti-terrorist officers were, in fact, killed by the narco-terrorists.

What is fundamentally at issue is whether a congressional body shot through with supporters and sympathizers of one of the world's most criminal insurgencies can be allowed to sabotage a war—fully backed by the Peruvian population—against that insurgency.

Collusion with the enemy

The military's response to this "human rights" assault was immediate and furious. In an April 20 press conference following his testimony, Hermoza charged that some congressmen "appear to be in collusion with terrorism," and warned that he would not tolerate their concocted accusations against the Army. "A small group of opposition congressmen, out of love of notoriety, are mounting a campaign to denigrate and insult the Army and Armed Forces, undermining the confidence that the nation and Peruvian people have deposited in them. This game, which could endanger the stability of the country, will not be permitted under any circumstances." Hermoza also charged that the congressmen were using "patently false documents to incriminate members of the Armed Forces," and were releasing the names of officers that will make them "targets for terrorist assassins' bullets."

The next day, Peru's five regional Army commanders drove to the Lima headquarters of the Joint Chiefs of Staff atop armored vehicles, to co-sign a document of support for Hermoza. That document denounced the "malicious use" of false documents by "allies of the internal enemy" and insisted that this attack "is not an isolated event, but rather part of a campaign orchestrated systematically for the dark purpose of discrediting the forces of order on both the domestic and international fronts. . . ."

On April 22, one hundred tanks and armored personnel carriers were deployed through the center of Lima on their way to the Army's division base in the southern part of the capital. Not accidentally, the several-block-long queue of tanks drove past both the Peruvian Congress and the U.S. Embassy. On April 23, the commanders of all three Armed Forces, the director of the National Police, and the presidents of the retired military associations, all publicly expressed their "support and solidarity" for General Hermoza.

State Dept. sides with terrorists, again

The U.S. State Department, which under the influence of Project Democracy's Inter-American Dialogue has consistently taken the side of the continent's narco-terrorist insurgencies—from El Salvador's FMLN and Colombia's M-19 to the Peruvian Shining Path—was enraged at the military's defiance. On April 22, Assistant Secretary of State for Inter-American Affairs Bernard Aronson called Fujimori to "discuss the incident" and to "make clear that the United States views this show of force as an unacceptable attempt to intimidate the legislature. . . . The [Peruvian] Congress has every right to investigate human rights affairs in Peru."

The next day, Charles Bradshaw, head of the U.S. legation in Lima, publicly warned that the Armed Forces' defiance "not only endangers democracy, but also puts international aid [for Peru] at risk." The Peruvian Foreign Ministry immediately called Bradshaw in to warn him, according to the daily *Expreso*, that in the future it were better if he did not attempt to give advice to the Peruvian government.

Nonetheless, the pressures and threats of a new financial cutoff have had their effect. Despite Fujimori's initial statement of support for General Hermoza and the Armed Forces, the Peruvian head of state has since made verbal concessions to these pseudo-democrats running cover for narco-terrorism, concessions which will only embolden the pro-Shining Path lobby inside and outside the country.

In an April 22 speech given shortly after receiving Aronson's telephone threat, Fujimori insisted that the military had to submit to the "rules of the game," as defined by the U.S. State Department and the so-called human rights lobby. He defended his government's recently-begun "dialogue" with the openly pro-terrorist National Human Rights Coordinator, another of Aronson's demands, and reaffirmed the "legitimate right" of the Congress to stand vigil over the Armed Forces' operations.

Most significantly, Fujimori ratified his so-called Bahamas Commitment, a reference to the May 18-21, 1992 assembly of the Organization of American States in Nassau, at which he was forced—under threat of drastic new multinational sanctions against his government, including expulsion from the OAS—to reverse his opposition to convoking congressional elections, even though that would mean giving power back to the very enemy-infiltrated body he had had to shut down on April 5, 1992 because of its sabotage of his war against narco-terrorism.

Following Fujimori's remarks, Defense Minister Gen. Victor Malca Villanueva was trotted out before the congressional Human Rights Commission to pledge the Armed Forces' respect for the "autonomy" of Congress, and to "apologize" for General Hermoza's "harsh" comments.

Supranational takeover attempt

Far from "calling off the dogs," Fujimori's verbal concessions have only whetted the appetite of those one-worldists who now see the opportunity in Peru to replicate what has already been begun in El Salvador: to dismantle a sovereign state and replace it with rule by supranational NGOs, with the backing of the U.N.

The NGOs have been proliferating across Peru, wrapped in the garb of "democracy," "human rights," and "social justice." It is no accident that most of the U.S. State Department's attacks on Peru have been premised on information provided by the NGO Americas Watch, one of whose leaders is Peter Bell, the co-chairman of the Inter-American Dialogue which boasts of having "loaned" numerous of its members to the Clinton administration, including four cabinet officials.

Another of these non-governmental monstrosities, the Theology of Liberation-spawned Washington Office on Latin America, sponsored a high-level symposium on "Prospects for Democracy and Peace in Peru" on April 28, which was attended by "Project Democracy" ideologue and former U.S. Ambassador to the OAS Luigi Einaudi. Einaudi stressed that whatever "positive signals" are coming out of Peru stem from Fujimori's "evident desire to adjust course and take into account . . . the pro-democratic reaction of the international community."

Einaudi also warned that the "extraordinary levels of support and cooperation from the outside world" that Peru needs "will not be forthcoming without some process of active mutual engagement." What Einaudi means by "mutual engagement" is suggested by his conclusion that Peruvians use such concepts as "national sovereignty" to keep the United States "at arms' length," and that what is needed in Peru is a kind of leadership which can go beyond such concepts: "Leadership cannot be conceived purely as governments. It has to be conceived as including the non-governmental sectors as well, people who actually know and care something about the issues of human dignity, freedom and social justice," he said.

Russian referendum gives Boris Yeltsin one last chance

by Konstantin George

Contrary to publicity myths, the April 25 Russian referendum did nothing to settle any of the problems confronting Russia. The referendum was really nothing more than a glorified public opinion poll. Of the four questions on the ballot, only those concerning early presidential elections and early parliamentary elections could have had a binding effect. But the rule made by the Congress of People's Deputies requiring approval by 50% of all registered voters for these measures to pass, guaranteed their defeat.

Russia's economic crisis, meanwhile, is deepening by the day. Inflation averaged at least 25% per month in January-March, and was running at 20% for April. The most optimistic Russian government projection for May, given by the head of the Government Center for Economic Reform on April 27, foresees a rate of 25-30%, and, after that, a sharp rise by the autumn. Deputy Prime Minister Sergei Shakhrai warned that "the ruble will disappear by the autumn" unless "decisive action" is taken now.

The numbers game

The publicized results of the referendum are as meaningless as the referendum itself. The tallies announced to the world in the immediate aftermath of the vote, interpreting the outcome as an unqualified victory for President Yeltsin, were lies, vote projections based on "representative samples" of those who voted.

On the morning of April 26, it was announced that on question one, confidence in the President, Yeltsin had scored a 65% yes vote. Twenty-four hours later, as the samples were being replaced with actual vote counts, this had fallen to 58%. The same pattern was repeated regarding question two, support for Yeltsin's economic and social policies. On April 26 this stood at a 58% yes vote, and 24 hours later, 52%. The real yes vote on question two was below 50%, but that fact will not become official, as the "final outcome" will be manipulated to ensure that it stays above 50%. An identical pattern of an initial huge majority based on "exit polls," then a leveling-off, also emerged concerning questions three and four, on early elections for President and Parliament.

The most significant fact concerning the referendum was

that about 40% of Russia's registered voters did not vote at all, a real barometer of the depth of popular rage at the collapse of living standards over the past 18 months. This fact was seized on by Vice President Aleksandr Rutskoy, who has been profiling himself as a future presidential candidate to oppose Yeltsin, when he noted on April 27 that only 32 million of Russia's 105 million registered voters had expressed their confidence in the President.

Rutskoy called for early presidential elections, which sources interpret as putting out a feeler for an agreement between Yeltsin and the Parliament to hold simultaneous early elections for both President and Parliament. Rutskoy's proposals often reflect the deliberations of the two most powerful institutions in Russian society, the Russian Security Council, which plays the guiding role concerning military, security, and foreign policy, and the Civic Union, representing the directors of industry. The Security Council has insisted that simultaneous early elections are the only way to end the absurd, destructive power struggle that is now going on between Yeltsin and the Parliament.

The Rutskoy broadside occurred in an interview with the daily *Komsomolskaya Pravda*. He cited the high voter abstention and high no vote against Yeltsin's economic and social policies, to prove that the one clear message from the referendum was that "the reform course must be changed" in the direction of more state direction for the economy. Rutskoy also said that the methods employed by Yeltsin to procure his "victory" were certain to backfire. For example, before the referendum, Yeltsin promised "everything to everyone," knowing very well that delivery on these promises was impossible. "The population will realize very soon that once again they have been betrayed," Rutskoy said.

Pre-referendum manipulations by Yeltsin were not confined to promises. Votes were not so indirectly, and in some cases quite directly, bought through various measures and tricks. Examples during April included the raising of minimum wages and pensions to 8,000 rubles per month, to bring them, on paper, somewhat near par with the minimum required for existence, at a poor level of diet. Army salaries, especially for officers, were raised yet again, in the third major pay raise this year. Popular rage over the early-April

doubling of the gasoline price from 40 rubles to 80 rubles per liter, was curbed through a decree restoring the 40-ruble price. Gimmicks occurred at the polls themselves. One notorious case was seen in the city of Ryazan on the Volga, where butter was being offered for sale at the polling places, for half the normal price. This provided the margin for securing enough pro-Yeltsin votes to give him a doctored figure of 50% support in Ryazan region.

The economic policy debate

In an article in the daily *Rossiyskaya Gazeta* on April 23, Rutskoy elaborated on the economic crisis, replying to charges that he wanted to return Russia to a command economy as well as to Stalinist political practices.

He stated that Russia did not have to choose between shock therapy and a return to the Soviet command-and-administrative system. Noting that "the country cannot stand continued production decline and unemployment higher than 4-5%, and on the other hand inflation of 30-40% a month," Rutskoy proposed "priority 'influence zones' which must become locomotives pulling the economy out of the crisis." "If the state doesn't assume command on a national level, other forces usurp the control, including shadow and simply mafioso structures which are interested in making money, not in development," he said.

Available funds must be channeled into food production and processing, as well as defense conversion, Rutskoy said, "providing for the export of machinery and equipment and revival of our crude materials' producers." He also called for support to small and middle-sized producers.

Rutskoy pointed to a "core" of the national economy, where economic "decline must be halted through vigorous economic and administrative measures to be taken by the state. . . . To preserve and build up the nation's scientific and technological potential and high-tech output, it might be wise to focus on the establishment of large industrial concerns capable of becoming 'development laboratories.' Scraping together whatever limited investments are available and uniting the enterprises linked by their end products may be helpful in trying to thwart the decline, ensure real conversion-related and structural change and gain access to the world market. . . . This . . . may help Russia win a decent place on the markets of high technology (aerospace equipment, telecommunications, shipbuilding, electronics, etc.). By pulling at this rope one may get the machine started."

Rutskoy proposed replacing raw materials exports with "a system of easy-term credit for the manufacturers of finished products, in the first place machines," and proposed special benefits to those who import "certain goods, components, and raw materials that meet the critical needs of the national economy and its technical retooling."

Discussing the difficult question of land reform in Russia, he pointed to "two examples from my foreign experiences. In America in the 19th century, every citizen had a right to

get a large plot of land free of charge and become a farmer in the Far West. In China 20 years ago, every peasant family got a right to lease land and form a cooperative and dispose freely of the harvest." Rutskoy contrasted this with the shock therapy "reforms" of Yegor Gaidar, in which a small group of people "got a unique opportunity to get rich quick, often through criminal trading operations."

Yeltsin must change course

To the extent Yeltsin "won" anything, it was a last chance to take decisive measures to turn around the economic crisis. This will be his last chance to survive politically. He "won" this last chance on the basis of two facts that will not benefit him much longer. First, the same population which is rightly enraged over Yeltsin's disastrous policies, also sees, so far, no figure of national stature who could replace him. The perception is widespread that Yeltsin is the one figure of national stature who is indispensable for preventing the breakup of the Russian Federation. The second factor is the enormous popular hatred against the Parliament, seen as a remnant of the despised communist system. It is noteworthy that the highest majority of votes that Yeltsin was able to procure, roughly two-thirds, was in regard to question four on the referendum ballot, the demand for new parliamentary elections.

Yeltsin's last chance will not exist very long. If he fails to begin successfully addressing the economic crisis, then his popular support, much of which is, as we have seen, based on the fact that no credible presidential alternative is seen, will evaporate rapidly in the next months. Popular patience is very close to the breaking point, and social protests and disorders can be expected, if hyperinflation persists.

A wage of 8,000 rubles per month for the average Russian buys practically nothing, as the following price examples, posted in Moscow shops the week of April 19-23, show:

Meat: nothing lower than 2,000 rubles per kilo, and generally 2,500-3,000 rubles per kilo;
Tomatoes: 1,500 rubles per kilo;
Oranges: 1,500 rubles per kilo;
Eggs: sold individually for 300-400 rubles;
Butter: 1,100 rubles per kilo.

Leaving all other expense items aside, try to manage a family food budget on 8,000 rubles per month. That is the daily existence of the mainstream Russian citizen nowadays.

As the crisis escalates through the summer and autumn, this could push the Army, bitter and enraged over the degrading conditions of life imposed on it, to end its political neutrality and enter the fray.

Yeltsin's last chance is the last chance for Russia to end "shock therapy" and expel its practitioners from government, before Russia plunges into mass civil strife, with unpredictable strategic consequences.

International PEN Club sides with Serbian genocide

by Elke Fimmen and Klaus Fimmen

It became obvious to everybody who attended the PEN Club meeting in the city of Dubrovnik, Croatia on April 21-22, that the International PEN Club, an association of writers and "intellectuals," has lost, once and for all, its already shattered moral credibility. In the words of one attendee, French writer Finkielkraut, "The least that the PEN Club could do is to dissolve itself!"

The 59th meeting had been long prepared and approved by the international board. But a couple of weeks before the meeting was scheduled to begin, the German PEN Club sent an official letter to the Croatian PEN Center, announcing that it would not participate because it feared "political misuse" of the meeting. Furthermore, the "lack of freedom of the press" in Croatia was given as another reason, and 28 other national centers refused to attend as well. The whole event, which should have taken place in the beautiful old city of Dubrovnik, which was under constant Serbian artillery barrage for six months starting in December 1991, basically took place on board a ship which sailed from Venice through the islands of Hvar and Korcula and back, with not even two full days spent in Dubrovnik. The PEN Congress was declared not to be an official congress because of the lack of a quorum, but only a "lyrical" meeting.

'I will speak to my friend Dobrica Cosic'

The international president of PEN, the Hungarian György Konrad, is the best example of the nostalgia for "old Yugoslavia" which dominates not only the PEN Club, but has penetrated into "intellectuals" and governments all over the world. He caused quite a scandal when he said on the island of Hvar that he likes Dubrovnik, but that he "doesn't like so many borders one has to cross on the way to Dubrovnik." Prof. Vlado Gotovac, president of the 150-year-old Croatian Cultural Association "Matica Hrvatska," gave the appropriate reply, saying that those who liked Yugoslavia so much, where they could travel easily, have to realize that many political dissidents were in jail in that very country, including himself.

Even more incredible was Konrad's reply to a delegation of survivors from Vukovar, a target of Serbian genocide. When approached by a Vukovar mother and asked for his

intervention on behalf of 350 missing people from the town, he replied that he would speak to "his friend Dobrica Cosic" about it. Cosic is president of rump "Yugoslavia" and the author of the infamous 1986 Memorandum of the Serbian Academy of Science and Arts, which formulated the call for a Greater Serbia. This statement of Konrad is comparable to someone saying in 1942 that he would speak with his friend Heinrich Himmler about the victims of the concentration camps.

Truth cannot be suppressed

Despite the fact that the international board of PEN had forbidden discussions about the Serbian genocide against Bosnia, a courageous initiative was taken to convey reality to the remaining participants by Professor Separovic, a former foreign minister of Croatia, president of the Croatian Society of Victimologists, and director of the independent documentation center Documenta Croatica in Zagreb. He chaired a



Elke Fimmen addresses a rally protesting the Serbian attacks on Sarajevo, in May 1992 in Zagreb, Croatia.



The beautiful old city of Dubrovnik, Croatia, a cultural treasure for all mankind, was subjected to a six-month artillery barrage by Serbia starting in December 1991 (it is shown here before the war). To rebuild will require an international effort, breaking with the bankrupt policies shown by the PEN Club leadership.

roundtable in the PEN Congress on the subject of “victimology,” which took place in the beautiful old theater of Dubrovnik. Speakers at the roundtable included the co-chairman of the panel Prof. Winston P. Nagan from the College of Law, University of Florida; Prof. Otto Triffterer, professor of international law at the University of Salzburg; Prof. Otto Molden from the Austrian think-tank “Forum Alpbach”; professor for moral theology Dr. Pozaic, S.J., from Zagreb; director of the Croatian Information Center and historical researcher Ante Beljo; epidemiologist Dr. Petar Gotovac from Zagreb; and Elke Fimmen of the Schiller Institute.

Professor Separovic recalled the brutal Serbian aggression starting on Dec. 6, 1991, in which hundreds of people were killed and the historic old city was severely damaged. He showed the only piece of paper which remained from the library of the Inter-University Center of Dubrovnik, which had housed internationally famous archives of victimology, and where every year international summer courses of victimologists had taken place. He addressed his fellow scientists, who did not dare to come to Dubrovnik now, explaining that the war damage inflicted on Dubrovnik is very bad, but nothing compared to other places in Croatia and Bosnia. “Croatia now does not have the right to take its own territory. What would the world say, if one-third of the territory of the United States were occupied? Or if Florence were to be bombarded?” He reminded the audience of Churchill’s comment on Chamberlain’s attitude toward Hitler: “They had a choice between dishonor and war. They chose dishonor and got war.” He called on PEN to speak out forcefully against the genocide, since writers must be the conscience of the world.

Professor Triffterer gave his speech despite a 15-minute electricity blackout, during which the entire audience remained seated and maintained their concentration in total darkness. He called for an international Nuremberg Tribunal against those individuals responsible for war crimes. He stressed that it is not the anonymous “state” which is committing murders, but individuals, who have to be brought to account for it.

Professor Pozaic pointed out in his speech that, with the genocide and the mass rape of Bosnian women, individuals’ identities are being destroyed, and with them man as a social being. He attacked those “who change right into wrong and wrong into right,” and attacked the European Community as being in “open friendship with Serbia.” In closing, he referred to the injunction from the Bible that “You have to be your brothers’ keeper,” and appealed to everyone for forgiveness and reconciliation, as difficult as that would be.

‘The Balkan war is a gigantic psychological experiment’

This was the theme of the speech by Elke Fimmen of the Schiller Institute. She explained that the warfare is not only directed against Croatia and Bosnia, but is serving at the same time to destroy any morality in a western population which is tolerating these horrors. Old geopolitical aims are reached through this war, and everybody is held in check who even timidly tries to put up resistance, by pinpointing his or her “own guilt of the past.” The truly guilty parties she focused on are the Nazi psychiatrists like Radovan Karadzic and his late mentor Jovan Rascovic, and their sponsors at British intelligence-linked institutions like the Tavistock In-

The Dubrovnik Declaration

Noting that the war of aggression in the former Yugoslavia continues without the prospect of immediate settlement;

Noting that the war has resulted in hundreds of thousands of victims who have been killed, wounded, mutilated, raped, tortured, driven from their homes, towns, villages and cities;

Noting that the war has encouraged the practices of genocide, ethnic cleansing, mass rape and other depredations;

Noting further that the war challenges the fundamental precepts of civilization, moral sensibility and legal culture upon which postwar European society has been painstakingly constructed since the tragedy of World War II and the defeat of Nazi imperialism;

Noting additionally that the victims of the war have experienced transgressions of the most basic standards of law and civility upon which, however imperfectly, the contemporary public order of the world community has been founded;

Noting with concern that the war in the former Yugo-

slavia constitutes a direct challenge to the precepts, principles and fundamental values upon which the U.N. Charter was established, especially the principles of respect for international peace and security, the outlawing of aggression, the respect for humanitarian values in time of war, the respect for fundamental human rights in time of war as well as peace, the respect for the obligation to use peaceful methods for the resolution of conflict rather than resort to the scourge of war, the respect for human dignity;

We now declare and affirm the following:

1) the human right to peace is universal and binding on all members of the international community;

2) wars of aggression are illegal, immoral and are outlawed by the positive law of international society;

3) those who plan and execute wars of aggression bear direct, individual responsibility for such conduct, and under the principles established in the London Charter and applied by the International Military Tribunal at Nuremberg may be apprehended, tried, convicted and punished for crimes against the peace as well as conspiring and planning wars of aggression;

We further declare and affirm:

4) the *ius contra bellum* remains an important aspect of international public order and is part of a continuing global effort to eradicate the scourge of war for the settlement of conflicts. The Dubrovnik Declaration recognizes

stitute, which has provided the basis of training for many psychiatrists in former Yugoslavia (see *EIR*, Feb. 12, 1993, "The Tavistock Psychiatrists Behind the Rape of Bosnia"). Everybody was shocked upon hearing that Lord Owen is also a trained psychiatrist. At the end, she attacked the head of the German PEN Club for his cowardice and called on everyone to expose such scandals as the fact that Mihailo Markovic, the chief ideologue of the ruling Serbian party who justifies the genocide, has taught at and is still associated with the University of Pennsylvania. She called on German "intellectuals" Jürgen Habermas and Oskar Negt to immediately leave the editorial board of the Frankfurt School-linked magazine *Praxis*, whose exponents are Svetozar Stojanovic and Mihailo Markovic, leading ideologues of Serbian leaders Dobrica Cosic and Slobodan Milosevic, respectively.

