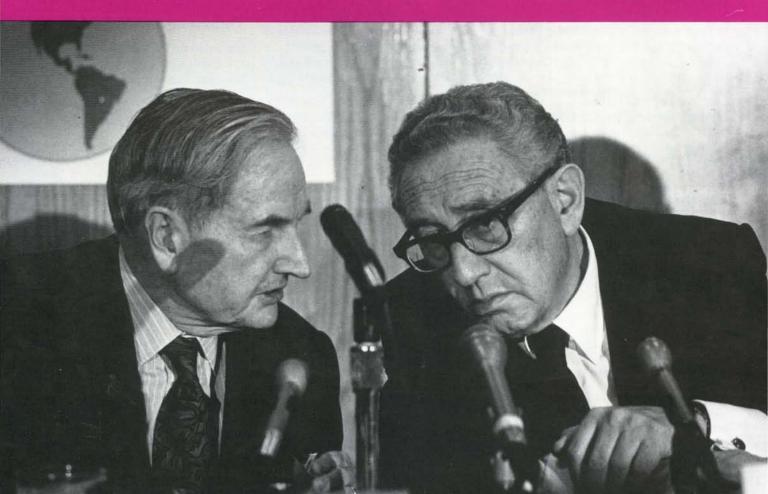
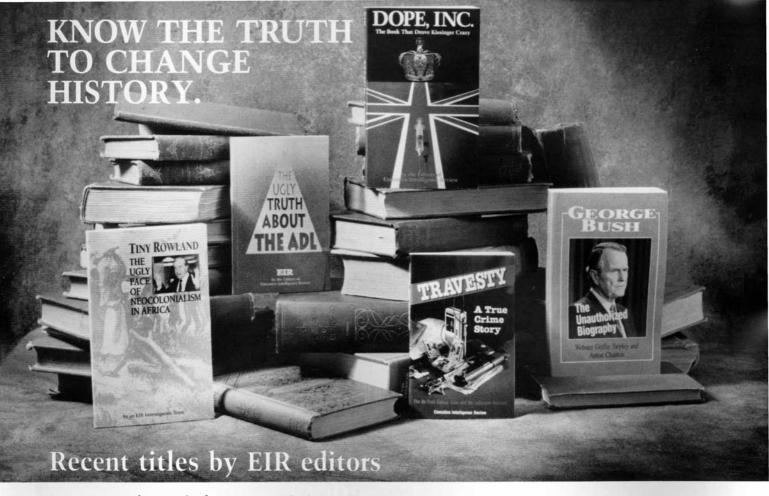


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Kissinger plot set back by Venezuelan President's fall





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From the Editor

The two vermin on our cover, Henry Kissinger and David Rockefeller, are most unhappy at the turn of events in Venezuela and the Middle East. The ouster of Carlos Andrés Pérez is a heavy blow to their strategy of forcing the nation-states of Ibero-America under the heel of the Wall Street and London bankers. The Israeli-PLO accord, with its emphasis on economic development, threatens finally to draw the Mideast out of the maelstrom of Kissingerian geopolitical diplomacy which has made peace impossible for decades.

When Venezuela exploded in rioting in February 1989, against the International Monetary Fund's austerity program which President Pérez was implementing, EIR's cover story (March 17, 1989) featured a quotation from Lyndon LaRouche which now proves quite prophetic, and should serve as a warning to those regimes of the continent that are still trying to follow the IMF path: "The country will never go back to normal. What happened is irreversible; it is irreversible immediately in Venezuela, and also irreversible in its effects on the internal life of the continent. . . . Any country in Central and South America that attempts to imitate what CAP did, will find their own countries blowing up, because of what happened in Venezuela."

In the *National* section, you will find an unexpected piece of good news: the decision by Virginia's Gov. Douglas Wilder to withdraw the state's Common Core of Learning—the local version of outcome-based education. The militant advocates of OBE will certainly not stop their spiritual child molestation on this account, however; in other states where OBE has been defeated under one name, it has returned (or continued) under another. This victory in Virginia means that citizens concerned with restoring classical education must now become *more* politically active, not less. A retreat into personal affairs or impotent populism will guarantee defeat.

While populism is certainly a universal phenomenon, it takes a particularly virulent form in the United States. It is for this reason that we publish an inquiry into the philosophical roots of populism by Elisabeth Hellenbroich, executive member of the International Caucus of Labor Committees, presented at the recent conference of the ICLC and Schiller Institute.

Nova Hamerman

EIRContents

Interviews

7 Lyndon LaRouche

"Without nuclear power, you cannot develop the Middle East at all," says LaRouche, in his weekly "EIR Talks" radio interview.

34 Gen. Francisco Visconti

One of the leaders of the Nov. 27, 1992 military uprising against Venezuelan President Carlos Andrés Pérez, General Visconti gives his view of the current situation in his country.

39 Kemal Kurspahic

The editor in chief of the independent Bosnian daily newspaper Oslobodenje describes how his paper has become a symbol of the resistance of Sarajevo — Croats, Muslims, and Serbs alike.

43 Alexandre de la Caffinière

Mr. de la Caffinière is ballet soloist at the Berlin German Opera. His interpretation traces a new frontier in ballet.

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Departments

13 Report from Bonn

Can Palestinians count on German aid?

15 Report from Rio

Bankers issue ultimatum.

72 Editorial

The iron is hot.

Economics

4 Grand design for Mideast prosperity must begin now

Palestinian and Israeli negotiators have adopted the kernel of the argument of Lyndon LaRouche, that economic development projects must underwrite any peace accord. The question now, is whether the political will exists to implement such projects rapidly enough.

7 Mideast development hinges on nuclear power

From an interview with Lyndon LaRouche.

- 8 Dust off the blueprints for Mideast development, break ground this month
- 11 U.S. speculation hits European stock markets
- 12 Currency Rates
- 14 Banking

The quarter of the living dead.

16 Business Briefs

Feature



David Rockefeller (left) and Henry Kissinger at a conference of the Forum of the Americas in Washington, D.C. in April 1992. The kingpin of their schemes for Ibero-America, Venezuela's Carlos Andrés Pérez, is disgraced and on his way to criminal prosecution.

18 Kissinger plot set back by fall of Venezuela's CAP

It is not democracy that has been set back by the demise of Carlos Andrés Pérez, but the plot to subjugate the nations of Ibero-America, on behalf of the "new world order."

20 The plot to annihilate the armed forces and nations of Ibero-America

Excerpts from EIR's book, which, since its release in July, is becoming a bestseller in Ibero-America.

34 The fall of Pérez vindicates our revolt

An interview with Gen. Francisco Visconti.

Corrections: In our chronology of Mideast developments published in last week's issue (pages 22-25), there were a number of errors. It was King Faisal who was assassinated in 1975 (apologies to King Fahd!); the Iran-Iraq war began in September 1980; and President Sadat was assassinated in September 1981.

International

36 Shevardnadze made dictator of former Soviet Georgia

This latest instance of the comeback of the Soviet-era *Nomenklatura*, the Communist bureaucracy, contains lessons that apply far beyond Georgia.

- 38 Is there any way out of Poland's chaos?
- 41 World Court reaffirms April ruling vs. Serbia
- 41 Bosnian activist thanks the Schiller Institute
- 42 European bishops on Bosnia
- 46 'Multi-culturalism' is used by Unesco to destroy education in Ibero-America
- 49 'Narco-democrats' let loose in Guatemala
- 50 International Intelligence

National

52 Musical chairs at the White House

Both the North American Free Trade Agreement and Hillary Clinton's health care plan, now the subject of hot debate in Washington, will make the problems they are supposed to deal with much worse.

- 54 LaRouche motion for freedom denied
- 55 Virginia governor withdraws OBE plan
- 56 Sixth Circuit assails OSI and ADL at Demjanjuk hearing
- 58 Drug mafia targets St. Louis schools with racist behavioral conditioning

61 The cult of populism and opinion

A speech by Elisabeth Hellenbroich, executive member of the International Caucus of Labor Committees, to the ICLC's conference on Sept. 5.

- 64 American populism preys on desperate farmers
- 66 The LaRouche case:
 Russians appeal to Clinton
 for justice
- **68 Congressional Closeup**
- 70 National News

EXECONOMICS

Grand design for Mideast prosperity must begin now

by Mark Burdman

The aspiration of leading Israelis and Palestinians for a program of rapid economic development of the Middle East has been clearly affirmed in the days surrounding the historic Israel-Palestine Liberation Organization accord signed on the White House lawn on Sept. 13. The determining question now, however, is whether there is the political will on the part of leading figures in the Middle East, Europe, and the United States for the rapid implementation of the necessary infrastructure projects, or whether the positive momentum will be whittled away, thereby allowing the forces associated with the International Monetary Fund (IMF) and World Bank, the British Foreign Office, and former U.S. Secretary of State Henry Kissinger, to sabotage the chances for a real peace in the Middle East.

Speaking on the White House lawn on Sept. 13, Israeli Foreign Minister Shimon Peres, a long-standing advocate of a "Marshall Plan" for the Mideast region, stated:

"We shall support the agreement with an economic structure. We shall convert the bitter triangle of Jordanians, Palestinians, and the Israelis into a triangle of political triumph and economic prosperity. We shall lower our barriers and widen our roads so goods and guests will be able to move freely all about the places holy and other places.

"This should be another Genesis. We have to build a new commonwealth on our old soil: a Middle East of the people and a Middle East for the children. For their sake we must put an end to the waste of arms races and invest our resources in education.

"Ladies and gentlemen, two parallel tragedies have unfolded. Let us become a civic community. Let us bid once and for all farewell to wars, to threats, to human misery. Let us bid farewell to enmity, and may there be no more victims on either side. Let us build a Middle East of hope, where today's food is produced and tomorrow's prosperity is guaranteed, a region with a common market, a Near East with a long-range agenda.

"We owe it to our fallen soldiers, to the memories of the victims of the Holocaust. Our hearts today grieve for the lost lives of young and innocent people yesterday in our own country. Let their memory be a foundation we are establishing today, a memory of peace on fresh and old terms."

Peres's words were effectively seconded by PLO Executive Committee member Mahmoud Abbas, widely known by his nom de guerre Abu Mazen, who had been the chief negotiator for the accord on the Palestinian side. He stated: "Economic development is the principal challenge facing the Palestinian people after years of struggle during which our national infrastructure and institutions were overburdened and drained. We are looking to the world for its support and encouragement in our struggle for growth and development which begins today."

On the eve of the Washington ceremony, a senior PLO official acknowledged that the fundamental breakthrough that finally allowed the negotiations, which had been taking place secretly in Oslo and Paris, to succeed, was that the participants transcended the separation between economic and political issues that had been mandated at the multilateral Middle East talks established under joint American-Russian sponsorship in Madrid. In an interview with *Le Monde* on Sept. 11, Leila Shahid, the PLO representative in Paris, stated that the Israel-PLO agreement "includes economic and political aspects, alleviating the anomaly of the Madrid pro-

cess, which established a strict separation between the two. The agreement was only made possible because the two sides were able to recognize the fact that their respective interests coincide and that these interests could only be served in a situation of peace, for us and for the Arab states." *Le Monde* commented that "Israel and the PLO understood that regional economic cooperation was a contributing factor for a real political coexistence."

By having so acted, the PLO and Israeli negotiators involved adopted the kernel of the argument of Lyndon LaRouche, that any approach was doomed to fail which tried to resolve the "political problems" first, leaving the "economic problems" for later.

From 'war roads' to 'peace roads'

There are many indications that there is a will on both the Palestinian and Israeli side, to put concrete projects into effect at an early date. In discussions with *EIR*, influential figures involved in relevant economic matters report that many projects are "in the pipeline." Both Palestinians and Israelis are in the process of establishing parallel, as well as overlapping "joint venture" entrepreneurial institutions, to generate the flow of funds and ideas to set the projects into motion.

According to the German economic daily *Handelsblatt*, the basis for PLO economic plans is a study put together by Palestinian "diaspora" economists over a two-year period, under the direction of Palestinian economist Youssef Sayigh, which calls for \$11.6 billion in investments, half of it for construction, over a seven-year period. It foresees the return of over 600,000 Palestinians to the Occupied Territories, and the funding of the projects from \$2 billion in private Palestinian savings and foreign loans. Aside from housing and construction, there are ideas for creation of an economic and social infrastructure, of export-oriented sectors of industry, and in the acquiring of technological know-how. Although the actual development needs of the region far exceed the amounts indicated by Sayigh et al., this report establishes a point of departure for discussion.

From the Israeli side, several ambitious declarations have been made. Gad Yaacobi, now Israel's ambassador to the United Nations, said on Sept. 14 that the near-term agenda between Israel and its Arab neighbors should put emphasis on cooperation in infrastructure projects. Yaacobi advised that a "common market" be set up, modeled on the European Community, that should develop an "integrated grid of highways, airports, and railroads." For approximately a decade, Yaacobi has been a supporter of the concept of a "Middle East Marshall Plan," as enunciated by Peres.

In similar terms, Israeli Minister of Housing and Construction Benjamin Ben-Eliezer, a retired general who had formerly taken a leading role in fighting Israel's wars and, notably, in bitter battles against the PLO, has called for "a new Middle East of economic cooperation," in which his

ministry would be in the forefront of building new roads and ports to service the Middle East. On Sept. 9, Ben-Eliezer, who is being described as a "visionary" in Israel, revealed that he had begun work on a network of "peace roads," that would connect Israeli port facilities at Haifa, Ashdod, and Ben-Gurion International Airport with Lebanon, Syria, and Jordan, and with the Gulf markets. He stated, "The routes for the highways of the future already exist, but until now the security forces used them in times of war. I call them war roads. All that needs to be done is to repair them, widen them, and open them up."

Another enthusiastic advocate of such an approach is Dan Gillerman, president of the Israeli Federation of Chambers of Commerce, who told the Sept. 10 London *Financial Times* that there are various "straws in the wind," including French companies which are actively pursuing a contract to build a new railway between Eilat and Tel Aviv, a link that could eventually become the nucleus of a bigger regional railway between Riyadh and Damascus, and the German Siemens company, which is studying the potential for linking regional electricity grids. An informed Tel Aviv source told *EIR* that French concerns have been in private negotiations with their German counterparts on potential cooperation in rebuilding the railway networks that existed *prior to World War I*, but were since destroyed.

A mobilization to provide French and other European support for such projects has been mounted by leaders of the French Jewish community. For example, Simon Pinto, president of the French Union of Jewish Students (UEJF), has called on France to "absolutely invest enormously" in the Middle East. Jean Kahn, president of the French Council of Jewish Institutions (CRIF), warned that "if the Palestinians don't have very strong economic support on the part of the European Community, the United States, and the moderate Arab countries, the political process will not be able to develop in a worthwhile manner." Jean-Pierre Bansard, president of the Union of Jewish Communities of France and of Europe, affirmed: "Israel will not be able to be an island of happiness in a sea of unhappiness. If the Palestinian state which is going to be born doesn't have solid financial means, it will be a rickety state. The economic support of France is indispensable." Noting that this conflict "was the cancer of the world," Bansard proclaimed that "this peace cannot be only a great relief for the Jews. It is a chance for the state of Israel, for France, for the world."

From strangulation to chaos and war

Obviously, the problem is not the lack of sentiments in the right direction. The problem, repeatedly stressed by LaRouche, is that key projects must begin *now*, by the last week in September at the latest, or else the momentum will begin to erode, and the vultures who want to destroy the positive potentials will move in.

One immediate danger is that various institutions or gov-

ernments which are nominally committed to providing development aid, are setting their sights very low, and/or dragging their feet. Hence, while the European Community's commissioner for development, Manuel Marin, has eloquently declared that "the only way of achieving stability in the Middle East is greater economic cooperation between countries in the region," and has said that the Middle East nations should model themselves on the process of Franco-German reconciliation after World War II, the actual aid levels of the EC, amounting to about \$600 million over five years, are infinitesimal compared to the needs. Similarly, the Japanese government, which had earlier been in the forefront of putting forward a "great projects" approach toward the Middle East and other conflict-ridden zones, is insisting that it will await this month's IMF, World Bank, and Group of Seven meetings in Washington before finalizing its aid commitments. One Japanese diplomat stated cautiously on Sept. 15 that Japan would shy away from great projects and support something "more feasible, because if we start with a huge project and we fail, then politically it's more counterproductive."

Even more menacing, is that the approach being taken by some of the leading institutions nominally studying development needs is completely wrong-headed, because they avoid the issue of physical economic needs, and prioritize "liberal free trade." Much attention is focused on the World Bank meeting beginning Sept. 20, where a major bank study on the economies of the Occupied Territories will be under discussion. According to informed British sources, the World Bank will insist on political "conditionalities" for aid, such as "democratization" and an end to "autocratic structures" in the PLO, PLO commitment to "free trade and private enterprise," etc. The French daily Le Figaro reported on Sept. 14 that the World Bank will insist on postponing any definitive decisions on aid until November, when a Palestinian government which can "guarantee the repayment of loans" granted from abroad is in place in Gaza.