The Croatian papers *Vjesnik* and *Slobodna Dalmacija* headlined their coverage of the roundtable "This War Is Run by Psychiatrists," highlighting the challenge to Frankfurt School representative Habermas and reporting on the Tavistock connections.

At the "International Workshop on Genocide," which was held under the chairmanship of Professor Separovic and Professor Nagan separately from the PEN conference, other important issues included the genocide against Croats in

and immediately after the Second World War, i.e., the British-Tito-masterminded massacre of Bleiburg. Especially noted was the resolution of the National Conference of Black Mayors in the United States, which had voted at its last conference in New York against Serbian genocide. In this spirit, the "Dubrovnik Declaration" (see box) was discussed and passed by the participants of the workshop, which will be circulated for international support.

From 1933 to 1993

The occasion of the 59th International PEN Assembly would have been particularly fitting for intellectuals to demonstrate solidarity with the victims of genocide and attack those responsible, since Dubrovnik was the site of the International PEN Conference in 1933. A brochure prepared by the Croatian PEN center reminded visitors that, at that time, the international board of PEN had called upon its members to support a resolution against the witchhunt in Germany against intellectuals critical of the regime. Then, many national centers did not follow the call.

Now, 60 years later, the whole world knows about the genocide against Croatia and Bosnia. The example of Dubrovnik, a Unesco-protected jewel of the Adriatic which was heavily damaged by Serbian shelling, could be seen on televi-

the importance of the laws that limit the sphere of military activity, and the violation of these standards may constitute war crimes as defined by not only the Nuremberg principles but all the Geneva Conventions and related international prescriptions. We also recognize that under conditions of either war or peace certain standards of humanitarian law apply as well as universally accepted standards of human rights, including the framework of rules relating to the prohibition of genocide, racial discrimination, protection of women and children and general civil and political rights.

We declare the following to be universally applicable:

1) **The Principle of Inviolability.** The individual has a right to respect of life, integrity, physical, psychological, and moral well-being and such values as are inseparable for the personality.

2) **The Principle of Equal Treatment.** All persons are to be treated without discrimination based on race, ethnicity, language, social position, wealth, religious, philosophical and political views.

3) **The Principle of Security.** Everyone has the right to personal security.

We solemnly declare that these principles of peace, humanitarianism and human rights must be universally respected and that continuing violations are an affront to humanity.

sion screens around the world in 1991 and 1992. What does it mean now to the inhabitants of this most beautiful historical and cultural center, which always has been an attraction for millions of tourists from all over the world, if the world's self-proclaimed "intellectuals" behave in such a morally bankrupt way?

Cultural warfare against Christian heritage

The behavior of PEN is having the same effect as the barbaric shelling of Serbian militias. It fits into the systematic international campaign to equate victims and aggressors. The sabotage of such an important conference as the one in Dubrovnik is a further element in the psychological warfare, which is designed to undermine the courageous spirit of the population. The people of Dubrovnik had returned to their homes after the heaviest fighting was over last year. There were renewed attacks just some weeks ago, at the same time that the German PEN Center chose to cancel its participation.

Dubrovnik is strategically very sensitively exposed and subject to air attacks at any time. Today, Dubrovnik has about 40,000 regular citizens and 15,000 refugees, many of them from nearby Bosnia. The social situation and the living standard are ruined, mainly through the collapse of tourism. Yet people hope for a better future and for an end to the war.

One crucial element of their identity, which was the main target of Serbian attacks, is the tremendously rich culture of the city. Dubrovnik was a center for the development of classical poetry in the Mediterranean. Being an independent city-state for centuries until the 19th century, its main pride as a trading center was its *Libertas*. One of the oldest pharmacies in Europe, which is still operating today, dates back to the 14th century. The old Franciscan monastery, one of the jewels of the city, was hit by more than 60 grenades during Serbian attacks and the centuries-old, invaluable collection of handwritten manuscripts and prints was barely saved. The beautiful main street of the old city, looking like a marvel, was shelled with grenades. Fifteen old-style houses were totally burnt out, and it was only the resolute action of the local population, which went into the streets despite massive shelling on Dec. 6, 1991, which saved the old city from the huge fire which would have otherwise burned down everything.

The cultural program of the PEN Congress was overwhelming. The first evening, a reading of Shakespeare sonnets in English, Croatian, Italian, and German took place in the old castle. The next evening a beautiful concert by the Dubrovnik Symphony Orchestra, the Zagreb Soloists, and Zagreb Opera prima donna Ruza Pospis Baldani, with music by, among others, Bach, Corelli, Croatian 18th-century classical composer Sorkecevic, and arias from Handel and Gluck, was conducted in the old Franciscan church. Beethoven's Triple Concerto, which was performed at the very end, succeeded in igniting a strong spark of optimism in the audience, which was commented upon afterward by one local resident: "You have to be optimistic, otherwise we are not going to survive."

It is certainly a challenge to American readers to reflect for a moment on the fact that the 18th-century internationally known humanist and scientist from Dubrovnik, Rudger Boskovic, among other residents of the city, was a strong admirer of Benjamin Franklin and took part in the international efforts to establish the United States as a free country. Many experienced sailors from that area were on the first ships to the New World, including most probably the ships of Columbus. And it was the plan of the geometric city architecture of Dubrovnik, that New York City's first architects used. Today, there are people in the beautiful city of Dubrovnik and in all of Croatia and Bosnia waiting for someone to help them build their future once again and defend the treasure of Christian humanism which belongs to all mankind.

The proceedings of the PEN Roundtable as well as of the International Workshop on Genocide will be available from Documenta Croatica, c/o Professor Separovic, University of Zagreb, Department of Law, Trg Marsala Tita, 41000 Zagreb, Croatia. The center has already published one collection of works on genocide in Croatia.

'Who killed Olof Palme?' Italian weekly hits enemies of LaRouche

The article below, "Who Killed Olof Palme?" by influential investigative journalist Maurizio Blondet, was printed in the Milan-based newsweekly L'Italia of April 28, 1993. Licio Gelli, mentioned in the first paragraph, is notorious in Italy as the Grand Master of the outlawed "P-2" masonic lodge, accused of masterminding numerous "left-wing" and "right-wing" terrorist atrocities during the 1970s-80s strategy of tension. Although he was long a fugitive from justice and served prison time, Gelli is currently at large.

In our verbatim translation, minor typographical errors have been corrected and subheads added. Ellipses are from the original and do not indicate omitted text. One factual detail is worth clarifying: Victor Gunnarson was never an "activist" in the EAP of LaRouche's associates in Sweden, but had simply signed a list indicating support of certain campaigns.

Swedish Prime Minister Olof Palme was killed on Feb. 28, 1986 by revolver shots. The assassin shot and slipped away: He was surely a specialist in his work, and he was never found. At seven years' distance, even the principals are faceless, and their motives inextricable. The investigations only clarified one thing: that they would have had to be conducted over such an international range and be directed toward such high and "classified" levels as to be unattainable by the police of a small nation like Sweden. Olof Palme had as his mistress Emma Rothschild, heiress of the legendary family of financiers: The lady evaded the investigation, it was never possible to question her. A telegram was sought which Licio Gelli allegedly sent two or three days before the crime to Philip Guarino, the right-hand man at the White House of then Vice President George Bush. "The tree is about to fall," the telegram appears to have said. "The tree," the palm. Palme. In probing this crucial detail, the Swedish police got lost in a labyrinth of revelations, counterinformation, disinformation.

The one who spoke of the telegram was Ibrahim Razin alias Oscar Le Winter, a so-called CIA agent who boasted of being in contact with an "important Italo-American agent with mafia relations." Razin made his revelation in a radio broadcast in Los Angeles on Sept. 17, 1988. Swedish investigators asked the FBI for a report on the telegram only in November 1989; on May 1, 1990, as far as we know, the FBI replied to "almost all" the queries posed by Sweden. From then on some Swedish newspapers, among them the

authoritative *Aftonbladet*, dedicated numerous articles, the latest in 1992, to zealously discrediting the presumed agent. Razin maintained that the mysterious telegram must have been "intercepted" by the National Security Agency (NSA), the American "secret" government which, comprised of technicians in the shadow of the President, must assume command in the case of catastrophes or wars which might menace the security of the entire United States (Col. Oliver North, the main defendant in the complicated Iran-Contra affair, reported to the NSA). Razin also said that Palme was killed by NATO circles (or rather, by networks analogous to the Italian "Gladio"), because the Swedish prime minister, in a meeting with Gorbachov scheduled for the spring of 1986, was preparing to encourage Denmark and Norway's separation from NATO. But, or so it seems, Razin circulated false documents to prove this thesis. . . .

"Olof Palme was killed because he knew about, and wanted to investigate, the weapons and explosives trafficking of Sweden with Iran," observed in November 1987 Abolhasan Bani-Sadr, the President of Iran in the only democratic government which Iran had between the fall of the Shah and the rise to power of Ayatollah Khomeini, today in exile in Paris. Bani-Sadr added: "I know this from two different and credible sources. Both say that Palme was killed as the direct consequence of what he knew about Sweden-Iran arms trafficking." It is the hypothesis that seems to us to be the least distant from the unattainable truth. From 1981 and up to the day of his assassination, Olof Palme, a pacifist and social democrat, was a special U.N. mediator in the Iraq-Iran war; in Sweden there is a gigantic arms multinational, Bofors-Nobel; in September 1985 Swedish customs officers raided the office of an exporter, Karl-Erik Schmitz of Malmö, who was smuggling explosives via an East Berlin company, Imes Import-Export, which was notoriously linked to the Stasi, the East German secret services. . . .

Bani-Sadr's hypothesis, moreover, does not contradict the "revelations" of the presumed agent Razin. The Palme murder may very well fit into the picture of the Iran-Contra scandal, the clandestine and unilateral arms-for-hostages traffic guided by Oliver North, for which George Bush is still being investigated in America. But it would take entire books to tell this story, and to insert into it the death of Palme: It is not possible for us to even scratch that formidable wall.

The LaRouche diversion

Not even the Swedish police, anyway, have done better. In 1986 they arrested as the suspected Palme killer one Victor Gunnarson, 33 years old. The Swedish youth turned out to be an ex-activist of the European Labor Party (EAP), the organization headed by Lyndon LaRouche. An unusual American political agitator, LaRouche has been annoying the political-financial establishment for years with his pointed investigations and revelations: This writer knows by direct experience that the CIA (the major U.S. newspapers) has defamed him, sometimes passing on reports against him to journalists all over the world. LaRouche was thrown into prison under the Bush administration for "tax evasion." He is serving a 15-year prison sentence.

In 1980, the arrest of Gunnarson was the trigger for a colossal international press campaign, which described the EAP as the criminal organization responsible for the Palme assassination. Time passed; Gunnarson has long since been released for lack of evidence, and yet, every once in a while, some newspaper in the world repeats the old charge, as if it had been proven.

But at least in this fact, in the great mystery of the Palme homicide, we now have a small part of truth. With the fall of the Berlin Wall, a crumb also became unstuck from the invisible wall which is also hiding from us the causes of the Swedish prime minister's death. Only a crumb, but it suffices to glimpse, under the smooth facade, unsuspectable complications between eastern and western secret services, between American "anti-communists" and eastern "communists."

The crumb of truth was offered by an ex-Stasi officer (Department X, "Disinformation"), Col. Herbert Bremer, who worked in Sweden. Now unemployed, Bremer made his confession to *Journalisten*, the authoritative review of the Journalists' Association, which reported it in its Aug. 20-26, 1992 issue: It was he, a secret agent of the East, who set into motion the Swedish police investigations into the EAP.

"The backroom decision was made to cause anonymous telephone calls to be made to Swedish papers, and finally directly to the police," Bremer recounted, "and it happened in the week following the Palme crime. Our 'telephoners' said they 'knew the EAP had committed murder' and even that they had seen 'an unusual agitation in the EAP offices in Stockholm the night before the crime.' There was no truth in it, but it sounded credible and well informed."

But what was the Stasi's purpose in spreading the false accusation? Bremer replies: "The false information was supposed to contribute to distracting the attention of the police from the *surely innocent extreme left-wing groups*." And then he adds an even more amazing excuse: "The lack of evidence against the EAP would have been made up for by the journalists, who would not have hesitated to find the proofs." As we have seen, half the press in the world is already prejudiced against LaRouche and his collaborators, thanks to the feverish work of certain U.S. organizations.

In fact on March 3, 1986, the popular newspaper *Ekstra Bladet* first launched the news that the Swedish police were investigating "extreme-right groups . . . among them the EAP." The same day, the Berlin paper *Tageszeitung* and the left-wing *Berliner Extradienst* loudly repeated the charge (the EAP has its main headquarters in Wiesbaden, in Germany), immediately picked up by numerous newspapers, among them, obviously, *L'Unità* [the Italian Communist Party newspaper] in Italy. Only after the fall of the Wall did it become clear that the two Berlin journals were "facades" for the Stasi itself. *Extradienst* was directly financed by East Germany, and at *Tageszeitung* worked Brigitte Heinrich, close to the Baader-Meinhof, who was also a Stasi agent. As to infiltrations of this kind at *L'Unità*, we will not even dare to think them possible. . . .

But these very details prompt us to not take too seriously the words of Colonel Bremer, when he gives credence to the idea that the Stasi attack on the EAP was dictated by fortuitous motives. The operation mounted by the Stasi was too high-profile. Moreover, from secret Stasi documents (Department XII, Registration) which fell into western hands after the collapse of East Germany, it turns out that the East German secret services had at least 89 IM ("informal collaborators") on which they could count in Sweden, among them persons "at the highest level of the Social Democratic Party" and "in the Swedish Embassy in East Germany." What is more, at the time, the Soviet ambassador in Sweden was Boris Pankin, former director of the Soviet copyright agency SVAAP, an essential vehicle for "disinformation" (Pankin, an intimate of Gorbachov, will later be elevated to the pinnacle of the KGB): an expert in informational poisoning, who had distinguished himself already, since 1975, among other things, for spreading slanderous accusations and rumors against LaRouche.

Why such a deployment of Stasi and KGB forces at just *that time*? The eastern services certainly knew a lot about the murder of Palme and its principals; for sure they knew a good deal about the labyrinthine Iran-Contra traffic. Whom were they covering for, by diverting the Swedish police toward the EAP? In those same days, March 3, Georgi Arbatov—mysterious Soviet plenipotentiary, ever-present in Soviet-U.S. circles and economic conferences, crony of several American billionaires—said from Moscow that the culprits of the Palme assassination should be looked for in "reactionary circles," a definition under which American and Russian disinformation agree to catalogue the EAP: To which of his American friends was he doing a favor? And why did the American Irwin Suall, fact-finding director of the Anti-Defamation League, the organization which in the United States supposedly combats anti-Semitism and emanates from the B'nai B'rith (the Masonry reserved to Israelites) go to Sweden in summer 1986 and promote (also in NBC broadcasts) the anti-EAP campaign in connection with Palme's death? Too many questions. And too many walls still standing.

Usurious policies of IMF are the most hideous policies enslaving mankind

Laith Shubeilat, an Islamist and an independent member of the Jordanian Parliament since 1989, is one of the most popular political figures in Jordan. He was the subject of a sensational trial last autumn (see EIR, Oct. 23, pp. 53-55; Nov. 6, pp. 42-43; Nov. 13, pp. 38-40; and Nov. 20, 1992, pp. 32-39). He gave this interview to Muriel Mirak-Weissbach during a recent visit to Germany.

EIR: Islam is being presented as the new “enemy image.” What is this all about? Where does it come from?

Shubeilat: It is a long tradition, unfortunately, among the prevailing forces of the West. There is an important book on the subject by Edward Sa'id, a very academic book, which proves beyond doubt that the whole orientalist movement, with a very few exceptions, emanated from and served the colonialists' plans to control the world, and especially the Third World, the most important part of which is the Muslim world. Unfortunately, it is a very ancient tradition, not only by the mass media, but also of so-called important scholars who planted the seeds of hatred. For example, it is very important to note that the first people who called the others “infidels” and “idolaters” was the West—the West, the western orientalist called the Muslims “infidels,” while it is being portrayed very wrongly that Muslims do not tolerate others and that they call everybody else infidels and idolaters. Historically, it's quite the contrary. So, it's a very old tradition, 200-300 years old, which paved the way for controlling the Orient. Now, since the world order has reformulated its leadership—nothing has changed, nothing is “new” about the new world order, no new ideas, new laws; the only new thing is that a single power is trying to control this order which was reformulated at Yalta after World War II. It has not been reformulated today in new institutions; the institutions are the same, but are controlled by a single power.

So now, this single power, leading the whole colonialist camp, wants to control its own camp, the industrialized sector, as well as the Third World. You know what they are doing to control their own camp, like targeting Germany and Japan, hitting any economic power that would challenge them, that's something you are very well aware of. And the other, is targeting *any* movement, any philosophical tradition that could be the source of a movement that could challenge their plans. And Islam definitely is one of the most important candidates to lead a movement, or to join the leadership of

such a movement for justice and a just world order.

EIR: Why is Islam so dangerous to their plans?

Shubeilat: Because the controlling faction of the oligarchs, who are designing these plans, do not base their ideology on anything human. They're anti-human, gnostics, pagan, actually, and there is nothing Christian about their worldview, although they use Christianity in the same way that the Crusaders used Christianity, to mobilize people. People wouldn't fight then for merchants, or today, for oil companies, for Texaco; they would fight for a noble cause. So for those controlling forces, it is a matter of getting their people aligned to fight for *their* cause, for *their* interest. They have to arouse these sentiments: that the Third World is an enemy, that they are subversive, dangerous, terrorists. So this thing is being played, now, especially after the collapse of communism, which was leading the Third World—the underdeveloped sector used to look to the U.S.S.R. as their counter-leverage, to prevent the full control of imperialism and capitalism, or, as you call it, monetarism.

Now Islam is a philosophical tradition based on humane principles, on an understanding of the universe. It is identical to the Christian origin of thought in its concept of man, the universe, and God, that man is created in the image of the Lord, that he is worthy of respect, that his dignity should be preserved. The whole universe is at his service. He is ordered to subdue nature, to subdue the universe at his service; that he should develop and multiply. He can only multiply by developing. Which is basically what interested me in your movement: I saw that these are exactly the same ideas, in their origin. So that's why Islam is being targeted.

Christianity is being targeted, too, although many Christian leaders do not admit that it is being targeted, as they did in the past. A lot of them, as an Arabic proverb puts it, “only want safety,” they just want to get away with their skins, though they are being attacked by pagan cults, and their doctrine is being attacked. They're trying to change the well-established Christian doctrine.

EIR: How do you see the possibility that Islamic doctrine may be attacked?

Shubeilat: This is a problem for the common enemy. The holy book of Islam is completely immune to such attack. Usually the easiest way to have full control over populations

is to tamper with their doctrine, that is, how they target Christianity, that's how they target any other culture: trying to change its origins, to say this is wrong, that is originally right, so that a whole people may be "re-programmed" at their service.