A complementary approach is embodied in a new report put out by the Institute for Social and Economic Policy in the Middle East of Harvard University's John F. Kennedy School of Government. Entitled "Securing Peace in the Middle East: Project on Economic Transition," the report overwhelmingly emphasizes such ideas as "a free trade area in goods, services, capital, and technology" between Israel, Jordan, and the Occupied Territories; labor mobility; administrative, management, and fiscal structures; and increased tourism as a means of generating revenues. The barest attention is given to the question of the necessary *physical economic transformations* in areas like water, transport infrastructure, and energy.

British maneuver 'from the inside'

As long as such approaches prevail, the room for maneuver for the British Foreign Office and the Kissinger crowd increases. As far as the British are concerned, the fact is that

Whitehall is apoplectic that they were kept out of the Oslo-Paris round of negotiations. For some days after the Rabin-Arafat breakthrough had been announced, British officialdom was dead silent. Then, on the eve of the White House ceremonies, British Foreign Secretary Douglas Hurd suddenly declared that Britain "played its part" in the behindthe-scenes talks, and could justifiably take some of the credit for the breakthrough. Not able, for the moment, to attack the agreement frontally and publicly, the British now seek to kill it "from the inside." As one informed London source said in a Sept. 15 discussion, the British will insistently argue that "no economic aid should be forthcoming until the political arrangements for Gaza have been worked out and Israeli-Palestinian difficulties overcome." This source also stressed that Britain will demand effective policy control over the financial aid mechanisms, both those set up by the European Community and those established in the Middle East, which will be financing development projects, and will insist on strict adherence to the dictates of the World Bank and IMF.

Meanwhile, Henry Kissinger is hyperactive, with statements to the media of several nations assuring them that the accord is doomed to fail. As quoted by Le Figaro on Sept. 14, Kissinger expressed disagreement with those — undoubtedly including his enemy LaRouche—who have likened the Israel-PLO accord to the opening of the Berlin Wall in 1989. Said Kissinger: "The fall of the Berlin Wall meant an irreversible evolution. Without abusing the importance of this Israel-Palestinian agreement, we must realize that it contains many time-bombs, which could explode when the thorny problems are discussed which have been left by the wayside for this first phase."

Should Kissinger and company prevail, the Mideast could rapidly descend into chaos. This point was made, in essence, by Nablus University Prof. Saeb Erakat, vice president of the Palestinian delegation to the negotiations in Washington. In an interview with Le Figaro on Sept. 14, he called on the Europeans to take the lead in establishing "practical mechanisms" to ensure that the agreement works. "The outside world must wake up," he insisted. "The United States is in a state of shock. Europe is doing nothing, although the practical work should begin immediately. If Washington, Paris, and London stay content to observe and sit idly by, then the risks of a collapse of the peace process are real." When asked what would become the most dangerous threat if vacillation were to set in, he responded, "The Jewish settlers and their friends in the Israeli right. If they smell that the agreement is vacillating, they will come to attack our towns, burn down our houses, kill our people. To create chaos. They are capable of it. The settlers obey no other logic than the certainty that God gave them, forever, the land of Judea-Samaria. They are armed to the teeth, and could commit some real crimes. Recall the atrocities of the French settlers in Algeria [during the 1954-62 war], and you will understand what I fear."

Interview: Lyndon LaRouche

Mideast development hinges on nuclear power

Mel Klenetsky interviewed LaRouche on the weekly radio program "EIR Talks" on Sept. 15. Excerpts follow.

EIR: You have called for agro-industrial complexes for the Middle East, and you have placed a special importance on the use of nuclear power. Why is nuclear power so important? Isn't there a great deal of fear of using it by some of the participants in the area, and how would you overcome that fear?

LaRouche: The fear is largely political, and the fear comes chiefly from the Palestinian side. Some of the Palestinians, of course, have had support or expressed sympathy for years from leftist channels in Europe and the United States, and as we know, leftists usually (not all of them, but most of them) are fairly ignorant of the ABCs of economy, and also are very ignorant of science, as we see by the spread of these environmental crazes or fads or cults among the ranks of these leftists especially...

So the Palestinians—and some of them, remember, are highly professional people, engineers and doctors—are afraid that if they advocate nuclear power for the Middle East, they will offend some of their leftist sympathizers in Europe and the United States.

The unfortunate fact on that count is, that without nuclear power, you cannot develop the Middle East at all. Therefore, if you say no nuclear power for the Middle East, you are saying to the Palestinians and many other poor Arabs: "Die."

There are, admittedly, petroleum products, but if you want to talk about environmental dirt, what is more polluting than burning hydrocarbons? It's the filthiest thing you can do! We can do it more cleanly, but that's high-tech. The cleanest and safest energy we have, and the most economical, is nuclear power. We don't have fusion yet, but we will.

We have also perfectly safe and perfectly weapons-free nuclear power in the form of a thorium-cycle, high-temperature gas-cooled reactor of German design and its offshoots. And that's what I've advocated be used. It involves no particular problems. There are engineers in the area capable of running a nuclear establishment of that type. India is a major source of thorium, which is the fuel for that cycle. And this gives us the economic efficiency of power. That is, the higher the temperature at which power is produced, the more efficient it is, and the more suitable it is for chemical applications

such as desalination.

We have a mass desalination need in that region, using our power which is not used for industrial or agricultural applications. That desalination requirement demands nuclear power. We have a desert to tame, specifically the Negev, which is one of Israel's greatest opportunities and greatest challenges: to make the Negev habitable. That means they require nuclear power and desalination to create agricultural and industrial centers of habitation (which obviously will require some air conditioning, among other things).

So one of the pillars of peace is the overcoming of the land and water crises in the Middle East. Also, in the case that the world continues to develop and does not go into a Dark Age, the Suez Canal will be a real bottleneck, not only as an undersized canal for world purposes as it is right now, but there are simply too many kinds of traffic for it to handle. The development of a system of water-bearing canals from the Red Sea, the Gulf of Aqaba, and the Mediterranean into the Dead Sea, which is a nice downhill run from the ocean, will also create canals for transportation - barge traffic. And that will be a great asset, since these barge traffic operations from inside that region in the Middle East will go into Egyptian, Israeli, Palestinian, and Jordanian seaports, where the barge traffic, by the roll-on/roll-off methods, will easily go into ocean traffic. That will be a great boon to developing the Middle East as an economically profitable crossroads for much of Eurasia. That's the kind of thing which we're looking forward to, and nuclear power is one of the essential foundations of building that.

EIR: Why do the kinds of projects you're talking about, the canals, let's say, put the economic development on an entirely different basis?

LaRouche: The problem, in part, in the American citizen—for example today's college graduate in economics or business management—is that he knows nothing about economics. And so some of these people, out of pure ignorance, could view the penny-ante projects as being somehow beneficial, just because they provide a little temporary band-aid type of help. . . .

You cannot create a modern economy without a very large preparatory investment in transportation, water management, and power. That is, to maintain any level of technology requires a certain amount of kilowatt-hours, and so many ton-mile hours for freight capacity, per person, per capita, and per square kilometer. It requires so much water per capita and per square kilometer.

Without these prerequisites, including sanitation, and also including social measures such as schools and medical care, you cannot maintain a productive modern economy. And if you put an industry down in the middle of the desert or in a slum without this infrastructural support, it will fail to benefit the community, because it does not have the *foundation* to make it work.

Dust off the blueprints for Mideast development, break ground this month

by Marcia Merry

The Mideast accord signed Sept. 13 in Washington, D.C. calls for the establishment of a joint Israeli-Palestinian Economic Cooperation Committee to carry out economic development programs for the Gaza Strip and the West Bank. Appended to the accord are economic development protocols (Annexes III and IV) that in 1,400 words give specifics on immediate objectives, and longer-term development goals (the full text appeared in *EIR*, Sept. 17, 1993, p. 24).

Similarly, in the preliminary draft of the treaty under discussion between Israel and Jordan, there are economic protocols covering economic development in the Rift Valley region shared by the two nations and Palestinians.

In fact, the engineering studies to carry out these treaties have existed for decades. The region has been extensively mapped and designs worked up, which means that the blueprints are "in the drawer," and can be dusted off, put on the table, and made ready for construction crews and dignitaries to break ground by late September.

The new accord mandates that work go ahead. On Sept. 13, when he signed the accord, Mahmoud Abbas, the Palestinian representative, spoke about how the lack of infrastructure in the region has "drained the population" and caused misery for too long. Israeli Foreign Minister Shimon Peres said that it is time to "make the gardens of Jericho bloom again."

"Take an 'Oasis Plan' approach," was the formulation used by American statesman and physical economist Lyndon LaRouche in recent years, to campaign for initiating the project designs awaiting implementation, and to combine them with nuclear-powered desalination to create "oases of development." Now that his approach has been adopted on paper, what is called for, is to get moving and "turn the dirt" by the end of September.

Mediterranean-Dead Sea-Red Sea canals

Over the past 15 years, *EIR* has repeatedly covered the news of project proposals for the region, and related desert development plans. The following are summary points and selected references for carrying out the development mandate.

The centerpiece projects for the region are the multipurpose Dead Sea canals, as shown schematically on the map. One is to run from the Mediterranean Sea to the Dead Sea, going through the Gaza Strip, where at the town of Gaza, a new port city can be constructed. The other, a "Red Sea-Dead Sea" canal, can run from the Dead Sea, along the Wadi Araba, terminating at Aqaba on the Gulf of Aqaba on the Red Sea.²

Along the canals, key sites can be chosen for locating modular, safe, modern nuclear reactors that can provide the electricity and desalinated water for the development of "nuplexes" (nuclear-powered complexes), entirely new cities in which essential agricultural and industrial activities can be located and expand. This becomes the economic base for the future generations to thrive.

The new port at or near the town of Gaza is the first place to develop as a near-future nuplex.

As it is, the natural water resources base in the greater Jordan Valley Basin, and surrounding desert regions, is entirely inadequate to support the existing population of the region—no matter what kind of riparian and aquifer watersharing agreements are to be made.

The Jordan River Valley flow is capable of supporting about 5 million people, but there are more than 11 million already resident in the basin. Therefore, the water available from run-off and underground sources per capita for both domestic use, and for minimum standards of industrial and agricultural activities, is way below what is required. Already there is stringent water rationing in Jordan, and nowhere is there adequate water in Israel and the Occupied Territories. Therefore, water must be man-made.

The new canals can thus provide a new resource base of a chain of man-made "oases" through the deserts that will give plentiful fresh water, power, and easy transportation in the lower trans-Jordan Valley region.

The distances involved are small. The Mediterranean Sea-Dead Sea Canal, beginning near Gaza, runs a maximum distance of only about 100 kilometers. The Dead Sea-Red Sea canal runs only about 175 kilometers.

Over the years, several routes and designs have been

proposed. A route just north of the Gaza Strip, and south of Beersheba, was proposed by Dr. Gad Yaacobi, a former Israeli economics and planning minister and an architect of the mid-1980s Marshall Plan proposed by Shimon Peres.

According to another proposal by Prof. Haim Ben Shahar, former president of Tel Aviv University, the canal project was more an energy program, not a water source. There is a 400-meter difference in elevation between the two seas, which can allow the installation of hydropower. However, recent technological advances in safe nuclear power and desalination have superseded this view.

Most recently, the Dead Sea-Red Sea proposal has been advanced by Dr. Munther Haddadin, a former director of the Jordan Valley Authority and head of the Jordan delegation for negotiations over water in the recent Multilateral Peace Talks. He has stressed the role of bringing in seawater to raise the level of the Dead Sea, which has fallen dramatically. A higher Dead Sea water column will act beneficially to stabilize the sweet water aquifers on both sides of the basin.

Nuclear-powered desalination

Several designs are available for providing safe, modular nuclear power plants, that can be constructed in a standardized way, to provide one, two, or several power plants at each site. In 1988, the ASEA Brown Boveri (ABB) company and Siemens proposed a plant with spherical fuel cells, called the Pebble Bed Design, and nicknamed the "potato reactor," that has many special safety features, and affords ease of manufacturing. Engineers further propose that the potato reactors can be built in Europe, floated into place in the Mideast by barge, then hooked up in order to power advanced desalination facilities, which likewise can be built in Europe and brought in by barge for final installation.³

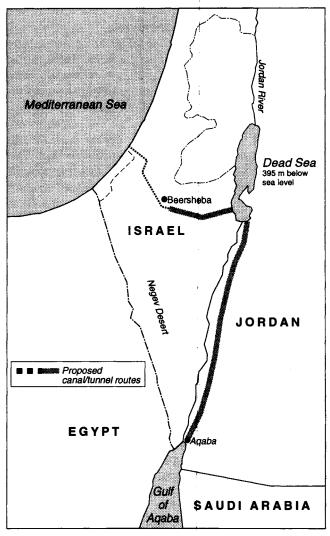
Other companies—for example, General Atomics in California—have proposed designs especially useful for powering large-scale desalination.⁴

There exist off-the-shelf desalination technologies which are compatible with the advanced nuclear reactors, and which are suitable for installation on the desert seawater canal projects. Large-scale desalination facilities have been built over the past two decades at Persian Gulf sites, utilizing either reverse osmosis, flash distillation, or other methods to separate out the salts. The cheaper the energy, the cheaper it is to make sweet water. At Al Jubayl, Saudi Arabia, for example, 288 million gallons of water are produced daily.⁵

High-productivity agriculture

The greatest natural resource of the Gaza-Jordan region is sunlight. By providing water, and making use of the Sun, fabulous crop outputs can be obtained through "soilless" agriculture, where plants are grown in protected environments either in nutrient water solution (hydroponics) or in air, with a controlled mist to their root systems (aeroponics).

Proposals for a Dead Sea-Red Sea canal, and a Dead Sea-Mediterranean canal



These advanced techniques give the highest yields of edible biomass per unit volume of water, and per square meter.

Consider the comparative yields of tomatoes, for example, in conditions similar to the Gaza Strip. In 1,000 square meters (one dunam) in soil culture, under plastic tunnel cultivation, one can grow 8 tons of tomatoes; in soil, under greenhouse conditions, 14 tons. By hydroponics, in greenhouse conditions with tap water, the yield is 14 tons; in plastic bed hydroponics, in saline conditions, 22 tons of tomatoes can be grown.⁶

The methods for accomplishing these high yields have been thoroughly studied and demonstrated, for example, in Egypt and in Israel, especially in the Negev Desert. The technologies are "ready to go." There is no reason to wait years to develop the desert sands into soil (which is possible to do over much of the region). Instead, the region can become self-sufficient in food practically the very first crop season that the advanced soilless methods are put into place.⁷

Set up the companies for the job

What remains to be done is to set up the new companies to award the contracts to start up the work. There should be, respectively, Israeli and Palestinian "infrastructure companies," and another company for cooperation between the two and with Egypt, Jordan, and other sovereign entities, teams of advisers, etc.

The most important resource to deploy is the human resource. The skilled Palestinian construction workers from the region can supply the initial labor to break ground, and can then proceed by the "battalion method" to teach phalanxes of less skilled the necessary advanced skills to carry out the projects. Formal classroom education can supplement this process.

In the Gaza Strip, about one-half of the total population of 800,000 people is under 15 years old, as PLO head Yasser Arafat stressed in his speech at the signing of the accords.

Ranking equally with the need for water in the region is the need for provision of housing, health care, education, cultural and religious centers, and all manner of social infrastructure. There are scores of ready-to-go plans for ground-up development of needed infrastructure.

For example, in the east Egypt desert, in the 1980s, agriculture complexes were created from the ground up, located at chosen sites convenient to new experimental agriculture development zones. Power was supplied for pumping groundwater. Where for the past 5,000 years only desert brush grew, water was supplied, and soils "created" by a scientific sequence of cropping, resulting in humus formation and good yields. Wholly new towns were designed and built for the new residents, accounting for dwellings, schools, shops, religious and cultural centers, with attention to the architectural features.

In Israel, modular housing and infrastructure was created "overnight" for political reasons. Now all the acquired experience and skills can be put to use for peace and prosperity. Millions are living without adequate housing, water, or electricity.

Overall, there are 11.4 million people in the immediate region. In millions: Israel, 5.1; Gaza Strip, 0.8; West Bank, 1.1; Jordan, 4.4 (including refugee Palestinians). In the greater region there are additionally 158.3 million. In millions: Egypt, 57.3; Lebanon, 3.3; Syria, 13.2; Iraq, 18.4; Saudi Arabia, 10.6; and Iran, 55.5.

Crossroads to Asia and Europe

The development of the Mideast constitutes a new bridge of development between Europe and Asia. The Mideast is the crossroads between Europe, Asia, and Africa. The continental transportation and communications links must be improved to reflect this. Improvements are needed on the Suez Canal, the Red Sea ports, and other strategic sites. Connecting lines are needed to join the "spiral arms" of rail lines and corridors of development radiating into the region from the "Productive Triangle" region of central Europe (Paris, Berlin, Vienna), from which many of the high-technology inputs for Mideast construction must come. The main transit corridors to the Productive Triangle are via Cairo and Alexandria to Istanbul, which in turn can run south and west through Africa, and secondly, via the Persian Gulf to Istanbul, which in turn can connect to New Delhi, India and Karachi, Pakistan.

In particular, the rail grid, including high-speed rail, and chosen routes for magnetically levitated high-speed rail, must be built. Railway building in this region has been systematically obstructed by outside intervention, notably since the time that British operative "Lawrence of Arabia" blew up the Arabian links of the Berlin-to-Baghdad rail line. But the engineering studies are done, and designated priority lines are "ready to go."

Notes

- 1. "A Development Plan for Israel," EIR, June 20, 1986, giving the proposal for a Mediterranean Sea-Dead Sea Canal by Israeli Economics and Planning Minister Gad Yaacobi, and former head of the Bank of Israel Avnon Gafny. This was part of the "Marshall Plan" for the region proposed by Shimon Peres.
- 2. "Mideast Water Development: Making the Desert Bloom," *EIR*, June 19, 1992, giving the proposal for a Mediterranean Sea-Red Sea Canal, advocated by Dr. Munther Haddadin, former director of the Jordan Valley Authority, and chief of Jordan's delegation to the Multilateral Peace Talks.
- 3. Das "Produktive Dreieck" Paris-Berlin-Wien, ein europäisches Wirtschaftswunder als Motor für die Weltwirtschaft, a 200-page special report published in August 1990 by "Executive Intelligence Review" Nachrichtenagentur GmbH in Wiesbaden, Germany. See page 101, "Die zweite Generation der Kernte¢hnik: der HTR" ("Second-Generation Nuclear Reactors—the HTR").
- 4. "Introduction to Nuclear Desalting: A New Perspective," Fusion Technology, Vol. 20, December 1991.
- 5. International Desalination Association, "A Brief Background on Desalination and Its Processes," *Desalination and Water Reuse Quarterly*, Vol. 2, 1992, Westport, Conn.: Green Global Publications, Inc.
- 6. Meir Schwarz, Negev Institute for Arid Zone Research, *Guide to Commercial Hydroponics*, Jerusalem, New York: Israel Universities Press, 1968.
- 7. See, for example, *Negev*, periodical of the Ben-Gurion University of the Negev (Department of Public Affairs,) which was founded in 1969 in Beersheba, Israel.

U.S. speculation hits European stock markets

by William Engdahl

All major European stock markets have experienced a bizarre explosion of speculative investment, in recent weeks. But far from being a vote of "confidence" in an emerging European economic recovery, the latest rise to historic, new highs in stock prices in Frankfurt, Paris, London, and other markets is a symptom of the unregulated speculative excesses which have grown to unprecedented dimensions in the past months.

According to informed European investment sources, the cash driving the latest stock bubble is not coming from knowledgeable European investors expressing renewed confidence in Europe's imminent economic upturn. Rather, they say, it is coming from American "hot money" speculators, primarily out of what are called mutual funds.

In Frankfurt in early September, the DAX has gone well over 1,940 to again hit the record highs of the months following the euphoric boom after German unification three years ago; France's CAC in recent days has exceeded its all-time record high. London's FTSE-100 stock index just broke a new record of 3,100. In all of these countries the real economy is in the throes of the deepest unemployment crisis and industrial depression since the 1930s. In this respect, autumn 1993 is potentially far more dangerous to world financial stability than was October 1987, when such mutual funds played a relatively insignificant role. Financial "derivatives," including currency swaps and stock index options, have opened the door to rampant expansion of mutual fund speculations globally.

The mutual funds phenomenon

The frenzied rush out of U.S. investments into European stocks and bonds by American mutual funds took on new intensity during August. During that month, the European Community ministers effectively ended the narrow Exchange Rate Mechanism (ERM) monetary cooperation, and U.S. mutual funds doubled the percentage of their funds targeted for foreign investment from 10% of total funds to 20%. The New York Investment Company Institute calculates that in July some \$3 billion in mutual funds was placed in foreign stock markets. This would mean that during Au-

gust, some \$6 billion flowed into mostly European markets, a huge inflow of new funds. This has been the trigger for the new market highs.

Mutual funds in the United States have been sucking in record levels of savings as Americans urgently seek new income to replace the lost revenues from bank deposits and other investments under the recent record low U.S. interest rate levels. The funds gain new money as they advertise double-digit gains to customers. Currently, an estimated \$30 billion each month is flowing out of bank savings in the United States into such mutual funds, Wall Street estimates that since 1990, when U.S. interest rates began their threeyear decline, some \$450 billion has gone into various mutual funds, giving them a total value of a staggering \$1.8 trillion, more than half the size of the entire U.S. banking system assets. But unlike U.S. bank deposits, mutual fund deposits are not government insured, and are often invested in highrisk areas. Government audits of such funds often only take place once every 4-5 years.

Mutual funds were expanded in the United States during the 1960s in order to attract the small savings of the ordinary citizen into large "pools," which then could buy or sell huge blocks of stocks. The argument for these funds is that by pooling thousands of small investors into special funds, managed by full-time professional investment advisers and strategists, the average person could earn far more on his savings by earning a share of the fund's broad overall investment return in many companies, than if he alone bought or sold stock in a single company. American mutual funds managers are known in financial markets as "hot money" players, who buy or sell on a minute's notice in order to maximize quarterly profits for the fund. They do not patiently hold onto investments for decades, as do, for example, pension funds.

But the presence of U.S. mutual funds in European stock markets is a new phenomenon, and an alarming one. Financial deregulation of the past decade has opened the door to huge international capital speculation inflows (and outflows). The U.S. mutual funds, such as Magellan Fund and Fidelity, have thus made the combined stock markets of most of Europe susceptible to a totally unexpected new danger. Because the funds are notorious for selling on short notice if they sense a market shift, the huge cash inflows into Europe could turn into a record selloff within minutes of the least bit of "bad" news. European bourses have become hostage to the most dangerous speculative investment, largely because of the foolish trend of the past decade, led by former Prime Minister Margaret Thatcher's Britain, to liberalize international capital flow controls and deregulate financial markets.

Alarm bells ring

This is the background to an unprecedented series of warnings appearing in the pages of some of Europe's leading

EIR September 24, 1993 Economics 11

financial dailies in recent days. Most notable has been the conservative Zurich, Switzerland bankers' daily *Neue Zürcher Zeitung*. For more than three weeks, the paper has run article after article with alarmist titles, such as "Warning of a Fall in the Stock Markets!" or other articles about phenomenal U.S. mutual fund growth, referring to the fund strategy as being, typically, "short-term and high-risk."

The Swiss banking community, one of the more sophisticated internationally, knows quite well the nature of the new speculation danger which threatens Europe's markets. The Zurich paper on Sept. 3 warned that the entire edifice of international speculation from the U.S. mutual funds was predicated on the difference in international interest rates and profits tied to such interest rate levels. "A 1% increase in interest rate levels of the U.S. 30-year Treasury bond," wrote the *Neue Zürcher Zeitung*, "would translate into an estimated liquidation of some 12% of investments in mutual funds. This in turn would translate into a fall of 455 points in the Dow Jones Industrial Average."

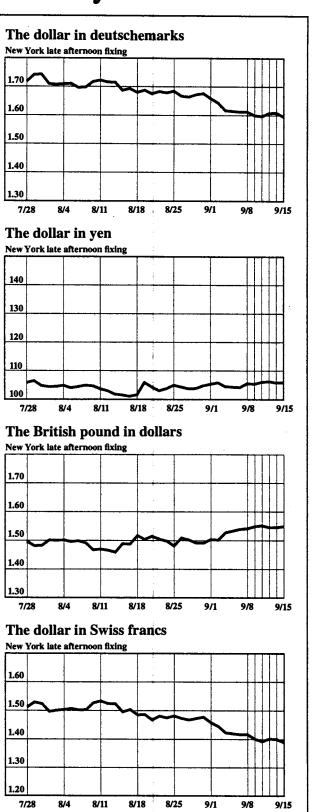
Detonating a panic

Today the Dow is at a high-water mark above 3,600, so the fall would be more than 12%. But this would not occur in isolation, and with the highly leveraged world of today's stock index futures and other derivatives, such a fall would detonate a panic selloff unlike even that of October 1987 when the Dow lost 30% in one day. Similar potential for a crash obviously now is building in the overheated European stock exchanges.

In this connection, a new study from the International Monetary Fund, "Monetary Policy, Financial Liberalization and Asset Price Inflation," is most remarkable, not the least because it comes from an institution whose policy for the past decade has been to promote the most destructive "free market" deregulation of national economies in the Third World and eastern Europe. The IMF study is sharply critical of the process of financial market deregulation of the past decade, asserting that governments, notably that of the United States, were "not fully prepared for the consequences of deregulation, and thus ignored until it was too late the fact that their deregulation of financial markets triggered an "asset price inflation" in Japan, North America, and much of Europe, including notably in real estate in the United Kingdom and in Scandinavia.

Central banks, says the IMF study, focused on traditional indicators of "inflation" which took no account of "asset price inflation," thus failing to halt the growth of the worst speculative bubble in history in real estate, stocks, and bonds. "The speed and scope of financial deregulation resulted in excessive risk-taking . . . [creating] systemic weaknesses arising from the insolvency of financial institutions." Certain sober European observers clearly worry that derivatives have brought the excesses of the U.S. financial system during the 1980s into Europe with a new vengeance.

Currency Rates



Report from Bonn by Rainer Apel

Can Palestinians count on German aid?

German industry can play a big role in infrastructure development in Palestine, and in keeping the IMF out.

The economic aspect of the justsigned agreement on Palestinian autonomy in Gaza and Jericho has been given quite a lot of coverage in German media. The fact that *Handels*blatt, the leading business daily, has printed most of the more detailed reports about prospects for infrastructural and industrial development in that region, signals a genuine interest of German industry to get involved.

This requires generous funding of projects by the private banking sector, because the government has so far committed only DM 25 million (\$16 million) in immediate support of the Gaza-Jericho plan. The DM 4.6 billion loans that Israel has received at preferentially low interest rates from Germany in the past years can serve as a model.

The German government should definitely commit itself even to more. After all, Bonn funded the Gulf war against Iraq in 1991 with DM 18 billion. The DM 25 million assigned for the Gaza-Jericho plan is a paltry sum.

In an interview Chancellor Helmut Kohl gave to the Sunday Berliner *Morgenpost* on Sept. 12 on the eve of the signing of the Israeli-PLO accord in Washington, Kohl called for a broad investment aid approach modeled on the post-1947 Marshall Plan. He criticized the conduct of the British and French governments, which after the fall of the Iron Curtain in 1989 did not commit substantial funds for East European development and reconstruction. Kohl said that certain governments of Europe which have historically had a leading role in the Mideast-Britain and France-have the moral duty to do more.

An official of the Bonn government told this author that the chancellor's remarks referred to the fact that Germany contributed 58% of all European Community aid for Israeli-occupied Palestine before the Washington agreement. Bonn hopes that in the EC's new \$600 million special aid program for the next five years, other European governments will have a greater share. This implies that Bonn is holding back and waiting for others to put something on the table. This pragmatic approach is operating on a typical EC timetable, oblivious to the urgent needs of Palestinians.

What is known concretely about Bonn's support for "Gaza-Jericho" so far is not much more than what Carl-Dieter Spranger, the minister of economic cooperation, said Sept. 17. Welcoming the Israeli-PLO accords as a "decisive improvement of conditions for peaceful economic and social development of the region," he said that Germany is committed to "integrating existing local projects in the areas of clean water supply and sewage, and in the farming sector, into the framework of more comprehensive concepts of supply."

Many of the 4,200 Palestinian small craftsmen and medium-sized enterprises in the Gaza-Jericho region use modern German machines; but this falls short of a development outlook that seeks to rapidly change conditions for 1.8 million Arab Palestinians living in this area.

On Sept. 14, *Handelsblatt* reported estimates by Palestinian experts that \$10-12 billion would have to be

invested — \$2 billion from private Palestinian savings — over the next few years, to help create a basic transportation and industrial infrastructure, housing, and medical services for the population in the Gaza-Jericho region. This implies that about \$10 billion will have to come from non-Palestine sources.

The next day's Handelsblatt reported that there is not one single power plant in the entire Palestine region, and that all firms and households, hospitals, and schools depend on supplies from Israel's power sector. It is clear what foreign investors, including German, have to do: build power plants.

Mordechai Avior, assistant minister of foreign trade and industry of Israel, addressed a German-Israeli economics panel in Berlin on Sept. 13, and called on Germany to tap its vast scientific and technological potentials to make the Gaza-Jericho plan work. Such openly stated Israeli support is indispensable for any development in the Palestine territories.

But what is required most of all is that Germany help to keep the International Monetary Fund policies, which have had such devastating results in Egypt, from serving as a model for the Gaza-Jericho project. In Egypt, this problem was addressed by Germans some time ago: When a senior Social Democrat visited Cairo in April 1990, directors of eight German industrial firms operating in Egypt issued a joint call in Cairo for a rejection of IMF policy in that country.

The industrial managers' warnings are relevant today. They said that western governments' continued respecting of IMF credit bans would ruin industrial development at a time when first signs of small and middlesized firms emerging in the Egyptian economy were offering prospects of real industrial recovery after a long period of unabated decline.

Banking by John Hoefle

The quarter of the living dead

That rosy glow we are being shown on the banking statistics comes from the mortician's makeup.

he 11,198 insured U.S. commercial banks earned \$10.4 billion in the second quarter of 1993, the second highest quarterly profit ever recorded, after the record \$10.9 billion reported in the first quarter of this year, the Federal Deposit Insurance Corp. (FDIC) reported in its Quarterly Banking Profile released Sept. 7. That gives the banks an unbelievable \$21.3 billion profit for the first six months of this year, higher than the full-year totals for all but two years in the past decade. The banks reported \$25.2 billion in profits in 1988 and \$32.2 billion in 1992, and are on a pace to top \$40 billion this year.

One would hardly know the banking system is bankrupt, from looking at those figures.

According to an FDIC press release, a record \$9.8 billion of the second quarter profit came from "core earnings," which the agency defines as "profits from traditional banking activities." Given that, as we have previously reported, 40% of the \$2.2 billion in second quarter profits at the six big derivatives banks (Citicorp, J.P. Morgan, Bankers Trust New York, Chemical Bank, Chase Manhattan, and BankAmerica) came from speculative trading, one wonders exactly what the FDIC means by traditional banking activities.

The "main source of the increase in core earnings," however, was an alleged "improvement in asset quality," according to the FDIC. This rebound of asset values, quite remarkable in a deepening depression in which asset values are collapsing, allowed the banks to set aside only \$4.2 billion in

new reserves for loan losses, the lowest quarterly provision since the \$3.6 billion set aside in the first quarter of 1989. For the first six months of 1993, the banks set aside \$4 billion less in loan loss reserves than they did in the same period in 1992.

The banks' reported levels of nonperforming loans have dropped \$28.8 billion over the past 30 months, from a peak of \$85 billion in the first quarter of 1991, to \$54 billion at the end of the second quarter. That \$29 billion equals 40% of the \$72 billion in profits the banks reported over the period.

During that same period, the banks' loan loss reserves have dropped slightly, from \$55 billion to \$54 billion, peaking at \$55.8 billion in the first quarter of 1992.

This plummeting of reported nonperforming loans has, despite the drop in reserves, caused the level of loan loss reserves to zoom from some 65¢ for every dollar of reported bad loans in the first quarter of 1991, to 100% today.

Another factor contributing to these alleged profits, the FDIC said, is "higher net interest income." The banks reported \$34.8 billion in net interest income in the quarter, up \$1.8 billion from the same period in 1992, thanks to a "net interest margin" of 4.47%. Average funding costs fell for the tenth consecutive quarter as interest rates remained low and banks continued to shift toward shorter-term, lower-cost sources of funds.

Total equity capital increased by \$8 billion during the second quarter, to \$282 billion, on top of a record rise of \$10 billion in the first quarter, for

a first half increase in capital of \$18 billion.

Thanks to this allegedly profitable environment, the number of banks on the FDIC's "problem list" continues to drop, to 580 banks with assets of \$326 billion at the end of the second quarter, from 956 banks with assets of \$495 billion a year earlier. The number of problem banks has dropped steadily since it peaked at 1,559 banks with assets of \$329 billion at the end of 1987. The amount of assets at banks on the problem list peaked at \$535 billion, in 981 banks, in the third quarter of 1992.

This miraculous improvement in the banking statistics—not to be confused with any improvement in the banking system itself, of course—has also resuscitated the FDIC's Bank Insurance Fund, which supposedly protects depositors. The BIF, which peaked at \$18 billion in 1987, plummeted to a negative \$7 billion at the end of 1991, then rebounded to a negative \$100,000 at the end of 1992 and a positive \$6.8 billion at the end of the second quarter.

Thanks to this \$6.9 billion in income for the first six months of 1993, the FDIC was able to complete the repayment of principal and interest on BIF working capital borrowings from the Federal Financing Bank. These Treasury borrowings, which were authorized in 1990 as part of the commercial bank bailout package, were as high as \$15 billion as late as September 1992, the FDIC reported.