I'll give you a small example. Look at how the history of Europe has been changed, how Judaism has been targeted, how it was looked at unfavorably, until recently; that was wrong, but look at how this attitude flipped over, completely. There are complete Christian sects, 40-60 million people in America belong to them, but they believe that Jews are the chosen people and that Israel should be established, and you find over a century that a whole flock of people who are not Jews have been "Zionified." So Zionism has infiltrated a large number of sects of Christians who believe that they are at the service of Zionism, believing that—and they are very naive—in the end, Israel is established and all the Jews go to Palestine, and after Armageddon will happen. They all *want* to instigate a third world war so that Christ will come, and then the Jews will convert. So why don't they go directly to the Jews and try to convert them, instead of destroying the world to convert? This puts a lot of question marks over what happened to the doctrine of certain sects.

Now, coming back to Islam, it is very difficult to tamper with the Koran, impossible, or with the Hadith [the sayings of the Prophet], which are ordered in a very scientific matter. There are rules and regulations regulating how a true hadith will be accepted, and according to the level of authenticity it may or may not be accepted for dogmatic issues. Some reach the level of being accepted only on issues of moral guidance, and so on. That's why Islam is a challenge; although the Muslim population is very weak, there is no Islamic power actually in existence, yet the colonialist forces see that this doctrine can not be tampered with, and that could lay the ground for challenging the future adversary—which is not Christianity, it is the plans of the imperialists. They see that it could lead the whole Third World, including, for example, the Catholics of South America, who are in exactly the same plight as the Muslims. They are not allowed to unify, just as the Arabs are not allowed to unify. There are very similar conditions; what happens in South America is very similar to what is happening in our countries. So these traditions, which base their philosophy on humane thoughts, are a challenge to the new world order. That's why they are targeted.

EIR: Obviously, your approach is not one of confrontation, but one of dialogue.

Shubeilat: It is very unfortunate that both religions have a lot of backward, or not very creative minds, who do not see what is happening, and are affected by the brainwashing, leading them to confrontation by what they should identify as a common enemy, which only serves the new world order. Because the new world order, as I see it, this pagan, usurious cult, had to target Christianity as well as Islam. They have been targeting the Vatican for a long time. From the outside,



Jordanian parliamentarian Laith Shubeilat

I see the Vatican shaken a lot by the prevailing movements in the world, very much on the defensive, yet, unfortunately, when it comes to Islam, you see a lot of persons, even in the Vatican, and in other churches, rallying with the pagans against Muslims; or you find the Muslims rallying with the wrong side against the western Christian world.

This is incorrect and I think the main thrust, the knockout blow that could be given to this fiendish plan of the new world order, is dialogue, an honest dialogue between Christians and Muslims. Every Christian and every Muslim who is God-fearing and really believes in the Lord, should feel targeted whenever his colleague is being attacked. We are in the same camp, we are a camp of elites, because of our philosophical conception of man as being in the image of the Lord. We have a lot of differences in detail of thought, but the basis is the same: Man is the master of the universe, with nature at his service. This is the main thing from which socio-economic laws branch out, the worldly laws governing our lives do not branch from the *details* of monotheism; those details affect our final destiny in the hereafter, whom will the Lord select or say is right in his monotheistic view. But, no matter how much we differ, there are no general laws affected by this difference. All the laws that govern our existence branch from the same origin—we respect man, this view of the creator man, master of the universe. And unfortunately, with regard to the targeting of Islam, when it is said that we want to go back to Islamic laws, people are scared, they fear that this means forcing everyone to be a Muslim, and to be a good Muslim. It is very wrong, the notion is very wrong.

Islamic law is like Natural Law, that is, based on the correct religious outlook, which is the Islamic outlook, which is the true Christian basis. But it does not affect others' religion, it does not tamper with beliefs of others. Justice, the message of justice it carries, emanates from this religion.

It is not imposing this religion that we work for, rather it is struggling to establish the just order that is based on this religion, which is—should be—synonymous to and not contradictory to the just laws based on Christian religion, which goes back to the pure origins, to the view of man in the image of the Lord; it is anti-slavery, anti-usury, forbidding man to dominate or enslave man.

EIR: Are you thinking in terms of a theological dialogue with Christianity?

Shubeilat: No, I wouldn't suggest that. The dialogue is very important. If you go into a theological dialogue, Muslims would differ in 70 directions, Christians would differ in 100 directions! It is a philosophical dialogue, but not a dialogue which affects the way we live. A philosophical dialogue is something that you may have at leisure, sit down and knock each other out with back and forth dialogue, but it does not affect our lives. On the contrary, it would affect our lives adversely because we would only see our differences and we might translate our differences into hatred, into not accepting the other's well-being.

The way I see it, the dialogue should be apt to unify all the good forces of the world; we, especially as monotheists, are bearers of a message of justice for all mankind, even toward those who do not believe in our monotheism. We respect man because the Lord had chosen to create him in this dignified form; even though man himself might behave in a manner that does not respect his own dignity, yet we respect his dignity for the Lord who has endowed him with this dignity, and by respecting his dignity, we are respecting the Lord's creation.

So we go from that to identify the enemy. Who is our real foe, the foe of mankind, who is trying to destroy mankind? It is these pagan cults, these usurious policies, it is the most hideous policies enslaving mankind, which go hand in hand with military intervention. For, when people fail to honor their usurious contracts, it is military occupation that comes to settle the matter. When we identify who the enemy is, then we find that we are forced to be so close, because we represent the opposite to this pagan, we are the contrary, both of us. And this is the real foe, not us. This foe is playing on our differences, so that he reigns and will eventually suppress us, tamper with our doctrines, and perhaps annul all religions. The way we have seen in the last 20-30 years, they really have the upper hand and are saying so outright.

So when we identify this, we have to identify the instruments of the enemy. Both economic systems are against mankind. Capitalism, or as you say, monetarism, is endangering mankind. Communism, which presented itself as a driver to stand against this oppression, has deprived man of his dignity and respect, in favor of the collectivity. Then there is the "third way," which is in between, whereby man's dignity is preserved and society is preserved; there is a balance between society and man. The economic theories that arise from this,

the importance of developing science and technology, of developing man and distributing wealth, would have to be found. This is why I find the work of Lyndon LaRouche as very, very close to Islamic thought. I was not surprised when I read the roots of his thinking, because I found it was based on the noblest of Christian ideas. So there is no surprise that we find a lot of what he says identical, not only very close, but identical to the Muslim tradition.

So both religions have to be clear where we stand. Both have to understand the institutions of the oppressors of mankind—the United Nations, the Security Council, the International Monetary Fund. Are they friendly to nations, are these institutions in the true tradition of Christianity, of Islam, of monotheism, or not? And this is a very big question to ask two large congregations infiltrated by the culture of the enemy. Once you pose these questions, you find members of the Christian clergy or Muslims, say, "No, no, no, what's wrong with the IMF?" And then you enter discussion with them, and start exposing them. "Look at what the IMF is doing, creating so much misery, how can you relate your belief in the Lord, in Christianity, to this?" You start exposing him, and if he is honest, he will repent and say, "All right, I accept that this is an instrument of satanism, of paganism." And you would sift the true Muslim from the untrue Muslim tradition, you would sift the true Christian from the untrue Christian position, and the true in both would come very close in an alliance against the untrue in their own camps and against paganism.

And this is very, very important, because, for example, now, the Islamic movement is being targeted. If Christians, in the Vatican, were to defend against any attack on Muslims, and the Muslim would defend against an attack on the Vatican, saying these attacks are against two sides of the same coin of the monotheistic tradition, this would defuse the largest bomb being set to explode. Those oligarchs, the pagans, would lose the main instrument that they have to rally populations and the fighting doctrine of their soldiers, because soldiers will fight only if convinced of the noble cause of the struggle. If the Church takes this stand, if Muslims take this stand, you would defuse the ability to pit soldiers against each other in this useless struggle. It is an unreal struggle, against a fictitious enemy, because nobody can annihilate the other, even if they planned it. We are talking about billions of people, a billion here and a billion there. None of these religions has this genocidal, cleansing ideology, the mainstream does not have it. Okay, they clashed in the Crusades, but, you know, our ancestors did not call them the "Crusades," they called them the Wars of the Franks; on the other side they were called the Crusader wars.

EIR: How do you evaluate the possibility that this dialogue can succeed? Are you optimistic?

Shubeilat: Yes, I am optimistic. Wherever there are sane people, there's reason for optimism. Take, for example, your movement; although it is not a religious movement, it is a

movement based on proper religious grounds, and is a very, very important movement, it could help in such a dialogue. Although you are not clergy, I said it at your Berlin conference; what interested me in your movement, was I noticed that it stems from the noblest of Christian ideas and this is very close to me as a Muslim, it's as simple as that. You see, what is very important, is that we should not open our discussions and debates by referring to labels, we should begin by the content. What are you delivering? You are delivering a plan or a product, and when I see that product, without a label, and see that it is very close to what I deliver, I get through the barriers of brainwashing and preconceived ideas about others. "Muslims, oh I don't want to have anything to do with Muslims," or "Oh, this LaRouche, I don't want to hear anything about him." If you bring out the content first without the identification label, you get through to the general public, which includes a lot of so-called intellectuals, for only true intellectuals who are real truth seekers (with their small number) don't allow labels to stop them from exploring with their own intellect and their own brain what the other side has, and take what is good and leave what doesn't fit. This is an exchange of culture, that's how knowledge in the world advances.

Strangely enough, in our modern universities, it is always taught that in the Middle Ages, the Church was persecuting knowledge and science, which may be true, but what is also true is that the new priesthood in the "democracy" of today is doing exactly the same thing now. I do not see the existence of a democracy in the West, as is being claimed. Democracy is when everyone can explore and express his own ideas without being subjected to violence, violent attack by others. I know that you cannot go to some universities and talk because some extreme leftists or extreme rightists might attack you. Take this scientific breakthrough in cold fusion, for example, how it is being attacked by the establishment. So, whoever is established, unfortunately, attacks the new development.

So whatever we criticize in the Middle Ages, although we look very advanced, we have the same fault, by not allowing any breakthrough, by running witchhunts against ideas that are not established. So how can you claim that we are liberated, now that it's the age of democracy, etc., different from the Middle Ages? The only difference is, there is a lot more reading material, but it is not affecting the attitude of people, there is no respect for people, for their ideas. We all have a right to talk, and a right to be heard. You feel, I am sure, targeted, in this "open" society; you see how your leader is put behind bars in the most atrocious manner, in a "legal" manner and how the brainwashing machine is controlling the ideas of people about this great thinker and true lover of humanity. . . . How does this differ from the attitude toward Galileo? Democratic instruments (a corrupt judiciary) were used to impose such authoritarian fascist decisions. . . . This is the culmination of injustice.

News of Russian SDI offer hits S. America

by Cynthia R. Rush

In the early 1980s, American statesman Lyndon H. LaRouche, Jr., the intellectual author of the Strategic Defense Initiative (SDI) proposal subsequently announced by President Ronald Reagan on March 23, 1983, elaborated how Ibero-American countries, especially those with more advanced scientific infrastructure such as Brazil and Argentina, could benefit from collaboration with the United States on SDI and related technological and scientific projects. These projects, LaRouche emphasized, could act as a "science driver" for an economic and technological renaissance in these countries.

The Russian leadership did not accept Reagan's offer of joint development of the SDI; in fact, Russian President Mikhail Gorbachov demanded that LaRouche be imprisoned, while all of Ibero-America suffered a decade of economic devastation as a result of its submission to the International Monetary Fund's (IMF) austerity dictates.

But now, ten years later, political, military, and scientific circles across Ibero-America are again showing keen interest in the implications of joint U.S.-Russian development of the SDI, following news that Russian President Boris Yeltsin had made such an offer during his April 3-4 summit with President Bill Clinton in Vancouver.

Most international media have deliberately blacked out all coverage of Yeltsin's offer for joint development of anti-ballistic "plasma weapons," first reported in the Russian newspaper *Izvestia* on April 2. If accepted, the offer represents an opportunity to completely alter the world's strategic geometry, which has produced genocide in former Yugoslavia, as well as worldwide economic devastation and growing violence and regional warfare. Most important, the offer can lay the basis for real economic and scientific development, with crucial implications for the Third World.

Anglo-Americans worry about LaRouche

This realization, and LaRouche's role in promoting such development, has unnerved some among the Anglo-American policymaking elite. On April 18, a slanderous article under the byline of Marcelo Helfgot appeared in the Buenos Aires daily *Clarín*, hysterically charging that LaRouche, together with jailed Argentine Army nationalist Col. Mohamed Alí Seineldín and Venezuelan Col. Hugo Chávez, were planning to hold a May meeting in Buenos Aires of *carapintadas*

or "painted faces," a term which refers specifically to Argentina's nationalist military, and more broadly to anti-IMF military forces on the continent. A "*carapintada* international" is about to be formed, Helfgot shrieked, "financed by LaRouche."

But Helfgot's real concern is revealed in his assertion that regional intelligence services think that the alleged *carapintada* international "is a threat to the stability of democratic governments."

Apart from Helfgot's lying fabrications, the truth is that the Anglo-American establishment is very worried about the emergence of anti-IMF civilian-military forces in several Ibero-American countries and the potential they represent for overturning the international banking community's policy of "democracy" based on usury. One day after Helfgot's article appeared in *Clarín*, excerpts were published in newspapers in Peru, Colombia, and Venezuela.

LaRouche and *EIR* have repeatedly exposed the fact that the Anglo-American establishment is committed to the destruction of Ibero-America's armed forces, in its drive to eliminate national sovereignty. Thus Helfgot's compulsion to identify *EIR*'s Buenos Aires correspondent Gerardo Terán as the "link between LaRouche and Seineldín," and lie that *EIR* is the means by which LaRouche is organizing the alleged *carapintada* international. He worriedly reported that *EIR* was planning an April 22 seminar entitled "The Russian Crisis, LaRouche, and the Strategic Defense Initiative: How to Save the World from World War III."

Helfgot's publicity helped ensure a very successful seminar in Buenos Aires, attended by 80 people. Similar seminars were held the same day in Lima and Rio de Janeiro, all attended by foreign diplomats, military officers, scientists, political and labor leaders, students, journalists, and even intelligence "spooks."

Aside from presenting details on the implications of the Yeltsin proposal, speakers at these events emphasized the urgency of freeing LaRouche from federal prison in the United States, to make possible his crucial input into defusing the present dangerous strategic crisis.

On the same day as *EIR*'s seminar in Rio de Janeiro, the daily *Jornal do Commercio* published an article by Lorenzo Carrasco, *EIR*'s correspondent in Brazil, commenting on the Russian offer. The proposal, Carrasco emphasized, "has the obvious backing of the powerful Russian military-industrial complex, which means that it is serious and transcends any eventual governmental changes which might derive from Moscow's volatile internal political situation."

The Russian proposal, he explained, nullifies the insane doctrine of Mutually Assured Destruction which dominated the Cold War era, and makes obsolete the strategic nuclear weapons on which the doctrine is based. "What then is the argument for continuing to impose a 'technological apartheid' on the developing nations, if the excuse of proliferation no longer exists?"

State Dept. grooms S. American leftists to be Presidents

by Peter Rush

Five high-level officials of the U.S. State Department and National Security Council, along with a World Bank vice president and others, met on April 22 with three leftist contenders for the presidencies of Brazil, Colombia, and Venezuela, respectively: Luiz Inacio "Lula" da Silva, head of Brazil's Workers Party (PT); Antonio Navarro Wolff of Colombia's M-19 Democratic Alliance; and Pablo Medina of Venezuela's Causa-R party.

Making the meeting more remarkable was the fact that Navarro Wolff is a "former" narco-terrorist involved in the cold-blooded murder of 12 Colombian Supreme Court justices in November 1985, among many other atrocities committed by his guerrilla group, the M-19. "Lula" da Silva is an ignorant but dangerous demagogue trained in the school of "Liberation Theology" based on preaching Marxist "class struggle." Together with Medina, all three are leading members of the São Paulo Forum, an organization founded in 1990 under the auspices of Fidel Castro's Cuba to try to "regroup" the communist and radical parties of Ibero-America under Cuban leadership, after the collapse of the Soviet Union.

On parade at Princeton

Just six days earlier, on April 16-17, the same three, joined by Cuahtémoc Cárdenas of Mexico's Revolutionary Democratic Party (PRD), Rubén Zamora of El Salvador's Farabundo Martí Liberation Front (FMLN), and Luis Maira, secretary general of Chile's Socialist Party, took part in a public relations show held at Princeton University's Woodrow Wilson School of Public and International Affairs, a training ground for State Department officials. The affair, designed to boost the credibility of all six candidates, both back in their own countries and in policymaking circles in the United States, was entitled "Alternatives in Latin America: A Panel of 1993-1994 Latin American Presidential Candidates."

Cheered by a partisan audience of leftist students and professors and fed pabulum questions by a panel of academics and journalists, the six used the occasion to assert their strong support for ill-defined concepts of "social justice," "democracy," and "helping the poor," while saying absolutely nothing about how to reverse the deepening poverty and economic crisis afflicting every country. Although they rant-

ed about “human rights,” when asked by *EIR* to take a stand on the case of jailed American statesman Lyndon H. LaRouche, Jr., not one of them would denounce this violation of human rights. Television cameras were on hand from stations in each of the six countries, plus Cable News Network’s Ibero-American division, to make sure that the folks back home saw the candidates being welcomed and cheered in the United States.

Behind both the State Department meeting and the Princeton forum is the Inter-American Dialogue (IAD), the establishment think-tank that designed Bush’s policy toward Ibero-America, and which now enjoys excessive influence within the Clinton administration. In fact, Dialogue chairman Peter Bell was one of the Princeton panelists, as was IAD executive committee member Abraham Lowenthal.

The IAD is using all of its resources in a campaign to destroy the armed forces of Ibero-America, by attacking them first as superfluous in the post-Soviet era and as ostensibly a waste of scarce budget resources, and second as ostensibly the leading violators of “human rights” in their battles against drug mafia-backed guerrilla subversion. In this latter endeavor, the IAD has supported the terrorist FMLN in El Salvador, and supports de facto the Shining Path narco-terrorist butchers of Peru.

The April 22 meeting with the State Department in Washington was set up by the IAD, and was attended by Peter Hakim, a leading Dialogue member. Richard Feinberg, the National Security Council’s Latin American specialist who attended the Washington meeting, is the former chairman of the Inter-American Dialogue. Also attending that meeting from the State Department were: Harriet Babbitt, U.S. ambassador to the Organization of American States (OAS); Luigi Einaudi, the outgoing U.S. ambassador to the OAS and a decades-long State Department operative for Ibero-America; former Sen. Tim Wirth (D-Colo.); and John Shattuck of the State Department Office of Human Rights.

Alternatives or enforcers

The inclusion of the unrepentant terrorist Navarro Wolff in the meeting is particularly shocking. Speaking in December 1985 about the Nov. 6, 1985 armed assault on the Supreme Court by his M-19 group, Navarro justified the attack by saying its purpose was to “destroy one of the last, if not the last, respectable institution which the country has.” And in 1986, even the State Department’s counterterror chief Robert Oakley testified before the U.S. Congress that the M-19 had been paid \$5 million by the Medellín drug and terrorist cartel for the assault, which burned most of the legal records on the drug traffickers, who were also wanted in the U.S., and intimidated judges throughout the country. It hardly came as a surprise that this ally of the Medellín Cartel argued, in an interview with this reporter, that drug trafficking should be decriminalized in the developed countries.

In publicly promoting leftist presidential candidates, the

Washington establishment is preparing for the presidential elections slated over the next two years in a half-dozen Ibero-American countries. Washington is well aware that the governments of Carlos Salinas in Mexico, César Gaviria in Colombia, and Carlos Andrés Pérez in Venezuela have all implemented the International Monetary Fund’s (IMF) policies faithfully, and that their parties will all likely be swept aside in massive popular outpourings against these policies. Thus the need for *controlled* “alternatives”—which in no way threaten the existing framework of international usury.

The content of what all six presidential aspirants had to say over more than eight hours of panel discussion, established that not one of them has an economic program significantly different from IMF programs now in place. Nonetheless, given the increasing likelihood of a popular revolt in several countries against the existing ruling parties, fueled by economic hardship, Washington is grooming these candidates rather than risk having real anti-IMF nationalist forces come to power and overturn the apple cart.