Part of the BIF's recovery comes, not surprisingly, from a \$4.6 billion decline in its own reserves for loan losses, to \$6.2 billion. The justification for this decline, is the FDIC's new forecast that commercial banks and savings banks with assets of \$10 billion are likely to fail in 1993, down from the previous estimate of \$25 billion.

Report from Rio by Silvia Palacios

Bankers issue ultimatum

Inter-American Dialogue's boy in Brazil is being told to forge ahead with an east European-style "reform" – now!

Brazil's creditor banks and the International Monetary Fund (IMF) have given Finance Minister Fernando Henrique Cardoso an ultimatum to apply their free-market economic austerity dictates without delay. It was for just such a purpose that Cardoso, with the backing of the Anglo-American establishment and through his membership in the Inter-American Dialogue (the most influential lobby on Ibero-America in the Clinton administration), was put in his post.

Tough public messages have been delivered to Brazil by spokesmen for the banks. The most striking is an article by Massachusetts Institute of Technology technocrat Rudi Dornbusch, a so-called Brazilianist, published in the Sept. 13 Business Week. The article floated the specter of a "military coup" if drastic monetarist reform, such as that carried out by Mexico and Argentina, were not implemented. "'Politically impossible, the essential conditions are not satisfied,' demurs Fernando Henrique Cardoso. . . . Nobody knows what Cardoso's magical 'essential conditions' are. ... Elsewhere, when things were bad, many governments have screwed up their courage and plowed ahead with reforms," Dornbusch complained.

Dornbusch reminded Cardoso: "Before his success, President Carlos Menem of Argentina was hardly the image of a great reformer. The same can be said for Carlos Salinas de Gortari in Mexico, Patricio Aylwin... in Chile, or Shimon Peres in Israel. For each, reform was countercultural."

Similar pressure is being applied

from Argentina. While President Menem spoke demagogically of a new age of relations between their two countries, his economics minister, Domingo Cavallo, tossed aside all protocol during his recent appearance (the only international invitee) at Brazil's independence day celebrations, and told Cardoso that Brazil must apply "strong measures" to combat inflation. He suggested that such measures include a "rigorous fiscal adjustment," the same code word the International Monetary Fund (IMF) bankers use when referring to any problem facing Brazil's public accounts.

The Clinton administration and the IMF have for the first time initiated intense political negotiations with the Brazilian economic team, promising political support in exchange for an agreement with the Fund before November.

According to the newspaper Jornal do Brasil, former Brazilian Ambassador to the United States Rubens Ricupero claims that U.S. Treasury Undersecretary Larry Summers maintains a "practically weekly" dialogue with Cardoso on the evolution of the agreement with the IMF and on the internal Brazilian situation. It is also well known that U.S. Ambassador Richard Melton meets frequently with Cardoso.

It is no surprise, therefore, that new central banker Pedro Malan, Brazil's former foreign debt negotiator, expresses great hopes that a "creative" tripartite solution involving the banks, the international agencies, and the U.S. Treasury is close at hand. IMF

Managing Director Michel Camdessus also declared that he considers a Brazil-IMF pact a top priority.

Clearly, these pressures from abroad, coupled with Cardoso's own convictions, are having an effect. Some say that in the immediate future, possibly in October, he will impose austerity on the Brazilian economy comparable to that applied in eastern Europe by Havard economist Jeffrey Sachs, the puppet of speculator George Soros. Rumors are circulating that Cardoso's plan, prepared jointly with the IMF, will be along the lines of Sachs's disastrous "Polish model." On Sept. 14, he announced that exchange rates would be freed for the first time in decades.

Cardoso has also just put the finishing touches on his team, made up of a select group of technocrats from Harvard, Yale, and Cambridge. Current debt negotiator Andre Lara Resende has argued in his elaborate monetarist studies that liberal reform should begin by creating a new currency, tied to the dollar and managed by a Currency Board. An IMF study recommended precisely such a "reform" for Estonia.

The other "strong man" in Cardoso's team, economist Persio Arida, was put in charge of restructuring the National Bank of Economic and Social Development (BNDES). Since during the Collor de Mello government, BNDES has been in charge of the privatization process, and the new economic team has every intention of stripping the bank of its role as financier of long-term industrial projects, the better to adapt it to the "new realitv" of economic liberalism. Persio Arida is so close to Cardoso that, prior to his BNDES nomination, he was frequenting Inter-American Dialogue meetings in Washington, especially the one held last June to discuss Brazil's future.

Business Briefs

Labor

Tax policies to reduce speculation urged

The formulation of tax policies to reduce speculation and promote orderly economic development was urged by the general secretary of the International Metalworkers Federation at its World Congress in Zurich, Switzerland on June 13-18, according to the July-August issue of *Steelabor*.

General Secretary Marcello Malentacchi warnedthat "globalization of the economy was creating a new breed of raw capitalism indifferent to human values," and called for "world currency regulation and tax policies to reduce speculation and promote orderly development, as well as a new measure of growth to take into account environmental and social aspects." He also called for a "social clause" in world trade agreements so that Third World workers would not be penalized by companies and governments as they enter the world trading system.

United Steel Workers of America President Lynn Williams led a USWA delegation to the meeting, which included 800 delegates representing 180 unions from 70 countries.

Infrastructure

High-speed rail promoted in China

One of China's leading railroad experts is suggesting the development of high-speed rail systems to alleviate rail transport undercapacity, the Chinese paper *World Journal* reported on Sept. 3.

On Sept. 2, Guo Hongtao, chairman of the Chinese Transportation Association, suggested in an article in the *People's Daily* that the high-speed rail system is the alternative to reduce the burden on the three main lines from Beijing to Shanghai, Beijing to Guangzhou (Canton), and Beijing to Harbin, which currently carry 40% of national passenger flow and 35% of national transportation of goods.

Referring to the quasi-high-speed railroad being built connecting Guangzhou to Shenzhen, Guo suggested that China should build a high-speed ystem on section bases, i.e., use part of the completed section while the rest of the line is being laid out. Guo revealed that China considers the study of developing the high-speed (over 200 kilometers, or about 125 miles, per hour) passenger-rail system as the key project for scientific and technological advancement in railroad transport.

Trade

Brazilian Army offers barter deal to Russia

The leaders of Brazil's Army will propose a barter deal to Russia, to provide that country with grain in exchange for weapons, *Tribuna da Imprensa* reported on Sept. 9. Army Minister Gen. Zenildo de Lucena left Sept. 5 for Moscow to discuss this proposal.

The Army is particularly interested in short-range missiles, tanks, and gas masks, among other items. It is also anticipated that a similar proposal will be made to China and eastern European countries. Russia, as well as several other states which were formerly part of the Soviet Union, is reportedly extremely interested in the Brazilian Army offer.

Education

U.S. adult illiteracy called 'shocking'

Nearly half of all U.S. adults are so limited in basic reading and arithmetic that they are unable to function effectively at work, according to "Adult Literacy in America," a report issued by the U.S. Department of Education on Sept. 8. Secretary of Education Richard Riley said he was "disappointed" with the results of the study, which interviewed some 13,000 adults over the first months of 1992, but he was not surprised. Riley said the results were "shocking" and a "wake-up call to the sheer magnitude of illiteracy in this country."

The results of the study were significantly worse than those of the last study taken in 1985. Young adults surveyed in 1992 demonstrated literacy skills 11-14% below those in 1985

According to the study, 44 million of the 191 million adults in the United States possess the lowest levels of skills, meaning that they cannot use a road map, understand a simple sentence, or total up even simple sums. Some 50 million Americans are at the second lowest category of skills, which means they cannot use a calculator for even a simple addition, understand a bus timetable, or write a letter explaining an error in a credit card bill. Roughly half of the people in these two lowest skills categories had completed high school, and 15% were college graduates.

Space

Russia, U.S. sign cooperation agreements

Agreements between the United States and Russia on cooperation in space were signed by Russian Prime Minister Viktor Chernomyrdin and Vice President Al Gore during Chernomyrdin's recent visit to the United States. The agreements include a Space Cooperation agreement, a Commercial Space Launch Agreement, an agreement on Environmental and Global Monitoring and Space Sciences, and a memorandum of understanding on the Missile Technology Control Regime. There were also agreements signed regarding development of new projects in the area of aeronautics.

In a background briefing at the White House on Sept. 2, a senior administration official stressed that the United States would adhere to the "baseline space station program" outlined by President Clinton earlier in the year, and that the Russians would "be a bonus to that baseline program," i.e., they were not considering redesigning the program for the sake of bringing in the Russians. "I think we will really be working along two paths," said the official, "one of which will be to get us quicker to a space station, the other which will be to continue the process of doing some really useful science in the meantime."

The United States was intent on spending \$100 million on the program in 1994 and \$300 million in the following three years. Present at the spacediscussions were NASAA dministrator Dan Goldin and Director of the Russian Space Agency Yuri Koptev.

Japan

Economy stagnating, large-scale layoffs loom

Several recent reports have emphasized that the Japanese economy is stagnating and that large-scale layoffs and industrial cutbacks look certain in the coming year. On Sept. 7, the Japanese government Economic Planning Agency said that the economy is at a "standstill" and "stagnating," the London Financial Times reported. Prime Minister Morihiro Hosokawa said that the EPA had been too optimistic in its estimate. In June, the EPA had declared that the "downturn" had already hit bottom; in August, it admitted that it was "somewhat at a standstill." Nevertheless, the EPA is maintaining its forecast of 3.3% Gross National Product growth, compared to 1.5% in 1992.

On Sept. 8, the Labor Ministry said that 40% of Japanese companies are overstaffed, and would be forced to lay off workers in the coming year, due to the effects of the collapse of the bubble economy and the rise of the yen, the International Herald Tribune reported. The paper cited private sector economists who estimate that there are as many as 1.7 million "in-house unemployed" workers in Japan, workers who are considered "redundant" under current economic circumstances and who would have already been laid off in the West. Fuji Research Institute economist Masaru Takagi said, "If the yen stays at today's high levels, or goes even higher, companies will no longer be able to maintain in-house unemployed." The ministry survey included eight industries being hit hard by the rise of the yen: construction, electronics, textiles, steel, automobiles, information processing, machinery, and retailing.

On Sept. 10, the Bank of Japan announced that business confidence is at its lowest levels in 18 years. The result of its quarterly Tankan

survey of 7,400 companies, which measures the balance between those who see the economy as good as opposed to bad, stood at -51 for manufacturing industry, as opposed to -49 for the last two quarters. Manufacturers plan to cut capital investment by 5.9% in the tax year ending in March. Also, 19% of companies said that their work forces were too large.

On the same day, the Organization for Economic Cooperation and Development (OECD) said in Paris that the prospects for economic growth in Japan looked even worse than estimated two months ago, and it would have to downgrade its most recent economic outlook published in July.

Health

Diphtheria outbreak in East at epidemic levels

The outbreak of diphtheria in the former Soviet Union, where the economic crisis has been greatly exacerbated by "shock therapy" economic policies, is reaching epidemic proportions. The rapid spread of diphtheria in the former Soviet Union might be the start of a serious epidemic, the World Health Organization (WHO) warned on Sept. 10, revealing that the disease is now spreading beyond the borders of the members of the Community of Independent States (CIS) into parts of eastern Europe. "It is feared that the outbreak of diphtheria in Russia and Ukraine might only be the beginning of a major epidemic," the WHO said.

The WHO revealed that the disease killed 106 people in Russia and 41 in Ukraine in the first seven months of 1993, that a further 6,000 people in the two former Soviet republics were known to have contracted the illness in the same period, and that the number of cases is still growing.

"There are clear signs that the epidemic is now spreading to neighboring countries," the WHO said, citing cases in Azerbaijan, Belarus, Kazakhstan, Uzbekistan, Poland, and Finland. It said the resurgence in the former Soviet Union of diphtheria and other communicable diseases such as cholera was a main topic at a meeting of the WHO's European committee in Athens in early September.

Briefly

- A RUBLE ZONE was formally created in Moscow on Sept. 7 among Russia, Belarus, Armenia, Uzbekistan, Kazakhstan, and Tajikistan. Russian Prime Minister Viktor Chernomyrdin was quoted on Radio Moscow proclaiming that "this is the first significant step toward a Commonwealth of Independent States economic union."
- OVER 50% of first-year college science students in Australia failed basic literacy (grammar, punctuation, and spelling) tests despite having passed high school English, according to a study by Dr. Graham Flanery, a senior lecturer in genetics at Melbourne's Latrobe University.
- CHINA is seeking international bidders to help in the construction of the Three Gorges Dam, partly to ensure "high quality," Xinhua news agency reported Sept. 7. The dam is expected to cost roughly \$9 billion and take 17 years to build. It will supply power to the Yangtze Valley and the city of Shanghai.
- NICARAGUA'S economy has been further reduced under Violeta Chamorro to rival the poverty of Haiti and Cuba, the Sept. 7 New York Times reported. Three years of strict austerity has resulted in 60% of the population being unemployed or underemployed, and most of those working receive less than \$50 a month.
- GOLD FEVER in China has nearly doubled the state purchase price of gold to \$16.80 per gram to stimulate production and combat smuggling, China Gold News reported. Rising inflation of more than 20% in major cities sparked the rush into gold.
- THE AUSTRALIAN government-owned Telecom firm will enter into a joint venture with the Hong Kong-based Hutchison Telecommunications, of which Li Ka-Shin is the main shareholder. The two telecommunications giants are close to finalizing plans to operate a second telephone license in Hong Kong after the domestic market is deregulated in 1995.

EIR September 24, 1993

FIRFeature

Kissinger plot set back by fall of Venezuela's CAP

by Robyn Quijano

When the Venezuelan Congress voted Aug. 31 to formally end the rule of Carlos Andrés Pérez as President of their nation, a crucial player in the plot to annihilate the sovereign nation-states of Ibero-America fell. Since last May 20, when the Supreme Court ruled that Pérez must stand trial on multimillion-dollar corruption charges, and Ramón J. Velásquez was named President, "CAP," his party apparatus, and his international backers have used extraordinary and often violent means to prevent his final defeat. But he had long before lost "the mandate of heaven," and bombing, bullying, and buying up adversaries couldn't save him this time.

The seeds were sown for the fall of Carlos Andrés Pérez early in his term. In February 1989, Venezuelans revolted against the hideous economic hardships caused by the International Monetary Fund (IMF) austerity package Pérez had imposed. He responded to the rebellion with shoot-to-kill orders. Thousands were massacred; no international human rights commission has ever exposed CAP's tyranny.

Pérez believed he could get away with anything. After all, he was Washington's man in Ibero-America. He was a key negotiator for Project Democracy on the continent, and he was enforcing the bankers' dictates. Until Aug. 31, Henry Kissinger, Fidel Castro, David Rockefeller, and most of his other fervent supporters outside Venezuela believed he could get away with anything, too. Rockefeller, Kissinger, and the State Department's Luigi Einaudi backed their favorite long after the people and the constitutional structure of Venezuela had sealed his doom.

On Feb. 4, 1992, a military rebellion in Venezuela, which received loud popular support, was thwarted. The fact that CAP was hated as a corrupt traitor, who was handing Venezuela to the international banks and lining his own pockets in the process, was now hard to hide. Henry Kissinger was hired by the government to give the regime a face-lift. As head of an international advisory board, Kissinger made at least two trips to Venezuela after February, had closed-door sessions with CAP, and announced at a press conference that all was stable and everyone should invest.

In October 1992, only a month before a second military rebellion, Einaudi,



Soldiers patrol the streets of Caracas, Venezuela in March 1989, to quell riots provoked by President Carlos Andrés Pérez's austerity measures. Inset: Pérez during a visit with George Bush, April 1990.

then U.S. ambassador to the Organization of American States, backed the hated and notoriously corrupt CAP as "the standard-bearer for the possibility of democracy in Latin America." Einaudi, who for decades served as "Kissinger's Kissinger for Latin America," said that what happens in Venezuela "is absolutely critical to our collective, regional future." Any "interruption" of constitutional order there would have "an impact on the whole scene of U.S.-Latin American relations." This obvious threat did not stop the Nov. 27 attempt to oust CAP from power.

It is not surprising, therefore, that CAP insisted, after the Congress voted him out of office to stand trial for stealing millions of dollars, that his ouster was "unconstitutional," and insisted pathetically for days after that he was still President. Until the bitter end and beyond, CAP's buddies in the Inter-American Dialogue, the Socialist International, and the U.S. banking and foreign policy establishment did everything to keep this corrupt puppet in power as the model "democrat."

Another model "democrat" of the new world order, Brazilian President Fernando Collor de Mello, was impeached for corruption in September 1992. He, like CAP, held on, with enormous backing from Wall Street and the U.S. Project Democracy apparatus, until millions of protesters in the streets and the military insisted that he bow to the constitutional process, forcing him out of power, over two months after his impeachment. But in Brazil, the opportunity was lost. A corrupt President was replaced, but the personal integrity of a new President cannot save a nation. That integrity

must be applied to changing the economic structures that cause unemployment, malnutrition, and desperation.

It is not democracy that has been set back by CAP's fall, but the plot to subjugate the nations of Ibero-America. It is a plot directed against the Ibero-American military, but also against the Catholic Church, the trade unions, agricultural producers, industrialists, and all institutions that might resist the new world order. It is not democracy or dictatorship that is at issue. It is genocide, being imposed by the IMF, and its alternative is development.

Venezuela has won an important battle as a nation, as has the entire continent. But the crucial fight has just begun. Will the economic policies of free market liberalism, the policies of the IMF, which are sucking these nations dry to pay the usurious debt, continue, as after Collor's fall in Brazil? Or will Venezuelan leaders and ordinary citizens, bolstered by the political awakening that pulled down one evil and corrupt President, make the kind of economic changes that will allow their nation to survive?

In order to properly celebrate Carlos Andrés Pérez's defeat, in the following pages we print excerpts from the book *The Plot to Annihilate the Armed forces and Nations of Ibero-America*. This exposé, soon to be published in English, presents the plotters and their project. It is a manual for all who believe in defending the nation-state. We also run an exclusive interview with Air Force Gen. Francisco Visconti, one of the leaders of the Nov. 27, 1992 military uprising, whose courage contributed to the final defeat of Carlos Andrés Pérez.

The plot to annihilate the armed forces and nations of Ibero-America

by Gretchen Small

The following is excerpted from the first chapter of the book El Complot para Aniquilar a las Fuerzas Armadas y a las Naciones de Iberoamérica (The Plot to Annihilate the Armed Forces and Nations of Ibero-America), issued by EIR's Spanish-language publication Resumen Ejecutivo. The chapter is titled "History of the Anti-Military Project."

The time has come for Ibero-American patriots, civilian and military, to report for battle. Now they must defend the sovereign right of their nations to maintain national armed forces, if they wish to still have a country to defend in the very near future.

Too many have failed to acknowledge the existence of the new world order project to eliminate the institution of the armed forces in Ibero-America. Too many argue that all that is under discussion is that the military should be "restructured," like every other institution of the state, because of an economic crisis for which it is claimed there is no remedy. But far more than this is actually at issue.

The project to dismantle the armed forces is not a matter of importance only for the military. At stake in this battle is nothing less than the continued existence of the nation-state itself. If this vile plot is not stopped, the disintegration of the economy and national institutions which it will unleash will bring genocide of unimaginable proportions. Entire nations will disappear.

Therefore it is imperative that civilians also join this battle. In June 1991, EIR's Spanish-language publication, Resumen Ejecutivo de EIR, published a special issue, entitled "Bush's 'New Order': Eliminate the National Sovereignty and Armed Forces of Ibero-America," which detailed the anti-military project. There we warned that the policy of destroying the armed forces "is not only directed against the institutions of the military, but also against the Catholic Church, the trade unions, national industry, and any institutionalized force which could offer resistance to the final objectives of George Bush's new world order: colonial subjugation, looting of natural resources, and genocide against the supposedly excessive population of the South."

Six months later, in January 1992, Resumen Ejecutivo took up the cudgels again against the project, this time in a

special supplement centered on the call to arms by Argentine Col. Mohamed Alí Seineldín and his fellow officers against the new world order. "The decisive battle before the continent is *not* that of 'democracy' versus 'dictatorship.' Rather, the continent must choose between genocide and development. . . . The very existence of the nation-state itself is now called into question," the supplement warned.

Resistance against the project has begun in every country in the region. Now the time has come, however, to move beyond national resistance, to forge a unified continental offensive determined no longer to resist, but to defeat the enemy and his plans. It is to aid in the elaboration of a strategy for victory that Resumen Ejecutivo now publishes this book.

The enemy has made its plans clear. "A world army is down the road," Paul Volcker, North American chairman of the Trilateral Commission, announced happily on March 29, 1993 following the annual meeting of that top Anglo-American policy planning body. The commission spent much of its meeting discussing how to crush resistance to the creation of a permanent United Nations army: Volcker personally announced that he is working on securing financing for the world army project.

Volcker epitomizes the bankers who designed the antimilitary project. As U.S. Federal Reserve chairman, in 1979 Volcker deliberately initiated what he himself termed "the controlled disintegration" of the world economy, by jacking up U.S. interest rates to unprecedented levels. Where the policy is heading was enunciated most starkly in 1990 by the chairman of Citibank, John Reed. Reed told Brazil's Veja magazine that "countries have disappeared from the face of the earth. Peru and Bolivia will disappear." The bankers have declared global war against every principle of western Christian civilization upon which world order has been based for the past 500 years.

The underlying premises upon which the anti-military project is based are three:

1) International Monetary Fund (IMF) rule over the world economy remains sacrosanct. In other words, usury and its constant companion, malthusianism, must rule all economic activity.

2) Sovereignty is passé, an outdated concept replaced by

'El Complot' book is becoming a bestseller in Ibero-America

Since its July 23 release, The Plot to Annihilate the Armed Forces and Nations of Ibero-America has been presented at seminars and press conferences to military and civilian audiences in Washington, D.C., Mexico City, Bogotá, Caracas, Santo Domingo, Rio de Janiero and Brasilia, Buenos Aires, Lima, and Santiago. The book's release has been reported as a hot news item on radio and television and in the printed media in at least ten countries in Ibero-America, and by word of mouth in several others. Judging by the enthusiastic reception accorded the new book, El Complot, as it is now known, is becoming a bestseller, like EIR's earlier Narcotráfico, SA, the Spanish-language edition of Dope, Inc., which swept Ibero-America in the 1980s.

Indeed, Librería Cuesta, a leading bookstore in the capital of the Dominican Republic, listed *El Complot* as among its top ten bestsellers, in its weekly advertisement in *Hoy* newspaper on Sept. 9, noting that it is selling better than *The Fish in the Water*, by Peruvian narco-pornographer Mario Vargas Llosa, and just slightly below one of this season's hottest novels, *Like Water for Chocolate*. *EIR* is preparing to publish the book in English soon as well.



the "globalism" of the so-called post-modern era. This is not some minor shift of emphasis in world affairs, but a commitment to eliminate the nation-state itself as the form in which human social life is organized.

3) Communism is dead, leaving the Anglo-American combination — British brains deploying U.S. muscle — as the sole superpower worldwide. All nations are expected to adapt to a world run by one superpower, and therefore, the argument goes, they no longer need a national military. The plan for Ibero-America in this schema is that it be absorbed, de facto, into the United States: its economy, its government, its culture, and its military.

Each of these premises is demonstrably false, but each has been driven into public acceptance by constant repetition in the mass media and elsewhere. Cowardice and a failure of nerve have also allowed the project to advance as far as it has, although the rationalizations for inaction have varied. Some have spent their time reassuring themselves that "demilitarization" would only happen to the other fellow; their country and military were too strong to be touched. Others blustered that they would tolerate "part" of the policy, because then they could negotiate a better deal under the new world order for their country than their neighbors could. These were often the same people who sneered at Colonel Seineldín for leading an open fight against the new world order, arguing that the Argentine colonel had "failed" by getting a life prison sentence, while they remain "free" on the outside, in a better negotiating position. . . .

Would-be reformers should consider carefully the frank

admonition of Trilateral Commission ideologue Samuel Huntington to "democratizers" worldwide: "Promptly purge or retire all potentially disloyal officers, including both leading supporters of the authoritarian regime and military reformers who may have helped you to bring about the democratic regime. The latter are more likely to lose their taste for democracy than their taste for intervening in politics," Huntington wrote in his 1991 manual, The Third Wave: Democratization in the Late Twentieth Century [see EIR, July 3, 1992, p. 57].

It is the military institution as a whole that is the target, and therefore all military officers, whether they choose to fight, be "neutrals," or even join the enemy side, are targeted for destruction.

The campaign against the military in El Salvador is just the beginning of a campaign for *international tribunals* to try Ibero-American military officers for the "crime" of defending their nations. The international propaganda demanding antimilitary trials has already begun, based on the Big Lie that the armed forces of Ibero-America have committed crimes equal to or worse than those committed by the Nazis in world War II or the Serbs today.

A worldwide campaign has already begun to get international courts to annul the national amnesties already granted in various Ibero-American countries to military personnel who participated in the anti-subversive campaigns of the seventies and eighties. New trials are being brought against these officers, this time in international courts such as the Inter-American Court in Costa Rica and the courts of other nations,

including those of the United States.

This new offensive aims not only at bringing military officers to trial, but also to make them targets for assassination by narco-terrorist groups. The proterrorist lobby operating under cover of defending human rights has already begun to publish, in Peru and Colombia, hit lists of military and police officers accused of violating human rights.

So there is nowhere left to hide. The enemy himself is blowing up the foxholes. The time has come to fight.

To defeat an enemy, it is necessary to understand what the enemy's goal is, what strategies he is employing, and most important, his most vulnerable flanks. It is also necessary to have most clear what it is that one is fighting for, because only on those grounds can the whole population be mobilized in the defense of the nation.

A crucial part of this book, therefore, is the section, "How to Survive Without the International Monetary Fund." For far too long, nationalist military officers have left the economic development of their nations in the hands of the very bankers and technocrats who are committed to destroying their nations. As American statesman Lyndon LaRouche emphasized in a recent interview with *Resumen Ejecutivo*, the gains won against the communists on the battlefield can only be temporary, unless the military ensures that adequate measures are adopted to resolve the real problems of national life. And that requires an end to the looting by the IMF.

"It is almost impossible to fight guerrillas and submit to the IMF at the same time," LaRouche emphasized in this interview. "If you are carrying out an IMF program against your own population, which is what it is, or similar policies, and you are trying to fight guerrillas, you are facing a losing battle. Because the IMF is recruiting the guerrillas while the United States State Department will come in and threaten to cut you off from what little aid you're getting, if you kill any more of these guerrillas—and the Masons are accusing you of being human rights violators.

"So a firm, determined policy, but a policy which is based on *affirming* the welfare of your people, is the way to fight; and if you do not do that, you may lose."...

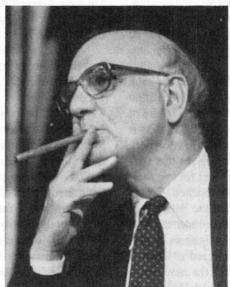
1982: The project is founded

The demilitarization project against Ibero-America became formally established as United States policy out of the great crisis in hemispheric relations of 1982-83.

Political and economic institutions in the Americas were hit by two successive shock waves in 1982: the Malvinas War of April-June 1982, and, three months later, the explosion of the Ibero-American debt crisis with the September declaration of a debt moratorium by Mexican President José López Portillo. Although few understood it at the time, the two events were closely related.

The first shock blew apart the military arrangements upon which Ibero-American defense strategies had been based for decades. The impact of the U.S. decision to back Great Britain in its war against Argentina extended beyond the unjustness of its rejection of the clear historic merits of the Argentine claim to the Malvinas Islands, illegally occupied by British forces in 1833. By providing Great Britain, an extra-continental power, with intelligence and military supplies for its war upon Argentina, the United States violated its solemn treaty obligations with Argentina under the Inter-American Reciprocal Treaty (TIAR).







Architects of the plan to destroy the military in Ibero-America (left to right): Robert McNamara, one of the founders of the Inter-American Dialogue, demands that aid programs be conditional on cuts in military budgets. Paul Volcker, North American chairman of the Trilateral Commission, promotes the formation of a U.N. "world army." Samuel Huntington is the author of a "how-to" manual for destroying the military in the developing nations.

The betrayal sent a message for every country signatory to the treaty. As State Department policy-planner Luigi Einaudi so bluntly stated in a 1991 address to a Woodrow Wilson Center forum, it was at the battle in "the Falklands/Malvinas Islands," as he called them, "when the great mythological alliance of the United States with the rest of the hemisphere proved to be precisely that, mythological."

The abrupt burial of TIAR by the United States equally abruptly placed on the agenda of every country in the Americas the question of what system of alliances, based on what hypotheses of national defense, should replace it. The Anglo-American powers had their answer ready, using the crisis to organize for the establishment of outright supranational rule under the doctrine of alleged "collective democratic security." For patriots in Ibero-America, however, the Malvinas War and the crisis which followed it offered a different lesson, awakening again the historic dream of a strong, independent, and integrated Ibero-America.

The underlying economic issue

There was only one U.S. leader, economist and statesman Lyndon H. LaRouche, Jr., who organized within the United States and abroad on behalf of the Argentine cause, and against the U.S. decision to ally with its own historic enemy, Great Britain, in the Malvinas War. In words that today appear prophetic, LaRouche warned that this war was not simply a conflict over the islands, but was provoked by Anglo-American financial interests, grown increasingly desperate over the looming bankruptcy of the world financial system. In the deteriorating international debt crisis, these interests, LaRouche charged, sought to establish a precedent for NATO out-of-area deployments against developing-sector nations. What the Anglo-American powers seek to defeat, in addition to the Argentine nation, LaRouche emphasized, is the principle of national sovereignty itself.

LaRouche, pointing to the underlying unity of the military and the economic crises, recommended that Ibero-American nations aim their fire at the most vulnerable flank of the would-be colonial powers: the financial system. At a press conference following his meeting with Mexican President José López Portillo at the presidential palace in May 1982, LaRouche called upon Ibero-America to unite, and drop "the debt bomb" as the only means to defeat the Anglo-American enemy, both in ongoing war in the South Atlantic, and in the coming debt crisis.

Three months later, in August, LaRouche outlined a combined economic and political strategy whereby Ibero-America could reassert strict adherence to the principle of sovereignty and the right to development in the Western Hemisphere, and simultaneously force the industrial powers to the negotiating table for long-overdue reform of the bankrupt, Anglo-American dominated, international financial system. *Operation Juárez*, as LaRouche's strategy was titled, proposed that Ibero-America declare a joint debt mora-

torium and form an independent Ibero-American Common Market. The Common Market would allow the region to both defend itself in the short term against reprisals, and maximize long-term development. With proper investment of its rich resources, Ibero-America could become an economic superpower, LaRouche argued.

The proposal contained the possibility of changing the entire world strategic geometry. If an independent power bloc formed in the Americas, the entire "New Yalta" to which the Anglo-American interests were committed could be overturned.

The Inter-American Dialogue is born

The Anglo-Americans were not about to let that happen without a fight. With political and institutional networks thrown into disarray by the combined Malvinas War and debt crisis, Anglo-American interests moved quickly to rebuild channels to ensure the continuation of their dominance over policy in the region. Thus was born the Inter-American Dialogue.

In June, July, and August of 1982, three seminars on the subject of the implications of the Malvinas War for inter-American relations were hastily organized at the Washington-based Woodrow Wilson International Center for Scholars, a U.S. government-run and -financed think tank. Director of the Center's Latin American Program that year was Abraham Lowenthal; program associate was Louis Goodman, who four years later would head up the infamous "Bush Manual" project against the Ibero-American military.

At the first seminar, Heraldo Muñoz, then a professor at the University of Chile, argued that if there had been a democratic government in power in Argentina, the attempt to recover Argentine sovereignty over the Malvinas Islands would never have occurred. Muñoz, today Chile's ambassador to the Organization of American States (OAS) and a favorite on the Inter-American Dialogue circuit, is one of the leading operatives in the limited sovereignty project. In the second seminar, former U.S. State Department official Viron Vaky and World Bank Vice President Nicolás Ardito Barletta of Panama, argued that the crisis offered an opportunity to create a stronger hemispheric system of government. In the third seminar, former U.S. Ambassador William Luers suggested that greater communication between the United States and Ibero-America was needed.

Out of those seminars came the Inter-American Dialogue. Between October 1982 and March 1983, the Woodrow Wilson Center sponsored a series of meetings of the Dialogue, in which 48 Ibero-American and U.S. members discussed the agenda required for the continent, each ostensibly only as a "private" individual. U.S. government support for the endeavor extended beyond the sponsoring role of the Woodrow Wilson Center: Attending the founding meeting on Oct. 15 were Secretary of State George Shultz and Assistant Secretary of State for Inter-American Affairs Thomas En-

ders. Shultz promised participants he would keep abreast of the Dialogue's efforts.

Founding the Dialogue were the cream of the U.S. liberal establishment. Members of the Trilateral Commission dominated the group, with David Rockefeller, Robert McNamara, Cyrus Vance, and Elliot Richardson serving as members. The banks were represented by Donald Platten, chairman of Chemical Bank, as well as Chase Manhattan's chairman, David Rockefeller. Later, top executives from Marine Midland, First Boston International, Bank of America, Morgan, and others would also join. . . .

From the outset, the Dialogue proposed that supranational structures be created to monitor military activities in the hemisphere. . . .

Project Democracy

The policies advocated by the Inter-American Dialogue on a regional level flowed out of the "global agenda" which the Anglo-American establishment had successfully imposed as U.S. government policy. The policy package went under the name "Project Democracy," officially announced as U.S. policy by President Ronald Reagan in a speech delivered, appropriately enough, to the British Parliament on June 8, 1982. This was no partisan policy, however. The idea had been cooked up in the 1970s by the same group which founded the Inter-American Dialogue, David Rockefeller's Trilateral Commission. One of the intellectual authors of the project, in fact, was the same Harvard thug, Samuel Huntington, who in 1991 published a "how-to" manual for the demilitarization of all developing nations.