No to protectionism

Cuauhtémoc Cárdenas of Mexico, who almost certainly won the Mexican presidency at the ballot box in 1988, only to have it stolen from him by vote fraud by the ruling PRI party, portrayed the disaster that President Carlos Salinas de Gortari has created by his free market economic program, especially noting the more than \$20 billion trade deficit, but presented nothing at all as his economic alternative. Pressed by this reporter in an interview as to whether he would consider any restriction of free trade which has flooded the country with imports, wiped out whole swaths of domestic industry, and created the trade deficit, Cárdenas answered that under no circumstances would he return to protectionism of any sort.

Lula of Brazil answered this reporter’s question from the floor on what alternative he had, by saying his party is still working on one, and blustering that he couldn’t be expected to present an alternative “in only five minutes.” But he had previously claimed that Brazil needs no economic program, only a social program to better distribute the wealth already produced—a measure guaranteed to cut existing production in half.

That these leftists actually represent a continuation of Anglo-American policy was revealed most explicitly by FMLN leader Rubén Zamora, who boasted that he supported the United Nations’ imposition of limited sovereignty on his nation through phony peace accords. “A part of our sovereignty has moved to international bodies like the United Nations,” he said, “and we support that. This is more fair” for El Salvador. Stating that any “autonomous, national economic project” was “unviable,” Zamora explained that Ibero-America has no choice but to “integrate itself” into a U.S.-led economic bloc, or “be integrated” into it willy-nilly. “We are superfluous to the rest of the world economy,” he added.

Interview: Antonio Navarro Wolff

Antonio Navarro Wolff, presidential candidate of the Colombian M-19 Democratic Alliance, was interviewed on April 16 by Cynthia and Peter Rush.

EIR: Would you favor legalization of the drug trade as the best way to solve Colombia's problem?

Navarro Wolff: I think that the change in U.S. policy on the drug issue which appears to be taking place in this new administration is good, first because it no longer considers drug trafficking the U.S.'s top priority—which it is not. Secondly, it looks as though [the Clinton administration] is leaning toward putting more emphasis on the problem of internal consumption, and not just production. Decriminalization of consumption is a problem for the First World. We would gain nothing by decriminalizing in Colombia. So let's see if this occurs in the First World. . . .

I would say that a more balanced approach in the international framework, where the possibility of decriminalization is considered, is far better than the policy to date, based on combatting production in the Third World.

EIR: What about the recent proposal made by Colombia's ambassador in Spain, Samper Pizano, who explicitly called for drug legalization in Colombia?

Navarro Wolff: This [legalization] would have no effect whatsoever inside Colombia . . . because it is not Colombia's consumption which produces the problem of drug money, but the First World's consumption. This would be the only justification for decriminalization—stop the flow of illegal drug money.

EIR: Do you think that if the Colombian government were to step back from its all-out war on the Medellín and Cali cartels, would that bring peace?

Navarro Wolff: It's not that easy. I think you've heard of the policy of "plea bargaining" . . . which we support, as long as it's applied responsibly.

Of course I support the policy of a negotiated solution to the problem of the Colombian guerrillas, because I'm a "son" of that dialogue and our movement is a product of that dialogue. We believe in it because it's worked for us.

EIR: Do you think that the El Salvador model of dialogue could work in Colombia?

Navarro Wolff: The correlation of forces is different . . . but I think that the El Salvador model of negotiations is possible to help consolidate the peace process. . . .

EIR: Would the United Nations have a role in Colombia?

Navarro Wolff: Yes, the United Nations could have a role

in Colombia perhaps in a later phase. I think right now a mixed mediation, national and international, is needed; probably in a first phase, the U.N. wouldn't be involved, but later, once these efforts were under way, then the participation of an agency such as the U.N. would be required.

Interview: Cuauhtémoc Cárdenas

Peter Rush interviewed Mexican presidential candidate Cuauhtémoc Cárdenas of the Revolutionary Democratic Party (PRD) on April 16.

EIR: Since free trade has created this \$20 billion trade deficit, why do you conditionally support the North American Free Trade Agreement (NAFTA), or do you not?

Cárdenas: I am not supporting this agreement. We think a different agreement is necessary.

EIR: What would the changes be that would make it operate differently than this one does?

Cárdenas: In the first place, not a free trade agreement but a development agreement that establishes a different view of the problem; that starts by the recognition of existing differences and the will to eliminate those differences. That means using not only free trade but other economic tools: investments that could be directed to sensitive sectors, economically or socially, renegotiation of the foreign debt, and other tools.

EIR: Under your idea, would NAFTA allow Mexico to reimpose high tariffs on new industries that are needed to develop, that required protection until they get started?

Cárdenas: No, we are not talking about protection.

EIR: How would a new industry get started in Mexico that had to compete, and would need protection for a few years?

Cárdenas: We have to talk with the United States, and see the timing, see the investments, see what industries or important sectors that could be treated in a different way.

EIR: Then how would your proposal eliminate this imbalance of imports over exports which is now over \$100 billion?

Cárdenas: That takes time.

EIR: But how would that be addressed by your proposal?

Cárdenas: Mostly through investment in Mexico, creation of jobs, strengthening of our economic development.

EIR: How can domestic Mexican industries ever be revived if you don't maintain some ability to keep out imports?

Cárdenas: We'll have to see case by case.

Colombian VIP rejects threat from AIFLD

Colombia's former Minister of Labor Jorge Carrillo said on April 22 that he was forwarding to authorities a threatening letter he had received from William C. Doherty, head of the American Institute for Free Labor Development (AIFLD). In his letter, written in Spanish, Doherty said that he viewed as a "hostile gesture" the fact that Carrillo was part of an international delegation that visited Washington, D.C. March 15-20 to discuss the case of jailed American political dissident Lyndon LaRouche, with members of the U.S. Congress and other officials.

The AIFLD is an arm of "Project Democracy," the network of agencies that function under the umbrella of the National Endowment for Democracy. Much of the funding for the activities of the AIFLD comes from the U.S. government, and the organization, which functions primarily in Ibero-America, has long-standing and well-publicized official ties to the U.S. intelligence community.

Following are the English translations of the full texts of Doherty's letter and Carrillo's reply.

Doherty: 'a hostile gesture'

April 2, 1993

Mr. Jorge Carrillo
Adviser to the Presidential Peace Council
Calle 7, No. 6-60, 2nd floor
Bogotá, Colombia

Dear Mr. Carrillo:

I have just been informed that last March you were part of an "international delegation of congressmen and human rights activists" which visited Washington for the purpose of asking President Clinton to intervene in the case of Mr. Lyndon H. LaRouche, who is currently serving a jail sentence for fraud and tax evasion.

As you are aware, Mr. LaRouche has been a strident and constant critic of the organized labor movement of the United States, and of the AFL-CIO in particular. I am sorry to tell you that your intervention on behalf of Mr. LaRouche simply confirms that you support his programs and policies, which I personally consider an unbrotherly and hostile gesture towards the AFL-CIO and American workers.

Sincerely,
William C. Doherty

Executive Director

cc: Mr. Orlando Obregon, President—CUT
Mr. Luis Anderson, Secretary General—ORIT

Carrillo rejects 'veiled threat'

Santafé de Bogotá, April 22, 1993

Mr. William C. Doherty

Executive Director

American Institute for Free Labor Development

1015 Twentieth Street, N.W.

Washington, D.C. 20036

Mr. Doherty:

I learned today of your communication dated April 2 of this year, which I view as containing a veiled threat, for which reason I have considered it appropriate that my country's authorities be apprised of it.

It would be important to know the reasons why you would be upset by the fact that it is requested that the human rights of a citizen of the United States, over 70 years old, be respected, specifically, Mr. Lyndon LaRouche. In that regard, just as I have done, concerns have been raised by such persons as the former President of Argentina, Mr. Arturo Frondizi; Gen. Paul Albert Scherer (ret.), former head of German intelligence and counter-intelligence, and one of the founders of the German postwar army; Italian parliamentarian Mr. Carlo Palermo, a judge famous for his legal actions against the Mafia; Mr. Flaminio Piccoli, a member of the Italian Parliament and former secretary general of the Christian Democratic Party of Italy; and by more than 2,000 political figures, members of parliament, former ministers of state, church representatives, writers and scientists from around the world. It may be that our petition will be answered by President Clinton and that Mr. LaRouche will be freed.

Finally, I regret that you, in the name of "American workers," are opposed to the struggle against drug trafficking, the campaign against AIDS, the program known as the Strategic Defense Initiative, and are opposed in principle to the fight we Latin American workers are waging against the policies of the International Monetary Fund. All of these are proposals which are found within the programs and policies of Mr. LaRouche.

I energetically reject your assertion regarding American workers, for whom I profess the greatest respect and admiration, as well as my unshakable friendship.

Jorge Carrillo

Former Minister of Labor of Colombia

cc: Mr. President Clinton
World personalities and labor organizations

'Lula,' another Collor in '94?

With their man Collor gone, the Anglo-Americans are promoting a Marxist to get Brazil back under control.

Luiz Inacio "Lula" da Silva, head of the Marxist Workers Party (PT), is receiving increasingly public backing from the Anglo-American Establishment as its indicated favorite for the 1994 presidential elections in Brazil. If former President Collor hatched his deal in secret with Washington's "Project Democracy" crowd to bring about Brazil's submission to the "new world order," the same pact is now being openly clinched through the offices of the Inter-American Dialogue, the Western Hemisphere's version of a Trilateral Commission.

Now that the April 21 plebiscite confirming the presidential system of government is over, it is expected that the presidential campaigns for 1994 will be launched in earnest. The Wall Street banking firm Salomon Brothers has already begun to distribute a report to its clients giving Lula favored status for 1994.

In a recent trip that he made to the United States, Lula received the red carpet treatment. He had been invited by Princeton University along with other leftist presidential hopefuls from Ibero-America—each of them linked to the Project Democracy apparatus controlled by the U.S. State Department. In return, Lula clearly demonstrated that his program is nothing less than a program of submission to the new world order.

On April 19, Lula was received in Washington by various Clinton administration officials, all members of the Inter-American Dialogue, to which Lula himself belongs. He also met with leaders of the AFL-CIO, and even Enrique Iglesias, head of the Inter-American Development Bank,

threw a dinner in his honor.

Most striking was Lula's meeting with Assistant Secretary of State for Inter-American Affairs Bernard Aronson, who pushed "technological apartheid" on Brazil by pressuring for the signing of a tripartite nuclear agreement with Argentina and the International Agency for Atomic Energy. Lula blessed Aronson's effort, saying that the PT has always favored controls on nuclear energy.

Though managing to avoid any reference to the International Monetary Fund or to the foreign debt so as not to discomfit his hosts, Lula nonetheless compared the levels of misery in Brazil to that of Somalia. Rather than demonstrating real concern, Lula was just reflecting his fascination with the powerful role that non-governmental organizations (NGOs) have played in that devastated African country, in taking over distribution of the food that arrives by intervention of "humanitarian imperialism."

In Brazil, the NGOs, the supranational offspring of U.N. Secretary General Boutros Boutros-Ghali, are receiving on-the-job training because President Itamar Franco has put the PT and its political satellites in control of various state social programs.

With such backing, for example, sociologist Herbert de Souza, the brains behind Brazil's "program against hunger," has a project for creating so-called "citizen action committees" throughout Brazil. Within a brief span, these will of course become support committees for Lula's presidential campaign, comparable to the support committees for the Sandinista revolution which surfaced across Nic-

aragua and which were built around the so-called "base communities" set up by the Theology of Liberation. It comes as no surprise that one of Lula's leading advisers, theo-libber Father Betto, played a central role in Nicaragua's support committees.

According to press reports, De Souza, who is also director of the Brazilian Institute of Economic Analysis (IBASE), a PT think-tank, hopes to include among his committees a number of NGOs, base communities, spiritualist centers, community organizations, and even the Catholic Church. The first experiments in these "citizens committees" have already been launched in São Paulo, Brasília, and Rio de Janeiro.

At the same time, the PT's labor organization CUT has just become part of the executive body of Brazil Forum, the coordinator of NGO activities in Brazil. The CUT also hopes to buy one of Brazil's most important television networks, TV Manchete, with an eye toward the 1994 elections. To raise the funds for the purchase, the CUT is trying to garner resources from such entities as Amnesty International and the International Labor Organization.

The CUT also proposes to enter into a business deal with Brazilian television magnate Roberto Marinho, owner of the satanic O Globo network who played a key role in the election of Collor de Mello to the presidency. According to the CUT leadership, the aim is to make the Roberto Marinho Foundation a partner in preparing "educational programs."

PT-Marinho dealings are nothing new, however. They first surfaced in the period just prior to Collor's impeachment, when Lula swore to Marinho that he was solely interested in dumping Collor, but in no way sought to change the administration's neoliberal economic direction.

Bishops condemn foreign debt

Ibero-America's Catholic Church slams the varied faces of neo-liberalism: NAFTA, the U.N., the IMF, and Pronasol.

The Catholic bishop from Chimbote, Peru, Luis Bambarén, issued a dramatic appeal to the "advanced sector" to forgive Ibero-America's foreign debt, now at more than \$400 billion, and called the debt "immoral" because it has increased through usurious interest rates and is paid "with the hunger" of the people. Bambarén emphasized that the debt was preventing development, and was condemning more than 200 million poor, 40% of those children, to misery.

Monsignor Bambarén was addressing the closing session of the International Congress on Demography and Social Justice, held April 19-23 by the Mexican Bishops Conference (CEM). At the same time, the CEM held its own 54th Plenary Assembly, at whose opening CEM Vice President and Cardinal Jesús Posadas Ocampo charged that the reappearance of such diseases of poverty as cholera "are in essence due to the structural adjustments prescribed by the International Monetary Fund [IMF] and World Bank," and "dramatically symbolize the growing impoverishment and economic and social marginalization of all of Latin America" caused by "the neo-liberal policy that dominates in the region today."

The two events also served as forums for violent attacks by the Mexican bishops against both the North American Free Trade Agreement (NAFTA) and Mexican President Salinas's National Solidarity Program (Pronasol), the latter a so-called self-help program for the poor with which Salinas hopes to disguise the genocide being carried out against the Mexican people through imposition of IMF-

World Bank prescriptions.

These denunciations, taken as a whole, point to an important distancing by the Ibero-American church hierarchy from the line of Vatican Secretary of State Cardinal Angelo Sodano, who, in the context of the Fourth Conference of the Latin American Bishops (CELAM) held in Santo Domingo Oct. 12-28, 1992, openly backed the IMF's adjustment program and Salinas's "solidarity" doctrine. At the time, this provoked intense debate within the church, which now appears to be recognizing that any such concession to "savage capitalism" would mean suicide.

These statements also suggest an implicit rejection of the neo-liberal doctrine of pseudo-Catholic Michael Novak by the Ibero-American church, which purports to separate economics from morality. Thus, the Mexican bishops charged that "monetarist theses" are "dictatorial forms" with "no moral guidelines." The bishops stressed that the objective of all economics should be "the integral development of man."

Cardinal Posadas Ocampo, in referring to Salinas's Pronasol program, insisted that "while solidarity to the church means unity of effort for the common good, neo-liberal solidarity is mere alms-giving." The auxiliary bishop of Mexico City, Abelardo Alvarado Alcantara, added that Pronasol "does not represent a clear response to the problems of poverty which millions of Mexicans suffer, nor does it promote the equal redistribution of wealth."

Even the Vatican representative to the U.N., Msgr. Renato Martino, pre-

sented an indirect attack on Salinas's Pronasol: "International solidarity must focus on man . . . in all his dimensions . . . integrally, as Paul VI said in *Populorum Progressio*. . . . Any other solidarity, for other purposes, is no longer solidarity."

On NAFTA, the bishop of Ciudad Juárez said that such a treaty would condemn Mexican businessmen "to becoming mere adjuncts to foreign companies," and that it is especially along the border that one can clearly see that "the Mexican countryside is bankrupt" because of the vast migration of Mexican farmers from the interior of the country toward the *maquiladoras* (foreign-owned assembly plants) along the U.S. border, where the work "is exploitative, difficult, and excessively ill-paid." This could be the future of Mexico under NAFTA, he warned, "which would be terrible."

The general framework of this Catholic offensive against the neo-liberal new order was defined by Pope John Paul II on March 15, when he declared that it was unacceptable to propose "reducing at any cost the number of invitees to the banquet of life; what must be done is to increase the means and to distribute the wealth with greater justice, so that all can partake equally of the goods of Creation."

At the congress on demography, representatives of the Holy See charged that the U.N. sought to manipulate the "International Year of the Family" (1994) by justifying "marriage" between homosexuals, as part of a campaign to destroy the family as a moral institution. The Mexican bishops also went after "anti-natalist imperialism," which make economic aid to poor nations conditional on their acceptance of population control policies. "Where there is an oversupply of coffins and an undersupply of cribs, society can have no future," they concluded.

International Intelligence

Italian minister calls for anti-missile umbrella

Italian Defense Minister Salvo Ando called on April 20 for the creation of an "anti-missile umbrella" to counter the threat of sophisticated new weapons being developed by some countries, Reuters reports.

"By the end of the 1990s at least 15 nations in the Mediterranean and Middle East will be able to have ballistic missiles in their caches," Ando told a meeting of the Western European Union (WEU).

"Some of them will be able to arm those missiles with nuclear, chemical, and biological warheads. This is a specific threat to all southern European countries and makes countries like Italy very vulnerable," he said.

Ando said an anti-missile umbrella should cover Europe, part of Africa, the Middle East, and the Far East. He said countries in those areas must cooperate in building a tight network of communications and controls.

Schiller Institute will meet on threat of war

The Schiller Institute will convene an international conference in Bonn, Germany on June 4-5, on the theme "Toward Ensuring Lasting Peace in Europe."

According to a press release announcing the event, "The crisis which is currently unfolding in Russia carries with it not only the danger of civil war and regional wars, but it could very well be the trigger for World War III. . . . How can such a catastrophe be averted?" The conference will discuss two strategic solutions to this crisis: Russia's offer of cooperation with the United States for anti-missile defense, and Lyndon LaRouche's plan for a "Productive Triangle" of infrastructure development in Europe.

"These concepts are currently being discussed in many countries in western and eastern Europe, as well as in the United States, on the highest governmental, party,

and institutional levels," according to the press release. "The task of the conference shall therefore be to discuss concrete ways of putting these concepts into action."

The agenda will include:

Introduction: The world crisis and the war danger; the failure of pragmatic politics as opposed to the required Grand Solution

I. The Productive Triangle

- Manifestations of the ongoing economic breakdown

- Shock therapy and the ensuing collapse of the physical economy

- The Productive Triangle program in the light of four wasted years, and the conditions prevailing in 1993

- Hamilton's National Bank concept as opposed to deflationary budget cutting

II. An SDI strategy based on "new physical principles" and East-West cooperation

- Military significance of SDI cooperation

- The common SDI project and the inherited burden of the nuclear arsenal on the territory of the former U.S.S.R.

- Beam weapon technology as the motor of a new Industrial Revolution

- Effect of the new SDI technologies on the civilian economy.

Ukraine wants security zone in central Europe

Ukrainian President Leonid Kravchuk, during a visit to Hungary in February, put forward the idea of a "Central European Zone of Stability and Security," as a bridge between Russia and Europe, according to the *Financial Times* of London on April 22.

The article quotes Ukraine Deputy Foreign Minister Boris Tarasiuk: "Today, the most serious source of instability in Europe is tension between the countries of Central and Eastern Europe. To help resolve these tensions, we propose the creation of an organization of states in this region who have common interests." Tarasiuk said Ukraine has begun "serious work" on the proposal and expects results in the "near future."

According to the Ukrainian idea, each

state would promise to make no territorial claims on any other, respect national minorities, and increase economic cooperation. The zone would consist of Ukraine, Poland, the Czech Republic, Slovakia, Hungary, Romania, Moldova, Bulgaria. Earlier, Ukraine had wanted Belarus to join too, but the trend in Belarus has been toward tight integration into the Russian-led Community of Independent States.

Tarasiuk stated that the zone is designed to smooth the integration of its member states into Europe: "They would prefer rapid integration into the West, but the West does not want them. The West is not willing to accept the countries of Eastern Europe immediately into NATO, but they need some sort of security structure." The Ukrainian idea is explicitly not posed as an anti-Russian move, as Tarasiuk emphasized: "Our goal would not be to cut Russia off from Europe. On the contrary it would be to serve as a bridge between Russia and the West."

When the U.N. promotes 'democracy,' watch out

The United Nations has a new unit to "promote democracy and free elections" in developing countries. The "electoral assistance unit" announced on April 19 that it has so far monitored elections in 35 Third World nations which were mostly making a transition from "authoritarian regimes to multi-party democracies."

The U.N. office was set up in April 1992 despite the objections of several developing nations, including Cuba, China, Yemen, and Uganda.

U.N. Secretary General Boutros Boutros-Ghali said in March that the new unit was "part of our efforts to promote democratization." He argued that "political security is as important as economic security" and that "democracy is essential" if development is to succeed over the long term.

The Group of 77 developing countries, which sees this as a clear attack on national sovereignty, says U.N. representatives have no legitimate right to get involved in the

politics of host countries. G-77 Chairman Luis Fernando Jaramillo of Colombia insisted, in a speech in March, that "the United Nations is not a state; it is the expression of the will of all member states. Therefore, it is not pertinent to suggest a political representation of the organization in this context."

Thais meet on LaRouche, Billington cases

Dr. Preedee Kasemsap, professor of law and former rector of Thammasart University in Bangkok, Thailand, addressed a meeting in Bangkok on April 25, on the issue of the violation of the human rights of U.S. political prisoners Lyndon LaRouche and Michael Billington. LaRouche is serving a 15-year sentence in federal prison on "conspiracy" charges; Billington is serving an unheard-of 77-year sentence in Virginia state prison on charges of "securities violations."

Dr. Preedee gave an account of his experience when he went to the United States in 1988 and witnessed the railroad trial of LaRouche, Billington, and five other defendants, in Alexandria, Virginia federal court. He described the case against LaRouche and his associates as the American judicial system ganging up on innocent people.

He described Billington as a moral person who was very close to Thailand, having served in the Peace Corps there. Billington speaks and writes Thai. What struck him during the trial, he said, was that when he looked at Billington, he saw an innocent and sincere person, whereas when he looked at the judge, he saw "a gangster."

"For many of you," he concluded, "America may be very far away, the other side of the globe, but when there is such injustice, it cries out very far, and even halfway around the globe, it hurts."

Dr. Preedee said that he wanted to be the first at the event to put his name on a letter to President Clinton calling for LaRouche and his associates to be released.

Michael Billington's wife, Gail, also addressed the audience, describing how the

"railroad" was run against her husband and his associates, and how the ground was prepared for it by a systematic slander campaign in the media.

Italian paper sees Serbian missile threat

The Milan daily *Corriera della Sera* on April 22 wrote that the "most terrifying" prospect emerging from the Balkans war, is that of a Serbian military threat to other European nations. According to the article, the Serbs possess "super-missiles" which are able to hit objectives as far as 800 kilometers away, and which are called "Scud-B" by some. Estimates are that the Serbs have 30-40 of these in place, while rumors are that still more are being sent to Serbia from Russia.

Beyond this, *Corriere* speculates on reports that the Serbs have Russian MiG-31s, "electronically highly sophisticated aircraft, able to operate at great altitudes." Some observers believe that the Russians, who have only 300 of these, would never have supplied them to Serbia, since they are "more dangerous than an atomic bomb," and the Russians have never shipped them abroad. "Nonetheless, various military sources affirm that they have 12, with a Russian crew," the paper notes.

As for aircraft in general, the Serbian air force has 700 planes, including 300 MiG-21s and MiG-29s, which could reach the Italian coastline in 20 minutes, although they would be incapable of breaking through NATO defenses.

According to the article, the Serbs are already deploying Orkan multiple-missile launchers and Luna (Frog 7) missile systems. These "are now being used all over the place, unsparingly." They have a 40-60-kilometer range.

In order to face "eventual attacks from the air," the Serbs have deployed "mobile radars of Russian manufacture," including the PRV-11 with a 350-km range, and the P12-NP, with a 300-km range. In case of attack, the Serbs could fire SAM-6s or SAM-2s.

Briefly

● **YITZHAK RABIN**, the Israeli prime minister, speaking at Auschwitz on April 20 after a ceremony commemorating the Warsaw Ghetto uprising, insisted that Israel had the right to take action anywhere to defend Jews. "We shall defend every Jew in every place at any price. After 50 years we do not forget and we do not forgive," he said.

● **ISRAELI** secret police will continue to use torture in their interrogations of Palestinians, according to official new guidelines being drafted. As Army Radio put it on April 25, the guidelines "state that there are instances in which the Shin Bet [General Security Service] has no possibility but to use physical pressure in order to get information from suspects." Countless Palestinians have died under interrogation.

● **THE COLOMBIAN ARMY** paid a surprise visit on April 20 to the jail chosen by drug kingpin Pablo Escobar to surrender to, where some of his confederates have already been at work. The raid yielded marijuana, \$375,000 in cash, a cellular telephone, a pager, and a motorcycle. Negotiations for Escobar's "surrender" may be in jeopardy because two lawyers who had been serving as intermediaries between him and the government quit, after two other Escobar lawyers were assassinated.

● **EGYPT** has vowed to wipe out Islamic militants using "all means" possible, after an attack on Information Minister Safwat al-Sherif, a close aide to President Hosni Mubarak. "The strategy is steady: to get rid of these people," said presidential spokesman Mohammed Abdel-Moneim. "Confrontation will be by any and all means, but no dialogue. There will be no dialogue," said Interior Ministry official Bahaeddine Ibrahim.

● **THE ISLAMIC** Resistance Movement Hamas, angered at an Arab decision to resume "peace talks" with Israel, vowed on April 24 to escalate the Intifada, the Palestinian uprising in the Occupied Territories.

Thurgood Marshall in his own words

by Sanford Roberts

Dream Makers, Dream Breakers: The World of Justice Thurgood Marshall

by Carl Rowan

Little, Brown and Co., Boston, 1993

454 pages, hardbound, \$24.95

When Thurgood Marshall succumbed this past January to old age and prolonged illness, the spontaneous outpouring of public affection, respect, and reverence which marked his passing exceeded that of any public figure in recent memory. During a career spanning nearly six decades, this legendary civil rights lawyer and judge did more than any single individual to effectuate the constitutional ideal of equal justice under the law. Justice Marshall did not pen an autobiography, nor did he leave behind any compilation of memoirs: Carl Rowan's meticulous effort to capture the essence of Marshall in his own words, significantly fills the void.

For the author, this book represents a labor of love. Rowan, a longtime friend and interlocutor of the late Justice Marshall, painstakingly reconstructed 40 years' worth of conversations from video footage, tape recordings, newspaper articles, and "notes that have yellowed with time" to create an authentic and compelling portrait of this uniquely American figure. The National Association for the Advancement of Colored People (NAACP) also provided material assistance by permitting Rowan unprecedented access to closed NAACP records housed at the Library of Congress.

Rowan, the budding journalist, met Marshall, the NAACP's chief counsel, during the feverish days when the latter was preparing to argue the case of *Brown v. Board of*

Education, the landmark U.S. Supreme Court case which outlawed racial segregation in the public schools. Marshall sat Rowan down in his office and lectured him on what he was up against. "The weight of bad court decisions over a century. Hell, we're fighting Chief Justice Roger Taney who said [in the *Dred Scott* decision] for seven members of the Court in 1857 that a Negro was not a citizen of the United States and had 'no rights that a white man is bound to respect.' The problem we've got to overcome is that millions of white people still believe what Taney wrote."

Thurgood Marshall, born on July 2, 1908 in Baltimore, Maryland, grew to maturity in an America where segregation and racial discrimination held dominion over much of the land. The youthful Marshall showed no sign of the future legal warrior who would topple the citadels of Jim Crow. He coasted his way through high school and college, devoting more time to extracurricular revelry than to schoolwork. When Marshall's fiancée, Vivien (Buster) Burey came home to meet her betrothed's family, an uncle took her aside cautioning, "You ought to beware of Thurgood. He always was a bum, he is a bum, and he always will be a bum!"

'Marshall's revenge'

Despite the caveats, Buster married Thurgood Marshall in 1929. One year later, her new husband applied for admission to the University of Maryland School of Law which flatly refused his application on racial grounds. The Maryland officials certainly did not foresee that their snubbing of the young Thurgood Marshall would change the course of American civil rights and constitutional history.

After the Maryland rejection, Marshall matriculated at the Law School of Howard University where he came under the tutelage of dean Charles Houston. Rowan writes that

"the nation owes a grotesque sort of debt to the bigots who wouldn't let Thurgood enroll at the University of Maryland law school. Jim Crow delivered Marshall into the hands of Charles Hamilton Houston, the vice dean at Howard, and Marshall was transported from 'bum' to national hero." Dean Houston, a perfectionist teacher of the first order, instilled Marshall with the discipline and dedication which became his hallmark as an attorney. Houston, who became chief counsel for the NAACP in the early '30s, summoned Marshall to New York in 1936 to serve as his deputy. Two years later, Houston's frail health forced him into retirement and the 30-year-old Thurgood Marshall succeeded him.

The nation owes the University of Maryland another "grotesque sort of debt." Thurgood Marshall smoldered with a desire to get even with the Maryland authorities responsible for his non-acceptance. His opportunity for revenge came in 1935, when Maryland declined to enroll another young black man, Donald Murray, in their law school. Luckily Donald Murray, the law student, had one thing which Thurgood Marshall, the law student, did not have five years earlier: He had Thurgood Marshall as his lawyer. Marshall succeeded in convincing the trial judge and the Maryland Court of Appeals that Maryland's actions violated the rights of his client under the Equal Protection Clause to the U.S. Constitution.

"Marshall's Revenge," as the Murray case came to be known, established a precedent which cannot be overstated. When Marshall and Houston brought their first challenge to segregated education to the U.S. Supreme Court in Missouri, *ex rel. Gaines v. Canada*, the majority opinion, finding no precedents of its own in favor of the plaintiff, relied exclusively upon the Murray decision of the Maryland Court of Appeals. Gaines became the stepping-stone precedent for every succeeding case leading up to *Brown*.

This book does not let you forget that stepping-stones in Marshall's desegregation lawsuits were often ordinary citizens who showed uncommon valor. These suitors risked physical assault, mob violence, economic retaliation, social ostracism, and even death in their quest for justice. It was an act of extraordinary bravery simply to allow Marshall to stay in your house. Marshall repeatedly expressed his admiration for these individuals. "I don't deserve the credit," he told Rowan on one occasion. The credit belongs to "the people who dared to stand up, to file lawsuits, were beaten, and sometimes murdered after I spoke my piece and took the fastest goddamn train I could find out of town."

Unfortunately, the anonymous heroes do not get top billing in this book. The work's principal flaw is reflected in its title, which pays tribute in a rather stale way to the liberal heroes of yesteryear whose stories are interspersed throughout. The *Dream Makers* is the American liberal's political pantheon of Eleanor Roosevelt, Hubert Humphrey, and so on. The rogue's gallery of *Dream Breakers* includes Strom Thurmond, George Wallace, and the Nixon-Agnew administration. Rowan's interviews and accounts of the makers and

breakers of dreams detract from the main narrative.

This book also suffers from sloppy editing and research. Factual errors and nonsequiturs abound. For example, the author reports in one location that "the landmark decision *Miranda v. Arizona* [came] on June 13, 1972, with Marshall on the Supreme Court and voting joyously with the majority." *Miranda* was decided on June 13, 1966. Marshall did not vote with majority, joyously or otherwise, since he did not become a member of the Court until 1967.

Marshall's 1967 appointment marked the first ascension of an African-American to the Supreme Court. For nearly a quarter century, Justice Marshall pioneered and contributed to historic changes in the court's approach to questions of free speech, equal protection, the constitutional right of privacy, safeguards for criminal suspects and defendants, and the application of the Bill of Rights to the states.

Against the death penalty

An unflinching opponent of the death penalty, Marshall debunked the idea that capital punishment deterred crime. "You remember the story in England when they made pick-pocketing a capital offense?" He asked Rowan. "When they were hanging the first pickpocket, people were picking pockets in the crowd!" Justice Marshall, dismayed and disgusted at the bloodlust shown by the court under Chief Justice William Rehnquist in the handling of its capital cases, could no longer restrain himself in his final opinion written on the court.

On June 27, 1991, the court overturned its own precedent of recent vintage and allowed the lower courts to consider inflammatory victim impact statements in capital cases. Marshall's dissent in this case, *Payne v. Tennessee*, opens with a shot across the bow of the court's new majority: "[P]ower, not reason, is the new currency of this court's decisionmaking." So forceful and eloquent was the *Payne* dissent that conservative columnist James J. Kilpatrick effused praise and offered the following thanksgiving: "Let us thank Thurgood Marshall for his last cannonade. Nothing in his judicial life became him like the leaving of it."

Justice Marshall disdained those who treated the U.S. Constitution as a sacred text or as a document whose meaning was frozen in time 200 years ago. In a controversial speech commemorating the Constitution's bicentennial, Marshall observed, "I do not believe that the meaning of the Constitution was forever 'fixed' at the Philadelphia Convention. Nor do I find the wisdom, foresight, and sense of justice exhibited by the Framers particularly profound. To the contrary, the government they devised was defective from the start, requiring several amendments, a civil war, and momentous transformation to attain the system of constitutional government, and its respect for the individual freedoms and human rights we hold as fundamental today." The true miracle of the Constitution, according to this Supreme Court Justice, was not its birth, but its life. And the life of the Constitution in this century owes much to the life of Thurgood Marshall.

The genealogy of Charles Manson: a cure for 'sixties' nostalgia

by Daniel B. Platt

Der Fall Charles Manson, Mörder aus der Retorte (Test-Tube Murders, the Case of Charles Manson)

by Carol Greene

Dr. Böttiger Verlags-GmbH, Wiesbaden-Nordenstadt, Germany, 1993

236 pages, paperbound, DM 16.80

On April 16, the *Pasadena Star-News*, of Pasadena, California, prominently featured two articles based on an AP wire, entitled "LSD goes back to school," and "LSD, 50 years old, enjoys a new youth movement." The articles celebrate the 50th anniversary of the first LSD "trip," taken by accident by chemist Albert Hoffmann in Switzerland. Local experts are quoted, affirming that LSD use among junior high school students is on the upswing. A police sergeant states, "It's cheap. A little bit of nostalgia [is] involved there too, going back to the '60s stuff."

No one who lived through the "'60s stuff" can read Carol Greene's book without shuddering. Greene examines every familiar detail of the so-called counterculture—which seemed so benign as it was being mass-marketed to American youth via the media and the education system—and inexorably builds a case that this seemingly spontaneous phenomenon was not only the exhaustively planned subversion of cultural and moral values, but in fact a vast behavior-modification experiment designed to awaken a *propensity for violent criminal acts* in a targeted sector of the population. She methodically analyzes such diverse tendencies as the communal drug and sex movement (the hippies); the behavioral psychologists who studied and directed their "life-style"; the military, CIA, and Harvard University researchers who developed and promoted LSD and other "psychedelic" drugs; the "New Age" gurus who fashioned the ideological framework out of such ingredients as science fiction, Nietzschean philosophy, "Old Religions" (paganism, Satanism) and "New Religions" (Gaia); Freudian psychology; and the "grey eminence" who had the whole project pretty well mapped out from early on, Aldous Hux-

ley. This is more or less the same confluence of actors and ideas that was so lavishly praised in Marilyn Ferguson's book *The Aquarian Conspiracy*. Greene then demonstrates how every one of these factors specifically converges on the case of Charles Manson and his communal "family," which serves as a kind of crucial experiment, a prototype for the desired end-product.

The grisly deeds of the Manson family have been recounted in lurid detail before, and Greene does not dwell on them more than is necessary. However, as her story unfolds, the reader encounters characters far more frightening than Manson himself. One of these is Dr. Wayne O. Evans, who during the 1960s was director of the Military Stress Laboratory of the U.S. Army Institute of Environmental Medicine in Natick, Massachusetts. He participated in something called the Study Group for the Effects of Psychotropic Drugs on Normal Humans, which held a conference in Puerto Rico in 1967, described by Evans in a document, "Psychotropic Drugs in the Year 2000":

"In considering the present volume, it is our hope that the reader will not believe this to be an exercise in science fiction. It is well known that the world of 15 years hence presently exists in the research laboratory of today.

". . . The American culture has been described by Herman Kahn as moving toward a 'sensate society.' By this term, he means that a greater emphasis is being placed on sensory experience and less upon rational or work-oriented philosophies. Such a philosophic view, coupled with the means to separate sexual behavior from reproduction or disease, will undoubtedly enhance sexual freedom.

"We also can anticipate an outcry and vigorous attacks against the marketing of aphrodisiacs from certain groups. To combine the presumed evils inherent in the words 'drug' and 'sex' in one product would be just too provocative to overlook. However, the fascinating field-day offered to advertising companies by chemical aphrodisiacs should overcome the indignation of the few.

"The choice of such chemicals as to the result of their use lies in the hands of those people who shape our evolution as 'role models.' What middle-aged people, such as you and I, think or want to believe has little importance in these

developments. As we consider the effects of these advances in pharmacology we must ask:

“(a) to whom do the youth listen?

“(b) what are their social and personal values?

“(c) in what kind of world will young people live?”

“It seems to me to be obvious that the youth of today are no longer afraid of either drugs or sex. Again, the philosophers and spokesmen for the avante-garde advocate the personal sensory experience as the *raison d'être* of the coming generation. Finally we are moving into an age in which meaningful work will be possible only for a minority: In such an age, chemical aphrodisiacs may be accepted as a commonplace means to occupy one's time. It will be interesting to see if the public morality of the next 30 years will change as much as it has in the last 30.

“If we accept the position that human mood, motivation, and emotion are reflections of a neurochemical state of the brain, then drugs can provide a simple, rapid expedient means to produce any desired neurochemical state that we wish.

“The sooner that we cease to confuse scientific and moral statements about drug use, the sooner we can rationally consider the types of neurochemical states that we wish to provide for people. The old argument about the ‘morality of naturalness’ in the production of moods, motivations or emotions seems somewhat of a lost cause in our present, almost totally artificial environment. We may expect, that in the year 2000, to make judgements based on the ‘morality of naturalness’ will be even less meaningful than today. Therefore, I submit to you, that if we wished, we could probably have an effective set of aphrodisiacs within five years.”

Rats and ‘behavioral sinks’

Another study group member, Dr. William Turner, described studies done by American psychologist John Calhoun, in which Norway rats, under conditions of overcrowding, formed what were termed “behavioral sinks.” Here a pattern of extreme behavior changes emerged, such as cannibalism and rape, reminiscent of human psychopathology. This behavior emerged among 5% of the rat population. He indicated that similar effects might be expected of humans under crowded urban conditions.

Strikingly similar views were held by Dr. David E. Smith, and his colleague Roger Smith (no relation), both of whom were associated with the famous Haight-Ashbury Clinic in San Francisco. They shared an interest in the concept of “behavioral sinks”; believed that rats, in response to overcrowding, were naturally inclined to violence, criminality, and mass murder; and believed that the percentage of rats who would engage in such behavior could be increased by the influence of drugs. Dr. David Smith repeated the Calhoun experiments himself, and added a new dimension by injecting the rats with amphetamines. Author Greene

presents and defends the thesis that for both Smiths, Haight-Ashbury represented an opportunity to test these theories *on humans*. David Smith referred to Haight-Ashbury as the national center for habitual drug abuse, and the first slum for teen-agers in America. Both Smiths were personally acquainted with Manson, and Roger Smith was *Manson's parole officer* when Manson first came to Haight-Ashbury, direct from prison.

If someone wanted to transform a human subject into a “killer rat,” Manson was a promising candidate. The product of a broken home, he had spent the better part of his life in prisons. He was a thoroughly alienated individual, but a clever one, with an interest in certain kinds of ideas. In prison he had made himself well acquainted with psychiatry, hypnosis, and the occult. He was apparently in pursuit of a system of belief that was compatible with his criminal bent, and was synthesizing a variety of techniques with which to manipulate others. All this came to fruition as he assembled his communal “family.” Manson was also fascinated by Robert Heinlein's “New Age” science fiction novel *Stranger in a Strange Land*, and used it as a sort of paradigm for his “family,” going so far as to name his illegitimate son after the book's protagonist.