The thesis behind Project Democracy had been outlined in the final report issued in 1975 by the Trilateral Commission's "Task Force on the Governability of Democracies." Huntington was one of the three co-authors. The world was entering a period of economic crisis and scarce resources which would lead to worldwide political instability, the study argued. Therefore a new definition of democracy, and new institutions to enforce it, are required to ensure that political control is maintained through the coming turmoil. One Trilateral ideologue bluntly suggested the new definition be called what it was: "fascism with a democratic face."

That was the task given Project Democracy in 1982: to set up transnational networks which, operating in the name of "democracy," could police the new order envisioned by the Anglo-Americans. There was a secret side to the operation, the covert drugs-for-arms operations run through the National Security Council exposed in the infamous Iran-Contra scandal of Oliver North fame.

There was also a public side, run through the National Endowment for Democracy, a strange entity created in 1983 by the U.S. Congress as a "democracy quango," the latter term standing for "quasi-autonomous non-governmental organization." The term "quasi" was very generous indeed, as the job of the NED was directly to centralize U.S. govern-



El Salvadoran soldiers undergo combat training at Fort Benning, Georgia, in February 1982. Today, the United States is handing over power to the communist guerrillas in El Salvador, while an international media campaign demands that the Armed Forces be tried for the "crime" of defending their nation.

ment deployment of the so-called NGOs. . . .

Target Ibero-America

The primary focus of Project Democracy's activities in its first years was thus Ibero-America, where a revived spirit of nationalism and talk of a debt moratorium after 1982 worried the bankers greatly. In 1985, the NED's Annual Report reported that "the bulk of our support has gone to grantees in Latin America."

The influence of Project Democracy in the area, however, goes far beyond financing. Project Democracy shaped the entirety of Reagan administration policy toward Ibero-America. The outlines of that policy were spelled out in the final report issued in January 1984 by the National Bipartisan Commission on Central America. On the board of the commission, better known as the Kissinger Commission because Henry Kissinger headed the panel, were various board members of the NED, including Kissinger himself, AFL-CIO chief Lane Kirkland, and Carl Gershman of the Anti-Defamation League of B'nai B'rith.

The central theme of the final report was that that hemispheric relations will be subordinated to the New Yalta crowd's escalating "East-West crisis" in Central America, and to the economic interests led by the Rockefeller group. Any nation, or political group, which stood in the way of that

plan, would be targeted as an obstacle to "democracy."

Obstacles emphatically included the military of the region. According to the Kissinger Commission report, "The diversion of funds from the economic, social, medical, and educational development of the region into military containment would exacerbate poverty and encourage internal instability in each of the countries. . . . The creation of garrison states would almost certainly perpetuate the armies of the region as permanent political elites" (emphasis added). . . .

'The cross and the sword'

The commitment to dismantle the institution of the national military in Ibero-America stems from a longer-term project, however. That is the project of the British Empire interests to bring Spain and her ex-colonies under total Anglo-American rule. With few exceptions, that strategic objective has dominated United States policy toward Ibero-America since the turn of the century, when Anglo-American empire interests seized firm control over U.S. institutions in the government of that evil Mason and admirer of the Confederate cause in the U.S. Civil War, Teddy Roosevelt.

Project Democracy's effort to impose a "pluralist democracy" in Ibero-America is simply a retooling of that centuries-old project which created the "Black Legend," the British-spread lie that Spanish culture is by definition autocratic and dictatorial because of the dominance of the Catholic Church and the military. The hatred expressed by the new "democrats" for the Catholic Church and the national military flows out of this project: For Ibero-America to be finally conquered, these two institutions which form the backbone of the nation-state in the region must first be broken.

This commitment has been openly stated in official U.S. documents. In March 1987, for example, the State Department published Special Report 158, Democracy in Latin America and the Caribbean: The Promise and the Challenge. This document complains that "the pervasiveness of hierarchical structures with deep historic and cultural roots has created ingrained authoritarian habits" in Ibero-America, which must be "overcome." The report specifies that this requires forcing "religious and military institutions—the cross and the sword of the Spanish conquest and key pillars of traditional order ever since" to yield to "new values [and] organizational diversity."

"Institutional development" requires "religious diversity," Special Report 158 states bluntly, praising "the spread of Protestantism" and Theology of Liberation ("positions open to change and independent of secular authorities," in State Department language) for assuring such "religious diversity." In the name of "Protestantism," the U.S. government has fostered the spread of the worst fundamentalist cults, such as the perverse Jimmy Swaggart, Luis Palau, and the Moonies.

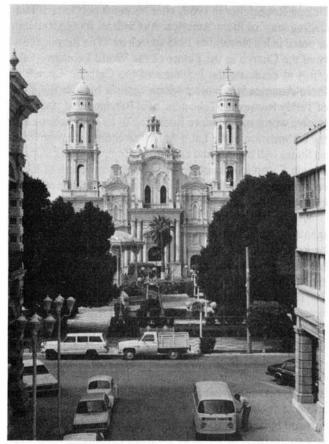
In Project Democracy's concern for "religious" matters can be recognized the continuation of a policy outlined by Nelson Rockefeller in 1969, after his much publicized "fact-finding tour" of Ibero-America. As Cardinal Joseph Ratzinger noted in his November 1985 speech on "The Responsibility of the Church in the Future of the World Economy," the effort to eradicate the influence of the Catholic Church in Ibero-America is a project which extends back to the reign of Teddy Roosevelt. Take note, said Ratzinger, of "the well-known words of Theodore Roosevelt in 1912: I believe that the assimilation of the Latin American countries by the United States will be long and difficult, so long as these countries remain Catholic." Rockefeller, speaking in Rome in 1969, recommended that Catholics in the region should be replaced by "other Christians."

As for "the sword," Special Report 158 repeats the arguments of the Kissinger Commission that the military must be kept small and contained, despite "the terrorism, drugtrafficking or guerrilla warfare" which they acknowledge threatens the region.

The premises of the Black Legend — including the assertion that bestial human-sacrificing pre-Christian cultures are "more democratic" than the Christian civilization which now dominates — permeate the entirety of U.S. policy, military and otherwise, toward Ibero-America. If you wonder why the United States is handing power over to the Farabundo Martí Liberation Front (FMLN) in El Salvador today in the name of "peace" and "democracy," consider the views put forward by Gen. John Galvin in August 1987 when he was still commander of the U.S. Southern Command, as to what he believed were the issues being fought out in the war in El Salvador. Asked why he thought there was no strong basis for democracy—the kind sought by the United States, that is—in El Salvador, General Galvin answered:

"The root causes go back 400 years. First of all there was never any franchise for the indigenous people in Central America and indeed in most of Latin America. . . . The socalled revolutions of Latin America were the revolutions of the Spanish elite to free themselves from Spain, in order that they could do whatever they wanted to do in running the governments. . . . The revolution, in effect, never came. The gnawing background that is there is the elitism. Really, I believe there is a great deal to what the historians say about the old civilizations, such as the Toltecs, the Aztecs, the Incas. They were more collective civilizations. True, the priests were an elite. But, there was greater involvement of the masses at that time. The Spanish Conquistador outlook is still reflected in the elitism that you see in many of these countries. There was not the same desire to bring the country itself ahead. There was more of a 'what's in it for me' attitude in a lot of these people. I realize that's a strong accusation, but it is one that I think is supported by history."

He continued: "These conditions did not provide a kind of strong foundation for democracy. These weaknesses remain in the background. Now, it is the move of the disenfranchised people and the reaction to that by the elites that has a



The cathedral in Hermosillo, Mexico. According to the British-created "Black Legend," the Catholic Church and the military are the twin pillars of Spanish culture which must be destroyed.

lot to do with the problems in Central America.". . .

1986: The project takes off

In 1986, the anti-military campaign of Project Democracy escalated sharply. Three special operations directed toward the takedown of the military in Ibero-America were set into motion.

In April 1986, the Inter-American Dialogue issued a new report, outlining the three primary issues with which they sought to dominate the agenda in the hemisphere. The first reiterated what they demanded in their first report: that the Soviet Union's right to have a say in Western Hemisphere affairs be formalized in negotiations over the fate of Central America. Two other issues were now added: 1) that narcotics be legalized; and 2) that a "democratic network" be established with sufficient power to oppose "the communists and the military," which the authors treat equally as enemies.

To obtain the last objective, the Inter-American Dialogue declared that military participation in "civilian" affairs must be immediately reduced. The Dialogue created a special task force dedicated to formulating the institutional mechanisms required to reshape civil-military relations in Ibero-America,

and mandated it to coordinate its work with Project Democracy's NED and the U.S. State Department.

War against the Panamanian Defense Forces was also launched in 1986. The campaign had little to do with the ostensible target, Defense Forces commander Gen. Manuel Noriega. Panama was singled out, rather, as the first place to establish the precedent that the military could be dispensed with altogether, because it was judged to be an easy target. The Defense Forces were small and still in the process of being restructured into a military, out of the limited police functions previously permitted the National Guard. The country's economy was based on the U.S. dollar and dominated by the U.S.-run "offshore" banking center, while the U.S. militarily occupied the center of the country, and based some 10,000 of its troops there.

In June and July 1986, *EIR* published in Spanish and English a white paper on the Panama crisis, entitled "Who's Out to Destabilize Panama and Why," which warned that "the principle of the sovereignty of nation-states is the fundamental issue at stake in the Panama crisis," and that the United States' "Get Noriega" operation was aimed ultimately at turning Panama into another Puerto Rico-style colony. *EIR* documented that the Panamanian opposition deployed by Project Democracy was "neither 'honest' nor democratic, but rather front-men working for the drug mafia: drug moneylaunderers, lawyers for the cocaine and marijuana traffickers, terrorists, and gun-runners," and that drug trafficking and money laundering through Panama was run by the very U.S. interests targeting General Noriega.

By and large, EIR's warning was ignored in Ibero-America. With the notable exception of Argentine Col. Mohamed Alí Seineldín, then serving as Argentine military attaché in Panama, Ibero-American military officers treated the anti-Noriega campaign as a special case, of little relevance to their future or that of their country. Many even opportunistically joined the anti-Panama campaign.

The enemy miscalculated: Panamanians resisted the onslaught for more than three years, and were defeated—at least for the moment—only by the brutal U.S. invasion in December 1989. The Panamanian resistance slowed down the pace of implementation of the anti-military project continentally. Had Ibero-America risen to defend Panama at any point along the way, the project could have been defeated long ago.

The third operation set in motion at the end of 1986 was the project which in 1990 produced the infamous "Bush Manual" against the military, published in 1990 under the title The Military and Democracy: The Future of Civil-Military Relations in Latin America [see EIR, Jan. 11, 1991]. The State Department set up a network of U.S. and Ibero-American academics to serve as an ongoing task force to coordinate ideological work and organizing for the overall anti-military project. The task force, named "Civil-Military Relations and the Challenge of Democracy," is based out of

American University in Washington, D.C. and the PEITHO institute in Montevideo, Uruguay. Because the State Department had no authority to train foreign military officers directly, the operation was farmed out to the academics, but it was from the beginning, as it continues to be today, a U.S. government operation in both financing and overall direction. Placed in charge from the U.S. government side was the State Department's top expert on the Ibero-American military, Luigi Einaudi.

The project quickly became the center of the anti-military effort. In May 1988, some 50 high-level military officers (of the rank of colonels or above) attended a conference on "civic-military relations" organized in Washington, D.C. by this group. The organizers boasted that "until now, this was the largest privately sponsored meeting of high-ranking Latin American military officers held in the United States."...

Philosophical basis of the anti-military project

The project was premised from the outset on the anti-Catholic, anti-Spanish tenets of the Black Legend. Underlying that, however, is one of the most degenerate philosophical outlooks yet concocted by the human mind: the so-called *post-modernism* and *deconstructionism* propagated by the Communist International's Frankfurt School and a network of perverse French existentialist-communist professors.

Two coordinators of the project, Juan Rial and Carina Perelli, most directly express the deconstructionist outlook which drives the project as a whole. Both assert in their writings, for example, that the military must redefine its mission to fit the "post-modern culture" which now dominates world affairs. What defines a "post-modern" society? Chaos, where it becomes difficult "to integrate" competing heterogeneous interests, which in turn creates "difficulties in perceiving what concept of social order is possible for this new society," as Rial specified in a 1990 essay on "The Armed Forces of South America and the Challenge of Democracy in the 1990s."

The supposed universal chaos upon which deconstructionists found their theories is a chaos they seek to impose upon the world. In the United States, where deconstructionism now dominates most universities, the deconstructionists' "political correctness" movement, for example, has set out to destroy the concept upon which the U.S. Declaration of Independence is based: that "all men are created equal." This movement insists that no human being has the right to a universal identity, but rather to an existence strictly determined by his or her race, sex, socioeconomic class, particular preference of sexual perversion, etc.

Where this world view leads is seen most starkly in the ethnic genocide being perpetrated by the Serbian Nazi-communists. As EIR has documented, the leadership of the Serbian military forces are psychiatrists and sociologists who are followers of deconstructionism (see EIR, Feb. 12, 1993, "The Tavistock Psychiatrists Behind the Rape of Bosnia").

Two specific theoreticians of this deconstructionist evil who are cited by Rial in his work on the military provide deeper insight into why this crew is so committed to destroying the institution of the military.

The 1992 Spanish edition of the "Bush Manual" includes a new chapter which reviews the various schools of analysis applied by the sociologists studying the military. Rial's approach most closely follows what is identified there as the "psycho-social/organizational paradigm" for the military, a school of analysis which the "Bush Manual" reports is based upon of the work of one of the main forces which created deconstructionism, the Institute for Social Research (ISR), better known as the Frankfurt School.

The ISR, based originally at the University of Frankfurt in Germany, was founded in 1922 by a group of sociologists and intellectuals associated with the Comintern. The institute's most influential leader was Comintern agent Georg Lukacs, a Hungarian aristocrat who had served as one of the commissars of culture in the Hungarian Soviet in Budapest in 1919. As he had written during World War I, Lukacs's lifelong goal was to find an effective answer to the question, "Who will save us from western civilization?" Lukacs argued that the Bolshevik movement had failed to spread in Europe, precisely because of this region's dominant Christian culture. That culture, therefore, was to be targeted for destruction.

This was to be effected through the creation of a "demonic" movement recruiting individuals who believe that their actions are determined by "not a personal destiny, but the destiny of the community" in a world "that has been abandoned by God," Lukacs specified. For the next decades, the Frankfurt School dedicated itself to inducing a "culture of pessimism" within the West, immersing people in hatred and hopelessness, while simultaneously making them so stupid that they saw no other solution to their problems than wild, uncontrollable revolt.

One of the most potent tools developed by the Frankfurt School was its propagation of a theory of the "authoritarian personality." It is this specific theory, developed by one of the top ideologues of the group, Theodor Adorno, upon which the "psycho-social" analysis of the military by Rial et al., is based. Who is an "authoritarian"? Anyone who believes that human life must be guided by "metaphysical" concepts such as truth, morality, reason, or God! . . .

Thus, when the "Bush Manual" attacks the military for believing that they must take the side of Good against Evil, this is no disparate issue, but one of the most fundamental issues underlying the battle over the military.

Rial identifies Michel Foucault as an important contributor to this school of military analysis. According to Rial, Foucault's book *Discipline and Punishment* contributes to the study of the military by identifying it as an authoritarian "total institution," which uses discipline as just another name for punishment, thereby shaping the "socialization" of its members in a manner that must urgently be changed. Citing Foucault's work in *The Military and Democracy*, Rial discusses the problem posed by the military's existence as "a social body that is separated from the rest of society and that enjoys strong autonomy with regard to the state." The problem, according to Rial, is that "discipline is the 'soul' of the military organization, which sustains its hierarchy and, with it, subordination. This necessarily leaves little room for dissent and, as in all total institutions, favors authoritarian tendencies. Diverse forms of punishment are geared to the same end."

Who is Foucault? A French communist homosexual psychotic philosopher, who was the teacher of the founder of deconstructionism, Jacques Derrida. Psychotic is used advisedly: Foucault was a pederast who during the time he taught in Paris's Superior Normal School, alternated between attempts at suicide and homicide. Like the leaders of the Frankfurt School, he was a fervent follower of the nihilist Friedrich Nietzsche. In his later years, he became a Maoist who preached mass extermination. One of his major "contributions" to philosophy was his doctrine that "we are all deviants." Moving to the United States later in his life, he frequented San Francisco's sado-masochistic homosexual bars until he died of AIDS in 1984.

Such are the fanatic ideologues which the U.S. government has hired to instruct Ibero-American military officers on how to reshape their institution to conform with "the new missions of the post-Cold War era." The ideologues of "demilitarization campaign" come from the very group of ideologues which created the New Age narco-terrorist forces (the M-19, the FMLN, etc.) assaulting Ibero-America today. . . .

Eliminating the opposition

The next step was to clear out of the way those military and political leaders within the Western Hemisphere who refused to bow to the supranational condominium which the Bush administration, jointly with its Soviet allies, was intent on imposing the world.