Manson's anti-Christian roots

As part of her search for Manson's “roots,” Greene traces the genesis of science fiction, examining in particular the cases of Aldous Huxley and H.G. Wells. Huxley, in addition to being a renowned enthusiast for “mind-expanding” drugs, was a confirmed malthusian and an anti-Christian in the tradition of Friedrich Nietzsche. He wrote to Harvard's Dr. Timothy Leary that for the kind of “evolution” that they were both trying to promote, the Bible was the only resistance. Huxley also had an interest in “killer rats.” In a work entitled “Do What You Will,” Huxley refers approvingly to a theory of his friend, the psychologist Dr. William Sheldon:

“There exists, as Sheldon makes clear, a certain percentage of people—he calls them somatotonics—who are constitutionally aggressive, who love risk and adventure for their own sake; who lust for power and dominance; who are psychologically callous and have no squeamishness about killing, who are insensitive to pain and tirelessly energetic. How can these people be prevented from wrecking the world: Christianity tried to keep them down by means of a ‘cerebrotonic’ system of ethical restraints. But there has been a revolt against cerebrotonic religion and ethics during the last 25 years and the somatotonics are in the saddle, not only physically but intellectually and philosophically.”

Greene quotes H.G. Wells in a similar vein:

“The men of the New Republic will not be squeamish either in facing or inflicting death. . . . They will have ideals that will make killing worthwhile. . . . They will hold that a certain portion of the population exists only on sufferance out of pity and patience, and on the understanding, that they

Books Received

At the Highest Levels: The Inside Story of the End of the Cold War, by Michael Beschloss and Strobe Talbott, Little, Brown and Co., Boston, 1993, 498 pages, hardbound, \$24.95

Nobel Prize Women in Science: Their Lives, Struggles, and Momentous Discoveries, by Sharon McGrayne Bertsch, Birch Lane Press, New York, 1992, 368 pages, hardbound, \$24

Temples of Chance: How America, Inc. Bought Out Murder, Inc. to Win Control of the Casino Business, by David Johnston, Doubleday, New York, 1993, 312 pages, hardbound, \$22.50

The Catholic Ethic and the Spirit of Capitalism, by Michael Novak, Free Press, New York, 1993, 344 pages, hardbound, \$24.95

Mehmed the Conqueror and His Time, by Franz Babinger, trans. by William Hickman, Princeton University Press, New Brunswick, N.J., 549 pages, paperbound, \$19.95

Encyclopedia of Arms Control and Disarmament, edited by Richard Dean Burns, Charles Scribner's and Sons, New York, 1993, 3 volumes, hardbound, \$250

Preparing for the 21st Century, by Paul Kennedy, Random House, New York, 1993, 428 pages, hardbound, \$25

Martyrs' Day: Chronicle of a Small War, by Michael Kelly, Random House, New York, 1993, 354 pages, hardbound, \$23

FDR: Into the Storm, 1937-1940, by Kenneth S. Davis, Random House, New York, 1993, 691 pages, hardbound, \$35

Power, Privilege and the Post: The Katharine Graham Story, by Carol Felsenthal, G.P. Putnam's Sons, New York, 1993, 511 pages, hardbound, \$29.95

Visions of Reality: What Fundamentalist Schools Teach, by Albert Menendez, Prometheus Books, Buffalo, N.Y., 1993, 152 pages, paperbound, \$14.95

An Invented Life: Reflections on Leadership and Change, by Warren Bennis, Addison-Wesley, Reading, Mass., 1993, 235 pages, hardbound, \$22.95

do not propagate; and I do not foresee any reason to suppose that they will hesitate to kill when that sufferance is abused."

She then asks: Couldn't Charles Manson have made the same declaration? Greene hastens to add that the difference is, that the men of the "New Republic" kill for clear ideas and goals, while people like Manson follow seemingly arbitrary impulses. The real issue is the motivation of the scientists who were experimenting on people like Manson.

Greene elaborates in some depth on the intertwining histories of the following ideas: malthusianism; eugenics; "sexual freedom"; drugs that are "consciousness expanding"; and Satanism. In the process, she makes two very interesting observations: First, the Freudians and the Frankfurt School promised that by stripping away bourgeois morality and unleashing the sexual revolution, they could dramatically reduce tendencies toward criminality and xenophobic prejudice; what they have delivered is quite the opposite. Second, the dissemination of satanic ideologies and satanically influenced manners of thinking is more dangerous than the organized, cultish form, a warning which one hopes will be heeded by some fundamentalist groups that develop a voyeuristic fascination with satanic ritual acts, and fail to act against the pervasive influence of satanic concepts in the culture around them.

The author includes an extensive survey of what is known about the CIA drug research and dissemination projects, "Artichoke," "Bluebird," and the more famous "MK-Ultra." She quotes former CIA director Richard Helms, saying in response to a question about what he thinks of LSD, "Dynamite." She quotes Harvard researcher and later darling of the hippie movement, Timothy Leary, giving full credit for all his accomplishments to the CIA. As an indication of just how fully witting Leary was and is, the following may be recounted: In the early 1980s, as this reviewer was organizing for the LaRouche movement in the Los Angeles International Airport, he was approached by Dr. Leary, who said in all seriousness: "Do you have a copy of *Dope, Inc.*? I loaned my copy to a British oligarch who was staying at my house, and he never returned it."

In the wealth of investigative leads amassed in this book, there are a few rather provocative loose ends which the author might have pursued further. One is the issue of the degradation of language. Greene mentions a certain Count Alfred Korzybski, a Polish semanticist who published his key work in 1948, who attracted the interest of leading Scientologists and was lauded by Marilyn Ferguson in *The Aquarian Conspiracy*. The point Korzybski apparently wished to make is that European languages have been imprinted with Judeo-Christian culture, and that to overcome this pernicious influence, it were necessary to transform language from the ground up (Manson was fond of using the word "grok," coined by Heinlein in *Stranger in a Strange Land*). However, this issue immediately brings to mind the broader issue of the present-day "political correctness"

movement, and its "language police." Greene might also wish to consider the activities of another British spook-cum-science fiction novelist, Anthony Burgess, who was practicing a form of deconstructionism decades ago with his treatment of language in *A Clockwork Orange*.

Indictment of the New Age Nazis

But it was not Carol Greene's intention to write an exposé. She has written a bill of indictment. The establishment scientists and social engineers of MK-Ultra a.k.a. the Aquarian Conspiracy a.k.a. the counterculture, stand accused of using sex, drugs, and synthetic belief systems to unleash Charles Manson and his "family" as irrational, sadistic and unrepentant killers. Prosecutor Greene has established opportunity and intent, but that leaves unresolved the question of motive. It is that question she addresses in the final and most jarring chapter.

It is Greene's contention that the actions of one or more key individuals were believed to trigger that 5% of the population that the rat scientists had found capable of murderous psychopathology. Thus the actions of Manson have unleashed a wave of "copy-cat" serial killings and related behavior in the subsequent years, among a population that has received the same kind of preparation that Manson had, i.e., sex, drugs, and the New Age. During this time the FBI has assembled a massive databank of all those individuals who have perpetrated or shown a propensity for sociopathic

violence. Greene describes this as a "Who's Who" of the potential fascist scene in America. She believes that if the establishment continues to insist on its present economic course, they may find it necessary to deploy some form of fascism, without the "democratic face."

She says in closing:

"This book was written because we believe that in the United States, as in Germany during the Third Reich, the majority of the population is against such a development. This majority must now wake up and act. What came to pass under the Nazi regime was believed by most of those who helped bring them to power, in a desperate economic and social situation, to be simply not possible. And yet it was possible, and it is today again possible."

Over the last decade and a half, associates of Lyndon LaRouche have documented the philosophical, financial, and political genesis of the drug-rock-sex counterculture, especially in the book *Dope, Inc.*, now in its third edition. Even as far back as 1973, with the appearance of the synthetic terrorist gang, the Symbionese Liberation Army, LaRouche and his friends targeted the all-important "programming" and social engineering by psychiatrists associated with the Tavistock Institute in London and the *Praxis* group, most recently exposed by *EIR* in its Feb. 12 issue. Greene's book is a timely addition to these exposés at the very moment when the MK-Ultra-spawned Cult Awareness Network has moved the coverup to a new level of perversity.

Books of the American System

- Henry C. Carey, *Essay on the Rate of Wages*. With an examination of the causes of the differences in the condition of the laboring population throughout the world. (1835) **\$25**
- Henry C. Carey, *The Harmony of Interests*. (1851) **\$35**
- Henry C. Carey, *The Past, the Present, and the Future*. (1847) **\$45**
- Henry C. Carey, *Principles of Political Economy*. Part I: Of the laws of production and distribution of wealth. Part II: Of the causes which retard increase in the production of wealth, and improvement in the physical and moral condition of mankind. Parts III and IV: Of the causes which retard increase in the numbers of mankind and the causes which retard improvement in the political condition of man. 3 vols. (1837) **\$95**
- Henry C. Carey, *Principles of Social Science*, 3 vols. (1858-59) **\$125**
- Henry C. Carey, *The Slave Trade, Domestic and Foreign*. Why it exists and how it may be extinguished. (1853) **\$45**
- Henry C. Carey, *The Unity of Law*. As exhibited in the relation of physical, mental, and moral science. (1872) **\$45**
- Mathew Carey, *Essays on Banking*. With a selection of Mathew Carey's other writings on banking. (1816) **\$45**
- Mathew Carey, *Essays on Political Economy*. Or, the most certain means of promoting the wealth, power, resources, and happiness of nations applied particularly to the United States. (1822) **\$49.50**

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'Cult Awareness,' ADL caused holocaust in Waco

by Harley Schlanger

"The irony of the thing," commented Lyndon LaRouche in the course of discussing the hideous deaths of 81 people, including 24 children, at the Branch Davidian compound in Waco, Texas, "is that this Anti-Defamation League-sponsored holocaust occurred on the anniversary of Hitler's ordering the holocaust against the Jews of the Warsaw Ghetto. And if Clinton allows these swine—the ADL, CAN, and their friends—to get by with this, and to try to put the blame on the victims who can no longer defend themselves, then Clinton is finished. He is a dead duck, not a lame one, and he'll never be re-elected, I assure you."

CAN, the acronym for the Cult Awareness Network, is a private group which has "taken over the intelligence function of the ATF," LaRouche specified in an interview on April 28, nine days after Bureau of Alcohol, Tobacco and Firearms (ATF) agents stormed the headquarters of the Branch Davidian group in Waco with teargas, setting off the fatal fire. CAN claims to be a group set up to combat cults, but "they're kidnapers for hire," LaRouche said.

"ADL and CAN are tightly integrated, together with a psychiatrist by the name of Park Dietz with the behavioral studies unit of the FBI, which is based out of Quantico, Virginia. That is the unit of the FBI which did the bloody murder at the end of the thing to keep the lid on this," LaRouche explained.

LaRouche minced no words: "The way they manufactured it, is that at the end result, they were using 'witnesses,' the affiants, the sources, the experts, who they were using to justify the initial ATF shootout and then the later misinformation or lying, shall we call it plainly, to Attorney General Janet Reno."

As *EIR* documented in an article in its March 26 issue ("CAN Implicated in Waco Bloodbath") on the original Feb. 28 raid by the ATF on David Koresh's Branch Davidian

compound, the Cult Awareness Network provided the profile used by ATF in conducting that raid.

The role of the Cult Awareness Network

CAN is a "Kidnappers, Inc.," founded by psychiatrists and psychologists such as Louis J. West and Margaret Singer, who first practiced mind control techniques (i.e., brainwashing) as part of MK-Ultra, the CIA's illegal drug testing operation of the 1950s. CAN kidnapers and deprogrammers-for-hire specialize in cranking out self-serving reports from terrorized former members of organizations labeled as cults by CAN operatives. These often chilling reports are used both to justify the need for CAN's "expertise" in deprogramming additional members, and to drum up business and increase the influence of CAN.

The ATF was mobilized to launch the Feb. 28 raid by a campaign run by CAN, which included input from an affiliated organization in Australia tied to the notorious Leibler brothers, who have long-standing ties to both Israeli intelligence (the Mossad) and the U.S. organized crime-connected ADL. CAN works with the ADL in choosing which groups it targets as "cults." California publisher Herb Brin, in an article defending the ADL's spy ring, implicates the ADL in the disaster in Waco. Brin writes, "U.S. and Texas authorities have precise documentation [from the ADL, of course] on the Branch Davidian compound in Waco, and how it operated in the past."

CAN's campaign against the Branch Davidians included reports of child abuse, slavery, tax evasion, illegal drug production, and weapons stockpiling. One such report, filed with the ATF, the FBI, and local law enforcement, warned of "possible mass destruction" to be launched from Waco by the sect. Though the FBI released a memo on Feb. 23, five days before the initial raid, which said of this report that

"to date, no information has been developed to verify the allegations," the ATF charged ahead, without conferring with local law enforcement.

The warrant ATF agents were attempting to serve on Feb. 28 with a 100-person armed assault force and two helicopters, which led to the initial shootout in which four ATF officers were killed, was based in large part on confessions from former members "deprogrammed" by CAN.

Clinton like Kennedy?

Many of the nation's press and pundits proclaimed the fiery ending on April 19 to the standoff as President Clinton's Bay of Pigs, but missed the significance of that analogy. For Gerald Seib of the *Wall Street Journal* and others, the admission by Attorney General Reno that the FBI's actions ended in failure offered Clinton the opportunity to act as President John F. Kennedy had after the disastrous collapse of the April 1961 U.S.-sponsored and CIA-run invasion of Cuba: He should step forward, take the blame, then move on, they said. Hence, Clinton must be decisive in taking the blame for the failure of authorities in Waco to achieve a peaceful resolution to the standoff to avoid the impression that he is not in control, or else his presidency is doomed.

This analysis is both bad history and a prescription for a coverup. JFK did not simply shoulder the blame for the failure of the Bay of Pigs operation to topple Castro, an operation put in place by the Eisenhower regime before his election. He launched a review and concluded that the fiasco was in part the result of the CIA's independence, that it was operating outside his control as President. While it is not clear if Kennedy fully understood that this "independence" stemmed from the unique alliance which ran the CIA, linking Wall Street interests (represented by the Dulles brothers and the original wartime Office of Strategic Services networks) and the organized crime networks of Meyer Lansky (which operated the gambling casinos of Havana), he tried to bring it under control. He ordered a shakeup of the CIA, firing both its director Allen Dulles, and the architect of the Bay of Pigs, Richard Bissell; and by tightening the reins on the agency, at least officially.

Corruption of U.S. law enforcement

How did CAN and the ADL gain influence within ATF to the point that ATF would deploy a large military force against people who, up until the raid against them on Feb. 28, had lived peacefully as part of the community?

The pattern of manipulation of federal agencies which prompted the initial raid continued when the FBI took over after Feb. 28. When Attorney General Reno took responsibility for the outcome of the April 19 assault by the FBI, saying, "I made the decision, I'm accountable," she referred repeatedly to her reliance on the advice of "experts."

It was these "experts" who told her that child abuse was continuing within the compound, she said. This was later denied by FBI Director William Sessions. The "experts" advised

her that they had determined that Koresh was not negotiating in good faith and would never come out peacefully. They also told her that "compressing the perimeter" outside the compound, by sending in tanks to smash holes in the walls and pumping in a type of tear gas outlawed for war by the Geneva Convention, would flush out the more than 90 people, including 25 minors, they believed remained inside.

The deaths of all but nine people there are due to the fatal incompetence of these "experts." Who are they?

EIR has pieced together preliminary information on who was advising Reno when she made the fateful decision to escalate on Saturday night, April 17. These include:

- The Hostage Response Team (HRT) and the Behavioral Science Unit of the FBI, both based in Quantico, Virginia. They provided the profiles used to develop the tactics employed in the 51 days of unsuccessful negotiations run by the FBI. Reno told House Judiciary Committee hearings in late April that the HRT told her the use of gas "would make them so uncomfortable that they would come out."

Both the HRT and the Behavioral Science Unit are deeply penetrated by CAN and the ADL. The HRT's "Delta Team" was deployed against Lyndon LaRouche in the raid against him and his associates on Oct. 6-7, 1986. CAN and the ADL were central to illegal Department of Justice (DOJ) and FBI actions against LaRouche preceding the raid and in the judicial railroad afterwards.

- Murray Miron, a psycho-linguist at Syracuse University who has been on a continuous retainer with the FBI for 15 years. Miron told an *EIR* interviewer that he advised the FBI to take the action they did because, "of all the options, this was the most benign." He argued that Koresh was "a barricaded, dangerous felon . . . a psychopath," and that action against him was justified because "society must show its willingness to use force to enforce the rule of law."

- DOJ official Mark Richard, identified by Reno as the person who kept her briefed during the standoff, who she sent to Waco to prepare the prosecution, and who was among the small coterie of advisers she consulted when she reached her final decision. Richard is known for collaboration with the Mossad and the KGB through his role in setting up the DOJ Office of Special Investigations, through which Mossad and KGB "documents" were laundered for prosecution of "former Nazis."

- CAN and the ADL. CAN is using the Waco confrontation to situate itself as the leading expert on "cults" for the DOJ, to control "future Wacos," which CAN leaders say are inevitable unless they are brought in. As for the ADL, it must be investigated for its role in the 50-year-long corruption of the FBI (see story, p. 32).

Though some congressmen pressed Reno and Judge Sessions to identify the "experts" at the Judiciary Committee hearings, unless those named above are brought under scrutiny, the hearings will be another coverup. Koresh's attorney, Dick DeGuerin, warned, "I don't want to see this be a white-wash, and it's already starting."

Pressure on Clinton to move against Serbia

by William Jones

President Bill Clinton is under increasing pressure to take tougher measures to stop the genocide being conducted by Serbian forces in Bosnia. Although none too eager to tackle such a major foreign policy crisis in the first 100 days of his presidency, Clinton nevertheless can ill afford to continue a do-nothing policy. During April, more and more voices in Washington and abroad have been raised demanding that the President take action. Even Britain's Dame Margaret Thatcher, whose policies helped ignite the Balkan tinderbox, and European Community negotiator Lord David Owen, co-author of the notorious Vance-Owen plan for carving Bosnia up into ethnic cantons, called for tougher action against the Serbs.

At the end of April, the U.N. Security Council imposed harsher sanctions on Serbia, a measure which has allowed the opponents of military action to argue that forceful action *has* been taken, and that therefore one must simply wait to let the sanctions take effect. But this view is by no means universal.

Western policies 'an utter failure'

Pressure in the Congress has been building for some time. Rep. Frank McCloskey (D-Ind.), who has been leading an effort to get the administration to take action to stop the Serbian genocide, has mobilized considerable support for his ideas. In a letter dated April 21, McCloskey was joined by 46 other congressmen in urging the President to recognize the "genocidal nature of the Milosevic regime," to lift the arms embargo on Bosnia, and to use NATO air power to "enforce the will and conscience of the international community."

Among the signers were members of the House leadership, key members of the House Foreign Affairs Committee and the House Armed Services Committee, Chairman of the House Intelligence Committee Dan Glickman (D-Kan.), and David Obey (D-Wis.), chairman of the Appropriations subcommittee on Foreign Operations, Export Financing, and Related Programs. McCloskey indicated that many in the House who did not sign the letter said that they would support the President should he press for more aggressive action. "There is growing sentiment in the Congress," said McCloskey, "that western policies have been an utter failure. Genocide at any time, including at the end of the 20th century, is intolerable."

Similar thoughts were expressed by Sen. Joseph Biden (D-Del.), chairman of the Senate Foreign Relations Commit-

tee, in an interview with the CBS television program "Face the Nation" on April 25. Biden demanded tougher action, accusing the Serbs of conducting a "war of aggression" and perpetrating genocide. Biden also called for the use of a NATO force, with mostly U.S. planes, to strike at Serbian positions. "If nothing changes," said Biden, the Bosnian Serbs "aren't about to come to the table." Biden said he did not want the involvement of U.S. ground troops, but rather the use of air strikes to take out Serbian artillery. "This can change the equation on the ground," said Biden.

Bipartisan support grows

On the Republican side of the aisle, where many of the same legislators who cheered the bombing of Iraq "back to the Stone Age" have been dragging their feet on military action against Serbia, a shift is apparent. Reflecting anxieties at the Pentagon about a possible Vietnam-style "quagmire," they have begun to turn in favor of some solution involving lifting the arms embargo and the limited use of air power. Senate Minority Leader Robert Dole (R-Kan.) and Sen. Richard Lugar (R-Ind.) have long been proponents of getting tough with the Serbs. If Clinton decided on some limited military response, he would no doubt find bipartisan support.

The debate has been heated within the administration itself. On April 23, the *New York Times* reported that 12 State Department specialists, all with some professional connection to the Balkans, drafted a petition to Secretary of State Warren Christopher that called for military action against the Serbs. This highly unusual measure put pressure on the President and the secretary of state, who has perhaps been one of the more cautious voices in the Clinton cabinet discussions. Madeleine Albright, the U.S. ambassador to the United Nations, according to the *New York Times*, sent a memorandum to the White House urging air strikes to protect the predominantly Muslim towns and cities under siege in Bosnia.

The administration seems to feel that the United States could act on its own under existing United Nations authority. This would obviate the need for obtaining a formal go-ahead from America's European partners, who themselves failed to reach any agreement on the issue when European foreign ministers met in Denmark on April 24 to discuss the Bosnia situation. According to sources, those leaning toward military action within the Clinton cabinet include Vice President Al Gore, National Security Adviser Anthony Lake, and Secretary of Defense Les Aspin. Clinton met with congressional leaders at the White House on April 27 to assess the degree of support he would have on Capitol Hill for such action.

But time is growing short. The Serbian dismemberment of the nation of Bosnia-Herzegovina has been continuing for months. The President must act on his own authority, not seek endlessly for "consensus." If he doesn't act quickly, there will be few options left for him to choose.

Omnibus Motions filed to dismiss Va. charges

Five corporations and two individuals associated with political prisoner Lyndon LaRouche filed a complex of Omnibus Motions on April 22 that seek to dismiss the indictments against them before state Judge Clifford Weckstein in Roanoke, Virginia. They are the remaining defendants in the 1987 Virginia state securities cases against LaRouche associates filed by then-Attorney General Mary Sue Terry. The motions were scheduled to be heard on April 29.

The Omnibus Motions, unprecedented in Virginia history, are supported by detailed affidavits from three former Loudoun County deputy sheriffs, as well as hitherto unknown, secretly recorded federal government surveillance tapes of Loudoun County Sheriff's Deputy Don Moore, self-styled deprogrammer Galen Kelly et al., in the investigation of the plan to kidnap LaRouche associate Lewis du Pont Smith.

The motions show "law enforcement" activity by the Loudoun Sheriff's Department, the Attorney General's office, and the Anti-Defamation League, which violates the law even more seriously than the ADL spying against domestic groups which was just revealed in raids of ADL offices by the San Francisco Police Department (see *Feature*).

The motions show that the entire LaRouche investigation from the outset was politically motivated. Federal law enforcement officials at the time of the October 1986 raid on LaRouche-associated businesses in Leesburg, Virginia said that Mary Sue Terry was politically motivated in the prosecutions. Eyewitnesses in the sheriff's office at the time report that in 1985, Terry supporter Sheriff John Isom gave a special assignment to Don Moore along with others to launch a panoply of illegal operations to frame up LaRouche and his associates. According to the motion: "Ed Lacey, a former Deputy in the Loudoun County Sheriff's Department, was present at a Sheriff Supervisors' meeting in the Sheriff's Department in 1985 when Sheriff Isom said, 'We [the Department] will do anything to get LaRouche.'"

The motion continues: "Sheriff Isom did more than just tell his Deputies he wanted to 'get LaRouche.' He went after him, entrusting Deputy Sheriff Don Moore with the job. In 1985, Sheriff Isom told Deputy Leonard McDonald, then head of the Criminal Investigations Division of the Sheriff's Department, that he was making Deputy Sheriff Donald Moore a criminal investigator. McDonald, who was respon-

sible for all criminal investigations, objected for professional reasons. Sheriff Isom rebuffed him . . . because Sheriff Isom was assigning Moore to a 'special investigation' focusing on LaRouche and his associates, and, as a result, Moore would report directly to the Sheriff, rather than to McDonald. . . ."

"It was indeed a 'special investigation.' Combining Sheriff Isom's political motivation with Deputy Moore's anti-Semitism, absent any evidence of criminal wrongdoing by LaRouche or his associates, the selectivity, if not the vindictiveness, of the Commonwealth's investigation was manifest. . . ."

The motion quotes Moore about LaRouche's Jewish associates: "Jews are highly susceptible to cults. It is the one religion, and I will tell you over and over again, there's a book. As a matter of fact, I'll have to order the book and get it to you. It's put out by, as a matter of fact, by the CAN [Cult Awareness Network] folks, and it is on why the Jewish religion is so susceptible to becoming a cult, entering cults, etc."

'Drive LaRouche out'

The motion adds: "Moore's admitted intent to 'get LaRouche,' motivated by politics and bigotry, was not just overzealous; it was maniacal. Moore said he had 'no intention of letting LaRouche stay in [Loudoun] county,' and that he's 'gonna f—k LaRouche and drive him out.' . . . He went to great lengths around the country, apparently trying to drive LaRouche not just out of the county, but out of the country as well. Moore said he wished LaRouche dead, and admitted he was prepared to do anything to get LaRouche. . . ."

The pretext for the Oct. 6, 1986, four hundred-person raid on Leesburg was entirely illegal, according to the motion. The search warrant affidavit was based upon provable lies and illegally obtained information, including a notebook which Moore had stolen from the defendants' offices:

"Moore's zeal led him to seize without any warrant the private personal photographs and videos of associates of LaRouche from a local camera shop, aided and abetted by the store's proprietor. Moore said, '[Dawn Graham] used to operate the camera store where I used to get all . . . where the LaRouchies would come and develop their film and I would get copies of whatever they developed and this was one of the things of operating in the town [of Leesburg] there—If you came and developed it at the Camera Bag, Ken [the proprietor] would make two separate prints and I would get one set of prints. . . . So much for the right to privacy. . . .'

"Moore told [FBI informant and former Deputy Doug] Poppa that he got copies of every print ever developed for associates of LaRouche, and gave copies of these prints to the F.B.I., certainly without the knowledge or permission of the individuals, and without a warrant; Moore later hosted slide shows for state and federal law enforcement officials of

what he found. . . .

“Moore also removed papers from outside the LaRouche buildings occupied by defendants but within the curtilage of the private property of these buildings. Moore told former Deputy Lacey long before the joint federal-state search that he (Moore) and Deputy McCracken trespassed on LaRouche properties to remove papers from the trash. . . . Moore and McCracken hid in a parking lot outside the LaRouche headquarters, waited until it was ‘safe,’ and then removed trash from the dumpsters. . . .

“But Moore did not stop with going through the dumpsters, going through LaRouche ‘trash.’ In 1985, Deputy Moore began accompanying private cleaning service personnel into the LaRouche buildings where he conducted warrantless searches of the LaRouche offices. This resulted in the sketches that Deputy Moore made, in his own hand, for the federal and state raiding parties before the search occurred. . . .

“These warrantless searches resulted in the seizure of items within the offices that were on desks and in the drawers, and definitely not in any ‘trash’ can, or otherwise designated as ‘trash.’ Deputy Moore copied and passed the information he illegally seized on to other law enforcement officers, both federal and state. We can prove Moore stole, or seized, documents and records without a warrant, and not just from the trash, because Moore’s anti-cult zeal overcame his good judgment when he drafted the affidavit for the search warrant. Moore plainly admitted, ‘I wrote the affiant’s section, and the FBI came in and added a section.’ . . . Moore identified two of the items he seized without a warrant in order—irony of ironies—to get a search warrant. There is evidence that the final affidavit of the federal warrant was in fact revised to minimize Moore’s disclosed role in the investigation. Fortunately, not every reference to Moore was removed, particularly relating to Moore’s warrantless seizures. . . .”

The motions contain secretly recorded statements of Don Moore in which he brags of how he used the Anti-Defamation League to run dirty operations in the LaRouche investigation, and that he was later rewarded by being taken to Israel on an all-expenses-paid junket with the ADL’s Mira Lansky Boland and Tom Gerard, the target of the San Francisco criminal spy net. The motion quotes Moore: “I’ve never used the FBI, I used the f—king ADL. . . . I needed to find a guy, the ADL had a little old woman knockin’ on his apartment in New York two hours after I had asked. She got a f—kin’ picture of him, they got it back to me. They got me [unintelligible] what I needed. I told the Feds exactly where, when and how to get him and he was got.”

In addition to warrantless searches, sneaking into the LaRouche offices at night to steal material, sifting through the garbage in the offices, the illegal operations included undisclosed wiretaps, brainwashing or systematic “deprogramming of witnesses,” and storing information in the Sheriff’s Department on a special computer arranged through

the Cult Awareness Network and purchased by E. Newbold Smith, the millionaire Pennsylvania socialite who was later tried for conspiring to kidnap his own adult son. Don Moore, who was the lead investigator for the Commonwealth of Virginia, also maintained secret files on LaRouche outside the Sheriff’s Department. Affidavits and wiretaps prove that Don Moore circulated police information through the Cult Awareness Network to promote civil suits and other prosecutions against LaRouche and his associates across the nation.

According to the affidavit from former Deputy Doug Poppa included in the motions, Moore told him: “The only way to destroy these LaRouche people is to flood them with paper work and law suits. You want to tie them up in court. CAN does this for us. I funnel everything I have to CAN. The CAN lawyers file suit and tie them up in court whether it’s legitimate or not.”

The Omnibus Motions contain six pages of concrete in-

Round 1: Judge denies hearing on Motions

In the first round of an all-out political/legal fight over the explosive evidence of prosecutorial misconduct contained in the Omnibus Motions, there was heated warfare in the courtroom in Roanoke, Virginia on April 29. Judge Clifford Weckstein denied defense motions for an evidentiary hearing on the Omnibus Motions filed by *EIR* and other corporations and individuals.

Prosecutor John Russell had filed a written response which said that the issues in the Omnibus Motions were “nothing new,” and had all been decided by Weckstein after hearings in 1990 in the case of defendant Richard Welsh. The Welsh hearings concerned outrageous government misconduct and selective and vindictive prosecution, including the role of the Anti-Defamation League and other private organizations in the unjust and unwarranted prosecution.

EIR’s attorney John Flannery shot back that the facts being presented in the Omnibus Motions show that these prosecutions were based on political motivation and bigotry. Don Moore (a former sheriff’s deputy and member of the “Get LaRouche” task force) said on tape that he had no evidence when he started his investigation. Furthermore, Sheriff Isom held a meeting with top deputies, saying he was going to get LaRouche for political reasons. There were no complaints from little old ladies, as Moore—lying—said before this court in the Welsh hearing, Flannery said. This prosecution has suffered all along from a chicken-and-egg problem. Moore had nothing but his political

stances where Don Moore can be proved to have lied on the witness stand in previous Virginia state hearings against LaRouche associates.

They include a motion to dismiss for "pervasive, repeated, and deliberate prosecutorial misconduct"; a motion to dismiss because "the prosecutions are the product of unconstitutional, vindictive, and selective enforcement of the state securities code, motivated by the government's desire to prevent Defendants' exercise of their constitutional rights, and otherwise motivated by political animus and bigotry against these associates of LaRouche . . . for their perceived political and other beliefs"; and, a motion to dismiss for violations of the state's speedy trial guarantees.

Also in the Omnibus Motions is a demand to schedule evidentiary hearings on the new evidence, as well as a motion to compel the prosecution to turn over all materials seized by Deputy Donald Moore or any other law enforcement officer

without a warrant, and previously undisclosed wiretaps. The defendants seek to have the court order the prosecution to disclose any and all information that relates to the "deprogramming" of the government's witnesses, a form of coercion used on the prosecution's witnesses, known to the prosecution but concealed from defendants since February 1987. Also sought are all documents and information forwarded by Deputy Sheriff Donald Moore to Senior Assistant Attorney General John Russell, or any other law enforcement officer, including Bureau of Criminal Investigations (BCI) and former Internal Revenue Service agent Charles Bryant.

The defendants move to recuse Assistant Attorney General John Russell, if he does not do so himself, since he is a necessary fact witness at the evidentiary hearings requested to inquire into prosecutorial misconduct. Finally, the defendants seek a separate taint and suppression hearing for all illegally obtained evidence.

motives and bigotry. He came into this court and lied.

Flannery listed Moore's lies. Moore said on tape that what he did was "illegal as s—t." But he didn't say that in this court he had lied. He said to this court that he had no files. Yet he said on tape that he has 15 file cabinets.

Flannery continued, saying the government lacks credibility. We have a "Pinocchio Prosecutor" who can't be trusted. The Commonwealth of Virginia says a lot by what it ignores. Flannery pointed out that, in his response, Russell made no attempt to deny that Moore had lied under oath.

Russell then argued orally what he had said in writing: The issue of selective prosecution was already decided in *Welsh*, he said. Even if these allegations were true, it would not suggest a different outcome, since so many people have been successfully prosecuted. The defense argues that Don Moore lied. But now they rely on his taped statements. Finally, these five corporations are charged only with misdemeanors, and the Commonwealth does not intend to use any "deprogrammed" witnesses, if any such witnesses exist, and it does not plan to introduce evidence obtained directly or indirectly from illegal wiretaps or warrantless searches.

Flannery responded: We're not just relying on Don Moore's statements. We've corroborated what he said. He said he entered the buildings illegally. We can prove that he stole a notebook which was used to obtain the search warrant. He said he stuck a camera through the mail slot. We have a picture framed by a mail slot. Russell just denies the allegations. That's not good enough. He has no affidavits, nothing he says is under oath. We need a hearing to prove our allegations. We have documents from the FBI which corroborate what we say.

Flannery called Russell's argument about the legitimacy of these prosecutions being proven by previous convictions "nonsense." Outrageous government conduct is sufficient to invoke this court's supervisory powers and overturn any conviction, he said. Even if we came in here and said we were guilty, which we are not, this outrageous conduct is sufficient to overturn the prosecution. Furthermore, if the prosecution obtained the search warrant by use of illegally seized evidence, all the evidence seized is tainted and must be excluded.

The Commonwealth charged fraud, said Flannery, but the only fraud is that committed by the attorney general of Virginia, to subvert the Constitution and trample on the First Amendment rights of the defendants.

Flannery continued: Who are these witnesses the prosecution has brought in in previous trials? They claimed to have lent money for business purposes. Who educated these witnesses? The ADL, the Cult Awareness Network, Don Moore. Were the witnesses "deprogrammed"? Were they kidnapped, like witness Helen Overington? Moore says he used the ADL and CAN as an arm of the prosecution. You didn't have this evidence in the *Welsh* hearings, yet you relied on Don Moore for your ruling. Am I charging a sinister conspiracy on the part of the government? Yes. The evidence is that this is nothing other than a political prosecution.

After listening to all this, Weckstein denied the motion for an evidentiary hearing, saying he would reconsider any issues if evidence came out in a trial that warranted reconsideration. On the substantive charges made by Flannery and all the evidence presented, that Russell and Moore had lied in his court, Weckstein said absolutely nothing.

Pelosi bill would axe China MFN status

At a press conference on Capitol Hill on April 22, Rep. Nancy Pelosi (D-Calif.) and Senate Majority Leader George Mitchell (D-Me.) presented legislation which would end normal trade relations with China unless Beijing makes major reforms in the areas of human rights, weapons sales, and trade practices. The House bill, introduced on the same day, is co-sponsored by House Majority Leader Richard Gephardt (D-Mo.) and Assistant Majority Leader David Bonior (D-Mich.).

The bill gives the President some flexibility in dealing with China by re-authorizing China's Most Favored Nation trade status through June 1994. After that, the lower tariff rates under MFN would be continued for all products of private and joint-venture enterprises. However, if no progress has been made by that time in the indicated areas, the lowered tariff rates would be suspended for the products of state-owned and -operated enterprises only.

The conditions China must meet under terms of the legislation include: 1) ceasing religious persecution in China and Tibet; 2) ceasing unfair trade practices; 3) stopping missile shipments to Syria, Iran, or Pakistan; 4) allowing human rights monitors to attend trials and inspect prisons; and 5) adhering to a joint declaration on Hong Kong.

Similar legislation was passed by both houses of Congress with large majorities in the past, only to be vetoed by President Bush. The measure was opposed by Senate Minority Leader Bob Dole (R-Kan.), who said it would hurt U.S. workers and farmers since China purchased more than \$8 billion of American goods last year. House Foreign Affairs Committee Chairman Lee Hamilton (D-Ind.), who supported the legislation during

President Bush's term, indicated that he preferred diplomatic pressure rather than the trade sanctions in the Pelosi bill.

GOP filibuster kills 'stimulus package'

White House and Senate Democratic leaders gave up on April 21 in their attempt to break the Republican filibuster against the Clinton administration's \$16.3 billion stimulus package, intended to revive the economy. Ironclad Republican opposition in the Senate, and defectors within Democratic ranks, forced the administration to abandon its efforts to pass the entire package. Some \$4 billion in emergency unemployment benefits was stripped out of the package and passed by the Senate by voice vote.

The most significant part of the proposal, the investment tax credit, a measure which had been an integral part of the Kennedy recovery in the 1960s, provoked opposition even from Democratic leaders such as Rep. Dan Rostenkowski (D-Ill.), chairman of the House Ways and Means Committee, and Sen. Daniel Moynihan (D-N.Y.), chairman of the Senate Finance Committee.

Supporters of the package expressed their frustration. "Yesterday's vote against the President's plan to stimulate the economy was a defeat for all Americans," said Rep. Jim Blyburn (D-S.C.) on April 22. "It was a vote against the people of our country who have virtually lost faith in the nation's willingness to respond to their dreams and aspirations. They see a government which has once again turned its back on their hopes for the future."

Rep. Nydia Velazquez (D-N.Y.) commented, "Poor children will go without immunizations, at-risk urban

youth will not find summer jobs, our damaged roads and bridges will remain in disrepair, and our homeless families will continue to live without shelter and proper services."

In spite of the defeat at the hands of Republicans led by Sen. Phil Gramm (R-Tex.), who knows absolutely nothing about economics or the economy, the administration will pursue some elements of the package.

Republicans, elated by their victory, are now threatening to filibuster to block other proposals. Senate Minority Leader Robert Dole (R-Kan.) has announced that he will oppose any proposed new taxes.

Fawell lambasts cuts in nuclear energy funding

In floor comments on April 23, Rep. Harris Fawell (R-Ill.) scored the Clinton administration's near-elimination of funding for nuclear power research in the Department of Energy. The DOE budget request eliminates the advanced liquid metal reactor (ALMR), the fast flux test facility (FFTF), and the modular high-temperature gas-cooled reactor (MHTGR) programs, and also terminates programs for space applications.

To Fawell, the DOE budget request appeared particularly ironic in light of Clinton's announcement in his April 21 Earth Day address, of the nation's commitment "to reducing our emissions to their 1990 levels by the year 2000."

Fawell said, "It is critical that the nation continue to develop long-term energy options that reduce or eliminate greenhouse gas emissions. While it is important that energy conservation and renewables and natural gas receive continued and increased emphasis, there is simply no way our

economy can continue to grow without additional supplies of energy—particularly electricity. And there simply is no viable long-term alternative to the use of nuclear energy to supply a significant fraction of that additional electricity.”

Aspin calls for further cuts in SDI budget

Secretary of Defense Les Aspin announced on April 26 that he was requesting that Congress take \$750 million from the budget for the Strategic Defense Initiative (SDI) and other areas of defense spending to pay for the U.S. military's effort in Somalia. Aspin said that his request to “re-program” these funds to pay the Somalia bill was meant to ensure that the money does not come from daily military operations.

“Reduced defense budgets severely limit the flexibility we have to do things like the Somalia reprogramming,” said Aspin. “The problem is we’re talking about a fiscal year 1993 budget which is already tight when it comes to funding sources.”

In the Aspin request, \$80 million would be taken from the SDI, \$274 million from immediate spending on new executive and cargo jet aircraft, and \$136 million from lower-priority military equipment and other areas.

Volkmer criticizes ATF for ‘Gestapo-like’ tactics

Rep. Harold Volkmer (D-Mo.) called on April 20 for the House to investigate the tactics of the Bureau of Alcohol, Tobacco, and Firearms in the Waco raid as well as in other, similar raids it has carried out around the country.