In October 1988, in the midst of the U.S. presidential election campaign, the Bush administration indicted presidential candidate and EIR founder Lyndon LaRouche and six of his associates, including one of his spokesmen for Ibero-America, Dennis Small. The case was one of the most blatant political hatchet jobs ever run through the U.S. judiciary. The government rushed the case to trial in unprecedented time in a federal court notorious for its ties to the intelligence community, planted a high-level associate of Project Democracy asset Oliver North on the jury, and forbade the defendants from telling the jury of the pattern of government actions against LaRouche and his movement. The trial thus rigged, the government secured convictions barely two months after the indictment was issued. One month later, the 66-year-old LaRouche was sentenced to 15 years in federal prison - a virtual death sentence - for a total alleged financial fraud of \$294,000....

Others who were also obstacles to the escalating destruction of sovereignty were packed off to jail as well. On Jan. 10, 1989, the Mexican government of Carlos Salinas de Gortari, fully committed to the Bush administration agenda, staged a raid against the leadership of the Mexican Oil Workers Union, arresting its fiercely nationalist head, Joaquín Hernández Galicia ("La Quina"), and dozens of the secondary leadership, on trumped-up charges of corruption. Like LaRouche, those unionists remain in jail to this day.

Later, it would be the turn of Panamanian Gen. Manuel Antonio Noriega.

By the end of the year, however, the entire condominium project was turned on its head. Millions of Germans followed in the footsteps of the heroic Chinese students, and rose up against the communist dictatorships. The fall of the Berlin Wall on Nov. 9, 1989 remoralized people around the world.

The Anglo-American powers moved quickly to deliver a bloody message that they did not intend to give up their supranational project, despite the collapse of the Soviet Union. Little more than a month after the Berlin Wall had fallen and five days before Christmas, President George Bush ordered Panama invaded.

Failing to kill him during the invasion as expected, the Bush administration settled for sending Gen. Manual Noriega to jail for life. The night of the invasion, the invaders swore into office, on a U.S. military base, a group of bankers and lawyers well known for their ties with the drug trade, as the new "government" of Panama. The very first act taken by these puppets of Bush was to disband the Panamanian Defense Forces. An untrained police force—and U.S. soldiers—were henceforth in charge of "defense."

The invasion of Panama was used to test a new generation of high-technology weapons. They functioned well: Some 4,000 Panamanians died in the operation; the exact number is unknown as the invading troops disposed of bodies in mass graves. Three years later, the occupying troops are still there, and open planning has begun in the United States to declare Panama a U.S. protectorate à la Puerto Rico. . . .

But not all the voices against the new world order project in the Western Hemisphere had been silenced. Determined to stop the steady disintegration of the Argentine Armed Forces, on Dec. 3, 1990 Col. Mohamed Alí Seineldín led a new military uprising against the Army high command for its complicity with the destruction of the Armed Forces and national defense. As Colonel Seineldín later explained in his final statement before the Argentine court in August 1991, he had acted in order to defend Argentina from destruction under the new world order, because "to enter it, we will have to enter unarmed, with our hands behind our heads, on our knees, and doubtless poor, dependent, and excluded."

The Menem government of Argentina, another firm ally of the Bush administration, moved with maximum force to crush the rebellion, going so far as to seek to apply the death penalty against the hero of the Malvinas War, Colonel Seineldín, in the hours after the rebellion had been defeated.

The U.S. invasion of Panama was soon shown to be but the first of a series of wars against the nations of the South carried out under the banner of the new world order. LaRouche had warned in 1982 that if Ibero-America did not deploy its most potent weapon, the debt bomb, to defeat the Anglo-American empire in the Malvinas War, NATO forces would later be deployed against all the South. His warning was now vindicated in spades.

Iraq was the next victim. Cornered economically, Iraq was set up by assurances from U.S. officials that the United States would remain neutral if action was taken against Kuwait, a "nation" carved out of Iraqi territory by the British in 1899 to prevent the planned Baghdad-Berlin railway from having a terminus on the Persian Gulf. Then when Iraq moved into Kuwait, the United States led the United Nations into escalating assaults upon Iraq, first applying devastating economic sanctions which have yet to be lifted to this day, and then bombing the country back to the Stone Age. U.S. air strikes singled out the country's basic infrastructure, civilian centers, and ancient sites as primary targets, as the world hailed the massacre of an Arab nation as the first great test of the "new world order."

The devastation was meant as a message to the entire developing sector. As a Brazilian general stated soon thereafter: "We are all Iraqis now."

Reforming the OAS and Inter-American Defense Board

In December 1990, during a visit to the Southern Cone of South America, President Bush baptized this post-Cold War global project as the creation of a "new world order." The project was to be imposed through "democracy," Bush announced. "The nations of the Americas are on brink of something unprecedented in world history—the first wholly democratic hemisphere," the butcher of Panama intoned. He warned, however, that this "new dawn" would not happen without its quota of suffering: "Change will not come easily. Economies now dependent on protection and state regulation must open to competition. The transition, for a time, will be painful." Such changes, he added, would help end "the false distinctions between the First World and the Third World that have too long limited the political and economic relations in the Americas."

The drive to transform the Organization of American States and associated bodies into the kind of supranational institutions of government, which had been discussed since the great crisis of 1982, was now on in full.

On Dec. 4, 1990, one day after the Seineldín uprising, José Manuel de la Sota, Argentina's ambassador to Brazil, proposed that an alliance of the Southern Cone countries be formed to defend "democracy," under which sanctions and even armed interventions by members of the alliance would

be used against any member country which did not maintain a "democratic" system. De la Sota proposed this at a luncheon attended by Brazilian President Fernando Collor de Mello and 21 ambassadors from other Ibero-American and Caribbean nations, held during a visit by President Bush to Brazil.

The Argentine proposal was hailed warmly by London's Financial Times on Jan. 11, 1991. Argentine Finance Minister Domingo Cavallo is "trying to interest his neighbors in a regional security pact that would keep the generals out of politics and busy with non-threatening duties, such as protecting the environment and stamping out drug trafficking," London's mouthpiece wrote.

The Argentine proposals were just the beginning of a six-month-long political offensive orchestrated by the United States, with the strong support of Venezuela, to reform the OAS Charter so as to give the OAS "intrusive powers" in member states when "democracy" was threatened in any country. Together with this, they sought to restructure the Inter-American Defense Board, to transform it from what it is now, simply a regional advisory body in military affairs, into an OAS expeditionary force, along the lines of the "blue helmet" forces of the United Nations. . . .

On April 15, the State Department's top man in the "Bush Manual" anti-military project, Luigi Einaudi, then also U.S. ambassador to the OAS, stated during a seminar at the Woodrow Wilson Center on "The Future of the OAS and Hemispheric Security," that the current structure of the OAS and Inter-American Defense Board is not adequate to assure hemispheric security. He expressed his "great frustration in the ability to bring together the OA\$ and the Inter-American Defense Board, the civilian political authority and the military institutional authority. It is clearly time that we translated the democratic solidarity that we have achieved in the hemisphere into a new definition and role for the military."

Einaudi went on to directly attack the concept of national sovereignty, noting that when some new world order advocates, such as "my friend [Venezuelan President] Carlos Andrés Pérez," address the OAS, "they will speak with such clarity that they send many people away reeling, looking for the protective veils of non-intervention, of the sovereign equality of states and of representatives."

The offensive paid off. When the OAS held its 21st Annual General Assembly in Santiago, Chile June 3-9, 1991, the foreign ministers of all the member countries signed the so-called Santiago Commitment, which contains an "inexorable commitment" to defending democracy in the region. Concretely, they agreed that the OAS Permanent Council would immediately convene in the event of the overthrow of the government of a member state, and that a meeting of foreign ministers or the General Assembly itself would be called within ten days, to consider further action. . . .

In April 1991, one of the founding members of the Inter-American Dialogue, former U.S. Defense Secretary Robert S. McNamara, opened the second flank. In a speech to the



Argentine officers stand trial in August 1991, for their uprising against the Army High command and its complicity in the destruction of the Armed Forces. Their leader, Col. Mohamed Alí Seineldín, is third from the left.

annual meeting of the World Bank in April 1991, McNamara (a former president of that institution) demanded that international financial institutions make aid programs conditional on drastic cuts in the military budgets of prospective recipient nations.

McNamara specified that such cuts would speed up the process of replacing national military institutions with United Nations supranational forces. The security doctrine of the new world order, he intoned, must be that of "collective security" modeled on the United Nations' intervention in Iraq. McNamara pressed the OAS to be transformed accordingly: "Agreement by the [U.N.] Security Council that Regional Conflicts, endangering territorial integrity, will be dealt with through the application of economic sanctions and, if necessary, military action, imposed by collective decisions and utilizing multinational forces," is needed, he said. "Such a world would need a leader. I see no alternative to the leadership role being fulfilled by the United States. . . . Regional organizations such as the Organization of American States and the Organization of African Unity, as well as the creation of such groups in Asia and the Middle East . . . would, ideally, come to function as regional arms of the Security Council."

1992: Opposition explodes

In August 1991, Colonel Seineldín was given one opportunity to address the court in his own defense during the trial of himself and the officers who led the 1990 action against the Army High Command. He used that opportunity to issue one of the clearest calls to arms against the new world order

yet delivered.

In September 1991, opposition to this supranational assault exploded in an unexpected country: Haiti. On Sept. 30, 1991, the Haitian military overthrew Marxist President Jean-Bertrand Aristide, outraged at his efforts to impose International Monetary Fund looting by terrorizing and murdering his opponents through bestial mob violence. The jacobin Aristide, favored by Washington because of his support for IMF economic programs, had also begun building up a private paramilitary force with which to eventually confront the Army.

Despite massive international pressure, including a criminal economic blockade organized by the United States and the Organization of American States, the Haitian government and people have refused to surrender their sovereignty. Their continued resistance — close to two years later — has sent an unmistakable message across the continent: Even the smallest and poorest of nations is capable of standing up and resisting IMF genocide and the destruction of the armed forces.

When the United States sought to escalate with OAS military action against Haiti, this provoked the second major rebellion against their would-be new order. In early February 1992, the Carlos Andrés Pérez government in Venezuela prepared to send troops into Haiti to snuff out the revolt, on U.S. instructions. Instead, the Venezuelan military revolted, and on Feb. 4, 1992 the country underwent its first attempted coup of the year, by the "Bolivarian Movement" led by Col. Hugo Chávez.

Although the uprising failed militarily, it decisively

changed the continent's political landscape: Military revolts against the policies of the new world order were no longer inconceivable in a major South American nation. Washington deployed desperately to keep Pérez in power, and to send its own message to other nationalists considering taking similar action: If you try, we will obliterate you.

But on April 5, President Alberto Fujimori of Peru, with full backing of the military, dissolved the corrupt Congress and Supreme Court of that country in order to carry out an all-out war against the Shining Path narco-terrorists. Here too, Washington yelled and screamed its opposition, with the OAS obediently joining in, but so far Peru has held out, insisting on its sovereign right to defend its nation at war with a foreign-sponsored enemy.

On Sept. 12, the Fujimori government shocked the world by capturing Abimael Guzmán, the feared leader of Shining Path. His arrest and subsequent life sentence led to a wave of optimism in Peru, and across Ibero-America, that it was indeed possible to reassert sovereignty and stop narco-terrorism, even over Washington's active opposition.

Days later, on Sept. 29, the Brazilian chessboard was also kicked over, with the impeachment of President Fernando Collor de Mello on charges of corruption. Despite Washington and Wall Street's strenuous resistance, Collor was finally forced to resign on Dec. 29 by a combination of street demonstrations of over a million people, and vocal military insistence that Collor had to go - or else.

U.S. officials were by now definitely worried. Luigi Einaudi expressed the hysterical state of mind ruling Washington in his closing remarks to a symposium on "Lessons of the Venezuelan Experience," held at the Woodrow Wilson Center Oct. 21-23, 1992. According to Einaudi, then U.S. ambassador to the OAS, the entirety of U.S.-Ibero-American relations now hung upon maintaining the hated Carlos Andrés Pérez in power. "The importance of Venezuela in international relations may be more due to democracy than to oil," Einaudi pronounced. He called the country's notoriously corrupt partidocracía (rule by parties) "the standardbearer for the possibility of democracy in Latin America," and hailed Pérez in unusually personal terms as "a President with a personal charisma, history, potential of external reality . . . a projection still of vigor, of courage, of modernity, of adaptability."

What happens in Venezuela "is absolutely critical to our collective, regional, future," Einaudi emphasized. Any "interruption" of constitutional order there would have "an impact on the whole scene of U.S.-Latin American relations."

Venezuelans were quick to prove just how vulnerable the entire "democracy" project is. Less than a month later, on Nov. 27, the second Venezuelan coup attempt of 1992 occurred. Although President Pérez managed to survive this as well, his political support in the population continued to plummet. From his subsequent exile, one of the leaders of that coup attempt, Air Force Gen. Francisco Visconti, has

continued to fight, calling upon others to join a continental resistance to the economic, political and military destruction of Ibero-America under the new world order [see interview p. 34].

By May 1993, the crisis in Venezuela had once again reached the boiling point, and on May 20 Pérez was finally forced to step down from the presidency in order to stand trial on charges of multimillion-dollar corruption - an important victory for nationalist forces in Venezuela and across Ibero-America...

Immediate fronts in the war

Despite the obstacles, the anti-military project has continued to steadily advance. Several areas of enemy activity constitute immediate dangers.

The economic front

Continued acceptance of IMF rule in Ibero-America has allowed the enemy to strangle the armed forces economically, exactly as outlined by Robert McNamara in April 1991 at the annual meeting of the World Bank.

That this is a systematic policy of the international financial institutions was made clear by a report appearing in the IMF's newsletter, IMF Survey, in its Dec. 14, 1992 issue. The newsletter reported on a forum held at IMF headquarters in Washington, D.C. to discuss the issue of whether and how bilateral donors and international financial institutions "have the responsibility, and the means, to press countries . . . to reduce the level of their military expenditures."

Forum participants emphatically answered that they do. Pierre Landell-Mills, a senior policy adviser at the World Bank bragged that the World Bank has pressured at least 20 countries to reduce military expenditures and is assisting several "to demobilize large armies" and convert militaryindustrial complexes to civilian uses. The World Bank has an ongoing research project on "the best ways to downsize armies," Landell-Mills told the IMF forum.

He cautioned, however, that for political reasons, the World Bank must couch its anti-military objectives as merely part of a global effort to reduce "non-productive" expenditures, and he urged that a similar approach be adopted by national governments. He suggested that debate be encouraged over the trade-offs between different types of expenditures, where it can be argued that "military expenditures were crowding out essential social spending." Bilateral lenders and "donor consultative groups" should also withhold aid from "heavy military spenders" as another means of forcing through military changes, he added, because if bilateral aid is cut off, "these countries would no longer be able to draft a viable financing plan and would in turn be ineligible for structural adjustment lending."

Nicole Ball of the Overseas Development Council called

upon the IMF, the World Bank, and other international financial institutions to "assume an activist stance" vis-à-vis military reform. They must "establish common security-related criteria" for granting aid, and then use the "many, subtle, and varied" mechanisms available to them to yield the desired ends, she said. "Policy dialogue, financial and technical support, rewards for good behavior, efforts to set expenditure and performance targets in non-military areas (which can imply reductions in military aid), and encouraging countries to make the military sector subject to the same standards of accountability and transparency that apply to civilian sectors," were among the "subtle" mechanisms proposed.

Russell Kincaid, chief of the IMF's Special Facilities and Issues Division, focused on the strategic objective underlying the drive to reduce military expenditures. Echoing the central thesis of McNamara's 1991 speech, Kincaid argued that the objective to be sought is that "collective security...replaces a reliance on individual security arrangements," adding that someone will still have to "play global policeman."

Establishing a supranational military force

The anti-military project seeks to make significant changes to the charter of the Organization of American States, to grant it "intrusive powers" into member nations' affairs on the basis of a broad range of internal matters now labeled as important to "hemispheric security" (arms control, human rights, democratic institutions, protecting the environment, drug trafficking, etc.).

To achieve these ends, they have proposed two major changes. The first, to amend the charter to establish mechanisms for suspending or expelling from the OAS any nation whose government is considered "undemocratic." The second, to place the Inter-American Defense Board under the direct control of the OAS. Today the activities of the Board are restricted to that of an advisory body of representatives of member states. With this charter change, promoted by the U.S., Argentine, and Venezuelan governments, in particular, the IADB could then be transformed into a supranational military force, deployed by the OAS in similar fashion to the United Nations "blue helmets."...

Pressure for the creation of an inter-American force escalated in 1992, as it became clear that national opposition to the new supranational order was growing, not subsiding. On March 24, 1992, a *New York Times* editorial initiated a public campaign for the plans which were otherwise being drawn up privately. "There is little time to lose. In Venezuela, military nationalists challenge democracy," they wrote. "A hemispheric intervention force is more likely to be accepted if Washington maintains a low profile. . . . The time has come to create a new inter-American military force that could intervene to protect democratic governments from hijacking by armed terrorists."