“Prior to Feb. 27,” he said, “the

followers of David Koresh were citizens that, to my knowledge, had caused no problems of any kind in their community. On Feb. 28, 1993, following what appeared to be a staged-for-TV assault by BATF on the compound they were living in, they all became heinous killers, according to BATF. For many years I have observed the Gestapo-like tactics of BATF, as they have gone beyond normal police procedure and instead staged dangerous assault-type raids on individuals’ homes and businesses. If, as some believe, BATF fired the first shots on Feb. 28, did, in fact, those inside the compound have a right to defend themselves? At the very least, the reason for the assault, purported illegal weapons, would not have resulted in a death sentence. Why, after 51 days, was yesterday’s action deemed necessary? Why were family members never allowed to talk to their loved ones in an attempt to persuade them to come out?”

The fire, which killed most of the inhabitants, including children, in the Branch Davidian compound, has caused concern on Capitol Hill. Sen. Arlen Specter (R-Pa.) and Rep. Don Edwards (D-Calif.) are calling for hearings by their respective Senate and House Judiciary subcommittees.

Penny introduces election reform bill

Rep. Tim Penny (D-Minn.) has introduced legislation, consisting of three bills which would alter present election law, making it easier for third-party candidates to run for office.

The Fair Elections Act of 1993 would streamline the process for third-party candidates to gain access to the ballot in elections for President, U.S. senator, and U.S. representative. The bill establishes a uniform re-

quirement that candidates for President and U.S. senator file petitions with signatures equal to one-tenth of 1% of the number of persons who voted in the last statewide federal election, or 1,000 signatures, whichever is greater. For the Congress, the limits are one-half of 1% of the number of voters in the last congressional election, or, if there was no previous election, 1,000 signatures.

The second bill would require election-day registration in every state, and the third bill, the Democracy in Presidential Debates Act of 1993, would institutionalize presidential election debates.

Mica would impose environmentalism abroad

On April 26, Rep. John Mica (R-Fla.) introduced a bill, the Global Environmental Cleanup Act, which would use the threat of cutoff of U.S. foreign assistance to force nations to abide by U.S. environmental standards.

Mica complained that “both directly and indirectly, America provides financial aid and foreign assistance to countries that are destroying our planet.” He complained that “this lack of environmental pollution controls in foreign countries provides foreign manufacturers with an unfair competitive advantage in the global marketplace.”

The bill would also require the State Department to publish an annual report that would evaluate environmental laws, policies, and practices of nations. “For the first time we will make environmental cleanup a criteria for receiving U.S. financial support and aid,” he said. Nations particularly targeted were Egypt—legendary, he said, for its “environmental atrocities”—Mexico, Chile, Brazil, Korea, and Taiwan.

National News

Some health care benefits to be taxed

The Clinton administration plans to tax some health care benefits, as part of its health care package, Hillary Clinton told members of the Senate Finance Committee on April 20. According to the *Washington Post*, Mrs. Clinton told the committee that the administration would not tax health care benefit packages in existing union contracts, but would do so when the pacts are renegotiated. The idea behind the proposal is not simply to raise revenues, but to raise the cost, through taxation, of certain health care plans that are deemed by the cost-controllers to provide "excessively generous" health care benefits to enrollees. The aim is to convince employers to offer less comprehensive health care packages to their employees, through the mechanism of punitive taxation.

Mrs. Clinton also told the committee that the administration is still considering imposing short-term price controls on the health industry.

Southern Baptists put Freemasons on defensive

The May issue of the Freemasons' *Scottish Rite Journal* is entirely dedicated to combating a group within the Southern Baptist Convention (SBC) that wants to proclaim Masonry incompatible with the SBC doctrine and Christianity in general. In June, the convention will vote on this issue. The issue first arose at the 1992 Southern Baptist Convention, where a decision was made to study the question of compatibility. This effort, which could mean the ouster of as many as 1 million Masons from the convention's 15 million members, is being led by Dr. James L. Holly, of Beaumont, Texas. Dr. Holly has documented that Masonry, particularly the esoteric degrees associated with Albert Pike's *Morals and Dogma*, is a satanic, syncretic religion.

For the first time within memory, the *Scottish Rite Journal* has exhortations from

C. Fred Kleinknecht and Francis G. Paul, respectively Sovereign Grand Commanders of the Southern and Northern Scottish Rite Jurisdictions. Kleinknecht wrote: "We are confronted by a virulent attack on our gentle craft from a faction within the Southern Baptist Convention. . . . Our unprecedented unity of response to the crisis facing Freemasonry represents a historic closing of Masonic ranks. I invite all Masons of all Blue Lodges and of all Appendant Bodies to join the Scottish Rite, Southern and Northern Masonic Jurisdictions, in opposing . . . religious extremism."

Paul took cover behind the words of "the man, the Baptist, the President, and the Mason" Harry Truman: "Unfortunately, the current anti-Masonic movement in the Southern Baptist Convention persists, even gaining momentum. . . . Although the perpetrator of the scurrilous and totally erroneous attack on our Masonic Fraternity feels he is on the side of Christianity and that Freemasonry is the work of the devil, we take our stand with the man from Missouri who said, 'I am by religion like everything else. I think there is more in acting than in talking.'"

Do PrairieFire Maoists have links to ADL spies?

Documents released by the San Francisco Police Department (SFPD) April 8 from their ongoing investigation into the Anti-Defamation League's illegal spying activities, include citations of the Des Moines-based PrairieFire Rural Action, that point up the need for a full-scale investigation of the ADL and PrairieFire's illegal spying and dirty tricks in Iowa and the farm belt, according to an April 22 release from the Schiller Institute Food for Peace organization. PrairieFire's name comes from Mao Zedong's dictum that "one spark can start a prairie fire."

Leaders of Food for Peace, which was founded 1988, are calling for the Iowa Attorney General, the legislature, and police authorities to investigate ADL illegal activities in Iowa. A dossier of ADL operations against farm activists is in the possession of Food for Peace. The SFPD inventory of

ADL files from its Dec. 10, 1992 raid on the San Francisco ADL office, includes mention of PrairieFire reports.

ADL spy operations in the farm belt have prominently involved PrairieFire Rural Action, and such individuals as Dan Levitas, its former director. The spy activities range from illegally obtaining confidential information from government files, stalking meetings and individuals, defaming people and organizations, and setting up farmers for violent confrontations and prosecution over farm foreclosures.

One example is John Norris, who is operating out of the PrairieFire office to control testimony before the April 23 House Agriculture Committee Subcommittee hearing at Ames, Iowa. *EIR* has already exposed how the Hollywood mafia around the Willie Nelson FarmAid group acts as a nexus for funding for ADL-approved dirty operations in the farm belt (*EIR*, April 19, p. 15).

Historian exposes multicultural hoax

On April 27, France's *Le Monde* carried an interview with American historian Arthur Schlesinger, Jr., in which he warns that the outbreak of "multiculturalism," "ethnocentrism," "Afrocentrism," etc., could transform the U.S. into a "Yugoslavia or Beirut."

He warned that the American notion of cultural "assimilation" is under attack from advocates of "separate identity" and "multiculturalism," who go way beyond the traditional and acceptable ideas of cultural self-assertion. "They have gone, very fast, much too far. It is a question now of those who oppose the concept of national identity, and who promote and perpetuate a separate development of the races. At the end of this logic, there is Beirut or Yugoslavia." While acknowledging that American whites have failed to bring true justice to minorities, Schlesinger said of Afrocentrism, "It is one thing to honor the contribution of Africa to the civilization of our country, to teach African history, but another to impose a false history. . . . The danger is that this notion is now imposed in the American public schools."

He continued: "The current corruption of

Briefly

● **SEN. PHIL GRAMM** (R-Tex.) is the duck-billed platypus of economic theory, according to a recent analysis by Lyndon LaRouche. He claims to be a mammal, but all he does is lay eggs all day.

● **ZOE BAIRD**, whose nomination to be President Clinton's Attorney General was withdrawn over violations of tax law, has been named to the President's Foreign Intelligence Advisory Board.

● **AT EARTH DAY** ceremonies in Washington, President Clinton on April 21 announced his plans to back two major environmentalist treaties, both aimed at imposing supranational government on sovereign nations. Clinton promised to sign the Biodiversity Treaty, and committed the U.S. to meet the standards on so-called greenhouse gas emissions set by the 1987 Montreal Protocols.

● **RICHARD CHENEY**, former secretary of defense, joined the growing chorus of political figures calling on President Clinton to lift the arms embargo on Bosnia, during a speech in April at a Houston oil conference.

● **FBI DIRECTOR** William Sessions failed to make a scheduled appearance on ABC's "This Week with David Brinkley" on April 25. The other guest was David Koresh's attorney Richard DeGuerin. At first Brinkley explained that "the Department of Justice ordered [Sessions] not to come. We do not know why." He later said Sessions himself had decided not to show, and had not been so ordered.

● **THE NATIONAL ACADEMY** of Sciences announced on April 15 that it was forming a German-American Academic Council at a Washington press conference with Reimar Lüst, president of Germany's Alexander von Humboldt Foundation. The new organization aims to "strengthen U.S.-German cooperation in all fields of science and scholarship," according to a release by the NAS.

the curriculum by the methodology of Afrocentrism is alarming. . . . Stanford University has its 'houses of ethnic themes.' At Oberlin College, the blacks are in a building called 'African heritage,' and the foreign students in 'a house of the Third World.' He calls this an "institutionalized separatism," which is "becoming dangerous. It is necessary to stem the tide of ethnocentrism."

Hentoff compares health policies to Nazis

In his weekly column, which appeared in the April 24 *Washington Post*, Nat Hentoff used a recent exhibit on "The Value of the Human Being: Medicine in Germany 1918-1945" to attack U.S. medicine for following in the Nazis' footsteps. The exhibit was put together by German physicians Christian Pross and Gotz Aly, and appeared at the U.S. National Museum of Health and Medicine in Washington. It demonstrated how the post-World War I Germany implemented a "universal healthcare" policy which turned into the Nazis' policy of eliminating the "human burdens" who cost too much.

Hentoff noted that this policy of seeing people in ill health as "stealing from the mouths of others," is being picked up by U.S. doctors, in the midst of a parade of medical journal articles endorsing euthanasia. He singled out the utilitarian Oregon Plan which denies medical care to those most in need under the excuse of rationing care, and concluded: "We, who are not Nazis, have started in that direction here."

Innocent Virginian freed after seven years

Seven weeks after the Alexandria, Virginia prosecutor joined in the request to release Walter Snyder, a man wrongfully imprisoned for seven years for rape, Gov. Douglas Wilder finally granted executive clemency. Snyder was released on April 23. As *EIR* reported last week, although Snyder's innocence was proven through DNA tests in December, state "law" forbids presenting new

evidence more than 21 days after conviction, and Snyder's release could only be obtained by gubernatorial clemency.

As a result of outrage over the fact that Snyder remained imprisoned five months after his innocence was proven, a subcommittee of the state House of Delegates will hold hearings on extending the period for introducing new evidence. The committee was originally created after the execution of Roger Coleman last May, whose innocence gained international ill-fame for the state.

April 1 hearings by the U.S. Senate Judiciary Committee on innocence and the death penalty disclosed 10 cases of persons sentenced to death in the past decade whose convictions were overturned—in every case, long after any 30-day, 1-year, or 2-year time periods, which are law in a majority of U.S. states. Famous cases include James Richardson in Florida, cleared after 21 years; Walter McMillian of Alabama, cleared after 6 years only in March, 1993; and Randall Dale Adams of Texas, cleared in 1988 after 12 years.

Arab-American group hosts Christopher

Secretary of State Warren Christopher is the first high government official who has ever accepted the invitation to address the National Conference of the American-Arab Anti-Discrimination Committee (AADC). In his address to the conference he expressed his support for "a real Arab-Israeli peace settlement based upon the United Nations Security Council resolutions 242 and 338" calling on Israel to withdraw from its occupied territories, which got him big applause from the AADC members.

He also said that in the U.S.-sponsored Arab-Israeli peace negotiations, "I believe that self-government is possible as an interim stage toward a negotiated final settlement . . . the outcome must provide a peaceful and orderly transfer of authority to the Palestinians who must then be free to elect their own representatives." However, he got a cold response when he pushed the Bush line of enmity toward Iraq and made no mention of the slaughter of Muslims in Bosnia.

Editorial

Time is running out

Is it not stupefying that politicians at the end of the twentieth century seem hell-bent on repeating the tragic errors of their predecessors that led the world to two brutal and unnecessary wars? Day by day the holocaust in the Balkans worsens, because none of the most obvious steps to check Serbian aggression are taken, or are taken so belatedly that they are no longer relevant.

Nearly two months ago, Gen. Paul Albert Scherer, former director of military intelligence and counterintelligence for the Federal Republic of Germany, came to Washington for a series of public and private meetings. As reported in *EIR* March 26, he warned that the policy of appeasement toward the Serbians could only result in a worse disaster than Neville Chamberlain's similar policy toward Hitler.

The argument which some raised to counter Scherer was that since Russia supported Serbia, any military intervention to stop Serbian aggression against Bosnia would strengthen critics of Boris Yeltsin who attacked him for being soft on the West. Scherer's answer at that time was simple. By allowing Serbian aggression to go unchecked we would signal to hard-liners who supported Great Russian imperialism, within the Russian military, that they too could have a free hand. In no way would this encourage more rational elements in Russia.

Shortly after Scherer's visit, on April 2, just before the Clinton-Yeltsin summit, a grouping from the Russian military-industrial and scientific elite surfaced to make public that President Yeltsin was prepared to accept the SDI proposal outlined by Lyndon LaRouche and adopted by President Reagan in 1983. Thus an alternative, genuine road to peace was being offered by the Russians themselves—nor was this counterposed to curbing Serbian savagery.

So far, there has been no public response to this offer from the Clinton administration, although we know that the matter was discussed at the recent summit. Meanwhile, President Clinton has expressed a mood of growing anger in the United States at British efforts to prevent a military response to Serbia.

Enforcement of the no-fly zone has been a U.S. initiative, and talk is of a more interventionist policy

to come. Even these exploratory moves have run up against fierce criticism, led by Britain's Dr. Death—David Owen—who constantly holds up the "hope" that the Serbians will become more reasonable, and accept the huge slice of Bosnian territory he is trying to offer them.

The recent Russian referendum was used in the West as another excuse to try to delay any action, so as not to give Yeltsin's opponents ammunition against "democracy" in Russia. Now the vote is over, Yeltsin remains in power; still there is talk, but no adequate action on the part of the West.

The immediate policy to be followed was outlined by General Scherer in March. It is supported by all Croatian patriots, despite the despicable role which Croatian President Tudjman has played in seeking his cut of the Bosnian pie from David Owen. It has received significant support in the United States.

Air strikes should begin to knock out Serbian missile sites and supply lines, and other military capabilities such as the tanks which fire unopposed on Bosnian civilian targets. At the same time, the arms embargo against Bosnia must be lifted in order to allow that nation to defend itself.

We in the West must orient toward those in Russia who wish to bring their nation into the mainstream of western civilization. This means implementation of the LaRouche program for an end to economic shock therapy and the construction of major infrastructure projects to link Russia and the rest of the former Soviet Union to the most productive area of Europe—the so-called Productive Triangle program. The principles behind this proposal were presented in Moscow by Mrs. Helga Zepp-LaRouche, when she lectured eloquently in April at the Russian State University of the Humanities on the need for a new Renaissance such as was initiated by Nicolaus of Cusa. That led to the 1439 Council of Florence, based on the principle of each human being created in the image of God.

That is the real reason why, for the sake of the Serbian people, as well as for their victims, the evil that is Serbian aggression must be crushed now.

SEE LAROUCHE ON CABLE TV

ALASKA

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

CALIFORNIA

- MODESTO—PA Ch. 5
The LaRouche Connection
Thurs., May 20—6:30 p.m.
- MOUNTAIN VIEW—
MVC-TV Ch. 30
The LaRouche Connection
Tuesdays—4 p.m.
- SACRAMENTO—Access Ch. 18
The LaRouche Connection
Wed., May 12—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.
(Check Ch. 28 Readerboard for
exact time)

ILLINOIS

- CHICAGO—Access Ch. 21
*The Franklin Coverup: Satanism
in Nebraska*
Thurs., May 13—10 p.m.

There are No Evil People
Thurs., May 20—9 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.
Thursdays—2:30 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

- QUEENS—OPTV Ch. 56
Wednesdays—6 p.m.

- ROCHESTER—GRC Ch. 15
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.

- CORVALLIS—TCI Ch. 11
The LaRouche Connection
Wednesdays—1 p.m.
Thursdays—9 a.m.

- HOUSTON—PAC
The LaRouche Connection
Mondays—5 p.m.
The Execution of Africa
Tues., May 11—11 p.m.
Thurs., May 13—4:30 p.m.

- SEATTLE—PA Ch. 29
The LaRouche Connection
Mondays—3:30 p.m.

- SPOKANE—Cox Ch. 20
*Save Somalia with
Development*
Mon., May 10—4 p.m.
*Where Does Justice Come
From?*
Mon., May 17—4 p.m.
Trilateral President
Mon., May 24—4 p.m.

VIRGINIA

- ARLINGTON—
ACT Ch. 33
The LaRouche Connection
Sundays—1 p.m.
Mondays—6:30 p.m.
Wednesdays—12 noon

- CHESTERFIELD COUNTY—
Storer Ch. 6
The Schiller Institute Show
Tuesdays—9 a.m.

- FAIRFAX COUNTY—
Media General Ch. 10
The LaRouche Connection
Wednesdays—6:30 p.m.
Thursdays—9 a.m.
Fridays—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.

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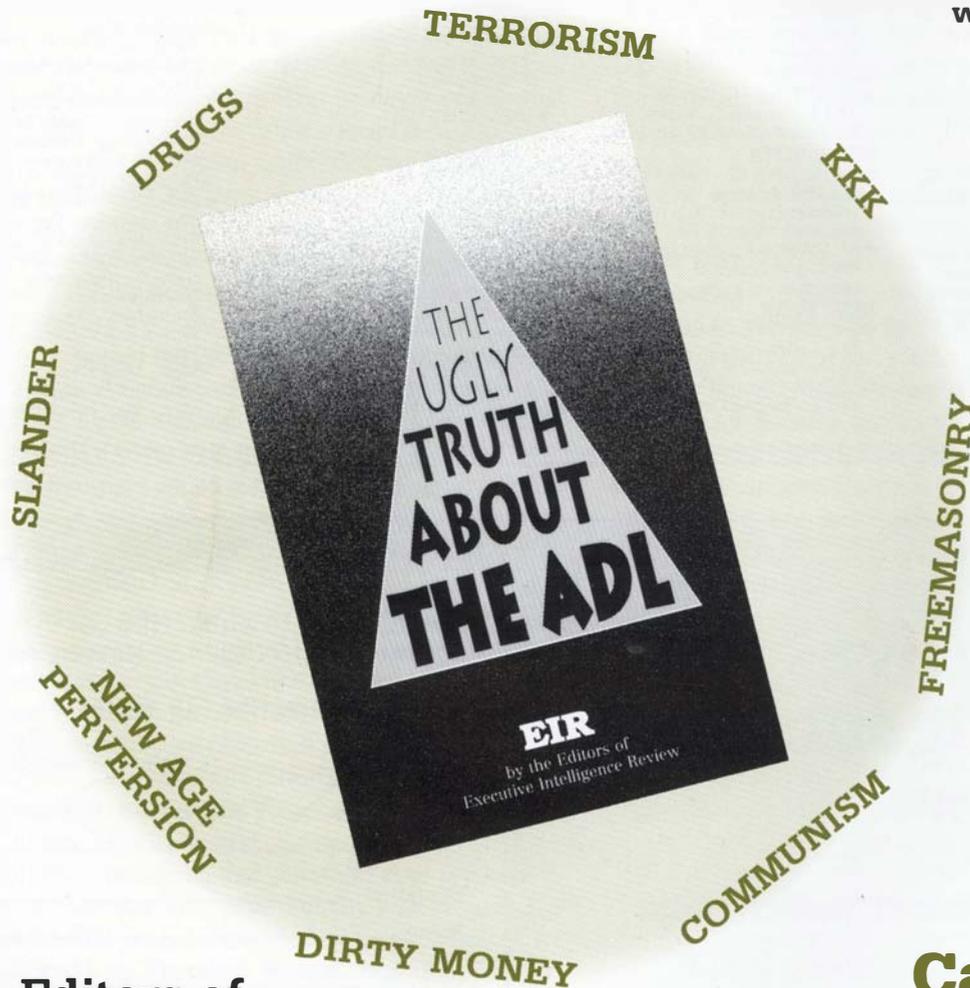
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