The March 1992 issue of *Proceedings*, the publication of the U.S. Naval Institute, also promoted this idea, writing that "the next logical step in the maturing of the OAS as an effective tool for collective action by the nations of the hemisphere would be for it to develop a quick-response force to deal with regional crises—natural as well as political. . . . The creation of the framework for such a force might not be too far off, considering the OAS actions related to Haiti."



A military parade in Lima, Peru, July 1993. Despite massive international pressure, President Fujimori has held out, insisting on his nation's sovereign right to defend itself from the foreign-sponsored Shining Path terrorists.

Robert Pastor, National Security Council adviser on Ibero-America for Jimmy Carter and an adviser to the Clinton transition team, published an article in the Fall 1992 issue of the influential magazine of the Carnegie Endowment for International Peace, *Foreign Policy*, which proposed at least four reasons for building a regional military force. These ranged from "an OAS drug force," to OAS supervision of cease-fires, "an inter-American peace force to restore democracy" and occupy the target country "during a difficult transition," and the use of "a small, inter-American force" to defend the Panama Canal—now that Panama no longer has its own military.

Pastor, who continues working for Carter at the Carter Center in Atlanta, Georgia, outdid even the Inter-American Dialogue in the number of proposals for supranational mechanisms packed into one article. He proposed, for example, that an "independent center with the authority to compile detailed information on all arms sales and militaries throughout the hemisphere" be established for the region. "Governments would have one year to plan 50% cuts in their arms purchases and defense expenditures," he specified, except for the United States, which has "global responsibilities." The OAS would then monitor the reductions "and institute sanctions against violators." Military leaders will object, he noted, but that can be contained: "The best way to give them a stake in the new democratic order is to use them in a modern and legitimate way, as international peacekeepers."

Fomenting border conflicts

In his article, Pastor also raised the specter of one of the oldest, and most dangerous, strategies used to keep the nations of Ibero-America from uniting against the new world order: border conflicts. Since independence, fomenting of border conflicts has been a favored strategy of the British Empire in the area, based on the simple principle of "divide and conquer."

Pastor proposed that territorial disputes also be subjected to supranational control. He listed the territorial disputes between El Salvador and Honduras, Peru and Ecuador, Bolivia and its Pacific neighbors, and Venezuela and Colombia, as among the disputes which are like "dry tinder awaiting a spark" in the region.

On the face of it, Pastor's concern was to create a supranational mechanism to end these conflicts. He wrote: "A hemisphere-wide effort is needed to bring all disputants to accept binding arbitration within a fixed period. An arbitration team would be composed of five people; each party would recommend one member, and the OAS secretary general would recommend the others, all with the understanding that either party could veto any of the nominees. All states that agree to the process would also be bound to accept the results. The process should begin as soon as possible, and all agreements should be ratified by the year 2000."

But Pastor's real intent is clear: For supranational con-

trols to be activated, first the "dry tinder" must be lit, and border conflicts must be fomented. Trilateral Commission ideologue Samuel Huntington was more blunt about the active contingency planning now under way in Trilateral circles for provoking border conflicts in the region, should it become necessary to derail unified opposition to their plans. Huntington wrote: "For good reasons you may wish to resolve conflicts with other countries. The absence of a foreign threat, however, may leave your military devoid of a legitimate military mission and enhance their inclination to think about politics. Balance gains from the removal of foreign threats against the potential costs in instability at home."

Ethnic conflicts, separatist movements

Separatist movements, feeding off the economic and moral collapse of the central governments, have begun to flourish in several countries, including in the agricultural states of southern Brazil, various provinces of Argentina and states of Mexico, and parts of Colombia. In virtually every case, the origins of the project can be traced back to the nineteenth-century networks of the U.S.-based Southern Jurisdiction of the Scottish Rite of Freemasonry which ran the separatist Confederate rebellion against the United States.

One of the most dangerous of these movements deployed to fragment the nations of Ibero-America is the so-called Indian rights movement, groups of which operate now in virtually every nation in the region. (Where there are no native Indians, foreign anthropologists and missionaries have set out to reconstruct them!) This movement is financed, directed, and promoted from abroad as a force explicitly deployed against the nation-state + by the international financial institutions themselves!

Provocation of ethnic warfare is now one of the enemy's highest priorities. In February 1993, the Inter-American Dialogue set up a separate task force focused on "Ethnic Divisions and the Consolidation of Democracy in the Americas." The stated goal of the project is "to stimulate a debate among the peoples of the hemisphere on the relationship between governments and indigenous peoples," and they intend to issue "practical policy recommendations" to governments on this matter.

Heading the project is Dialogue staff member Donna Lee Van Cott, a specialist in "ethnic conflict." Serving on the advisory committee for the project are leaders of several "indigenous people's" non-governmental organizations, the World Bank, the Inter-American Development Bank, the Inter-American Foundation, and the Organization of American States.

Project director Van Cott published an article on Nov. 4, 1992 in the *Christian Science Monitor*, dedicated to Guatemalan terrorist mouthpiece Rigoberta Menchú, which explicitly identified the so-called indigenous movement as a tool to eradicate "the very concept of national identity and national culture."

Interview: Gen. Francisco Visconti

Van Cott wrote: "In virtually every country in Latin America, indigenous cultures are challenging the legitimacy of nation-states that exercise dominion over their ancestral territory. They challenge not just the state's disposition of their lands, languages, resources, and heritage, but the very concept of national identity and national culture. . . . In Bolivia and Ecuador, federations of Indian peoples have challenged the legitimacy of the Hispanicized state, demanding that their governments acknowledge the local autonomy and cultural separateness of the indigenous peoples. As these nations and others in Latin America struggle to consolidate recent democratic gains, they must also address the indigenous groups' assertion of a variety of nationalisms, an assertion that requires a more tolerant and pluralistic model of democracy."

U.S. military occupation of Ibero-America

The deployment of U.S. military forces themselves into the region is quietly increasing. The invasion of Panama, and preparations to stay beyond the year 2000, are only the most visible increase. U.S. Special Forceshave been deployed into Colombia, Bolivia, Peru, Ecuador, Argentina, Honduras, and Guyana, under the cover of carrying out anti-drug activities and training. In this way, U.S. troops have received onthe-ground training in irregular warfare in the Amazon region.

Although generally small in numbers, each operation has allowed the testing of a regional capability of broader scope. Exemplary of this was the deployment of 120 U.S. soldiers into the departments of Beni and Pando in the Amazon region of Bolivia in July 1992. The U.S. has reportedly requested several times that the government allow the construction of a U.S. military base in Bolivia. The official reason for this deployment is to build a school and a series of latrines—a job which might require one foreman and 15 workmen, of whom Bolivia itself has more than enough seeking work.

The head of the U.S. troops in Bolivia admitted the real purpose of the military deployment: "They are seeking to perfect their training. . . . We have communications with the U.S., with Panama, La Paz and Santa Cruz, where there are troops supporting this project," he said. The troops deployed were themselves members of elite forces which had operated before in Honduras, in the invasion of Panama, and in the Gulf war. According to a Bolivian congressional investigation on-site, the troops were carrying out exercises in rapid disembarkation in the Amazon. They also found that in a period of days, almost 100 tons of freight had been brought in from U.S. military bases in Panama on a great number of Galaxy and C-140 transport planes, providing a test of the efficiency of transporting massive amounts equipment into the Amazon region.

The number and size of such jungle exercises has expanded. In May 1993, some 7,000 U.S. Special Forces soldiers were deployed into Guyana for three weeks of jungle survival-training exercises — right on Guyana's border with Brazil.

The fall of Pérez vindicates our revolt

The following are excerpts of a telephone interview conducted by EIR Ibero-American Editor Dennis Small with Venezuelan Air Force Gen. Francisco Visconti, on Sept. 15, 1993. General Visconti was one of the leaders of the Nov. 27, 1992 military uprising against President Carlos Andrés Pérez, and is currently in exile in Lima, Peru.

EIR: General Visconti, Carlos Andrés Pérez fell. Apart from all of the legal, technical, and other immediate political reasons, why did he fall?

Visconti: Carlos Andrés Pérez fell as the result of a chain of events which began on Feb. 27, 1989 with the famous spontaneous explosion of Caracas residents, of the Venezuelan people, against his economic policies. Later came the events of Feb. 4, 1992, the first military rebellion of the Venezuelan Army... and then there was the military rebellion of Nov. 27, 1992. Then followed the election of governors, municipal councils, and mayors, where there was open and public fraud in certain states.

Finally, there was the Supreme Court decision of May 20, 1993, and now, the final decision of the Venezuelan National Congress on Aug. 31, 1993, which separated Pérez from the presidency.

This whole series of events formed a chain resulting from the Venezuelan people's reaction to the crisis the country was facing and to the level of intolerable corruption that the Pérez government had generated. . . .

EIR: In view of this chain of events, what would you say in retrospect regarding the actions you took on Nov. 27? Visconti: I would say that as a result of the 1992 military uprisings, the Venezuelan people awakened from the lethargy in which rule by the parties had submerged them since 1958. . . . We have publicly and repeatedly stated that all of these events give legitimacy to our actions, to our decision, and vindicate our actions in the 1992 military rebellions. . . .

EIR: And now what is going to happen?

Visconti: Through May 20, the internal pressure in Venezuelan society was very strong. Anything, any kind of explosion or demonstration, peaceful or violent, could have hap-

pened. When the Supreme Court ruled that the indictment against Pérez had standing and that the trial against him could proceed, a kind of escape valve for Venezuelan society was opened up. That extremely intense pressure which we were facing was significantly lowered, and society began to hope that a process of change, to reorganize Venezuelan society and reconstruct the country, had begun.

Dr. Ramón J. Velásquez stepped into the presidency, a man who has the confidence of Venezuelan society, but who unfortunately has not been allowed to take decisive action in the national reconstruction process. And why not? Because even after Pérez's separation from the presidency, there remain within the Venezuelan government and within different sectors of the Venezuelan state officials who continue to represent the interests of the Pérez government. . . .

What happened on May 20 was the first step, with President Pérez's exit from the presidency of the Republic; what is still lacking is to begin to carry out the whole process of national reconstruction. Of course, we don't expect it could all be done by Dr. Velásquez in the bare six to eight months in which he will be President. But it is significant that he has been much slower than expected, because he is being blocked by the continued presence in the government of these people who still represent the interests of the Carlos Andrés Pérez government.

EIR: Carlos Andrés Pérez was also possibly Wall Street's leading spokesman for the "new order" in all of Ibero-America, and he constantly came out in favor of limited sovereignty, in favor of the policies of the International Monetary Fund. What significance does Pérez's fall have for the rest of the continent?

Visconti: There is no doubt that Pérez had not a Venezuelan, but a personal international agenda in terms of wanting to become a supposed Latin American leader. With that personal agenda, in his search for international acclaim, Carlos Andrés Pérez sacrificed the interests of the Venezuelan people. He committed the resources and the prestige of the nation to achieving this personal international fame, to the detriment of the national interest, and even reached the extreme of becoming one of the principal promoters of limiting our national sovereignties.

In my judgment, that is a very serious crime: to compromise and put limits on something as sacred under international law as one's sovereignty and one's right to self-determination. Pérez goes along with those political groups behind the "new world order" which are trying to limit the sovereignty of the Third World, and he has become one of the most important schemers for these interests within Latin America.

He even pushed the creation of a supranational agency within the Organization of American States, which would decide on the evolution of the internal political and economic life of our nations, something absolutely inadmissible. Anything that promotes limits on our sovereignty and the negation of international law guaranteeing the self-determination of peoples, is a crime against the very existence of our nations.

EIR: Part of the supranational project that Pérez sponsored also had to do with the so-called demilitarization or reduction of the continent's armed forces.

Visconti: Yes, absolutely. We must not lose sight of the fact that some politicians are bothered to some extent by the presence of the armed forces. Our Latin American armed forces practically gave birth to our nations. So, the very existence of the nations is linked to that which today are our armed forces. There is a kind of symbiosis between the armed forces and the existence of our nations, the result of the formative and evolutionary historical process that our nations have undergone. Anything that goes against or seeks the destruction of the national states is at variance with the interests of our armed forces. Any political action which puts international interests above national interests is going to clash with our armed forces, because such action represents an assault against the very existence of our nations, something that our armed forces would not be prepared to accept.

EIR: Our magazine has just published a book on this matter. It is called *El Complot para Aniquilar a las Fuerzas Armadas y a las Naciones de Iberoamérica* and is currently circulating throughout the continent. What do you think about this book?

Visconti: I have already had the opportunity to read it. It seems to be a very interesting book, very objective in its ideas, with the courage to say things as they are on the continent. It describes in no uncertain terms the danger threatening our national sovereignties and our right to self-determination, and details the attempts to progressively eliminate one of the key pillars of our nationality, which are our armed forces.

Because of the boldness, the objectivity, and the realism with which it states the facts, I find it very interesting and very necessary that it be read by members of the armed forces of the Latin American countries and, of course, by progressive politicians who have a clear awareness of what nationalism means, without falling into chauvinism or the like. Nationalism is best understood as the guarantee of our sovereignty and of our self-determination, and that the political and economic performance of our nations must be directed toward guaranteeing the common good of our citizens.

From this standpoint, it were very positive for this book to be read by military and political men alike, so as to become aware of what is reality and what are the international interests at play which threaten the existence of our nations.

EIRInternational

Shevardnadze made dictator of former Soviet Georgia

by Konstantin George

The former Soviet republic of Georgia became a dictatorship under its President, Eduard Shevardnadze, when the Georgian Parliament voted unanimously on the evening of Sept. 14 to grant him the state of emergency dictatorship he had demanded. Under the terms of the state of emergency which takes effect Sept. 20: 1) Parliament is dissolved for three months, 2) all public demonstrations, gatherings, and meetings are banned, 3) censorship is imposed on the media, and 4) the Georgian Security Council headed by Shevardnadze will rule by decree. In its last pre-dictatorship session, the morning of Sept. 15, Parliament dissolved itself by a vote of 150-6.

Shevardnadze's publicly stated motivation for his dictatorship was the expanding revolt in the western Georgian region of Mingrelia by supporters of former Georgian President and dictator, Zviad Gamsakhurdia, who was ousted in a coup in January 1992. Already before the vote for the state of emergency, the rebels had cut off the access of the Georgian capital, Tbilisi, to the Black Sea port of Poti. Then, a rebel advance on Sept. 15 captured the vital junction town of Yapana, 285 kilometers from Tbilisi, cutting off Tbilisi from Georgia's other Black Sea port, Batumi, as well. Such a crisis would appear to warrant a state of emergency, but the crisis, however real, was not the reason but the pretext for imposing it.

First let us examine Shevardnadze's climb to dictator, yet another story in the former U.S.S.R. of the comeback of the *Nomenklatura*, the Communist bureaucracy. It contains lessons that apply far beyond Georgia.

The rise of a dictator

The January 1992 coup that ousted Gamsakhurdia was led by the two most powerful heads of mafia-linked paramilitary groups in the country, Iosseliani and Kitovani. That coup

led to the imposition of Shevardnadze as President in March 1992. The presidency of Shevardnadze, who, before entering the Soviet Politburo and becoming Soviet foreign minister, had been the former head of the KGB (the dreaded secret police) and later of the Communist Party of the Soviet Union in Georgia, marked the first step in the Russian "reconquest" of Georgia. Since March 1992, Shevardnadze has moved craftily, with Russian covert backing, to develop his own armed power base at the expense of Iosseliani and Kitovani.

Moscow has aided Shevardnadze's rise to dictator above all through Russian military support for the secessionist movements in two northern Georgian regions, Abkhazia and South Ossetia, each with the proclaimed goal of annexation to Russia. Through this, above all in the case of the yearlong war in Abkhazia (July 1992-August 1993), Shevardnadze was able to portray himself as the embattled patriotic leader of Georgia, making appearances at the front in Abkhazia, striving valiantly to save Georgia from dismemberment. Closer examination yields a very different picture.

The Russian-backed separatist war in Abkhazia broke out in July 1992. In that case, Shevardnadze was in no hurry to impose martial law over the breakaway region. For one year, under a high-publicity "patriotic" cover, he waged losing cabinet warfare against the Russian-backed separatists. In fact, he first imposed an utterly meaningless martial law on Abkhazia only in July 1993, one year after the war started, when Georgian forces controlled only about 10% of Abkhazia's territory. This sudden toughness, "five minutes after midnight," masked his real policy, which was to negotiate under the guise of "conflict settlement" the withdrawal of all Georgian forces from Abkhazia, all but completing its handover to Russia.

The same pattern reasserted itself with the rebellion in

western Georgia, which by mid-September has threatened to escalate into a civil war. The rebellion was already two weeks old when Parliament was convened Sept. 14 to vote up the nationwide state of emergency. As in the Abkhazian case, Shevardnadze was in no hurry to do the obvious, namely, proclaim at the onset of the rebellion a state of emergency for the Mingrelian region of western Georgia, and then send in the Army to crush the rebels, who then numbered a mere 400 armed men. Shevardnadze's two weeks of inaction transformed a regional emergency into a national crisis, as the donothing posture of the Army under his orders (or the lack thereof), enabled the rebels to advance and create a massive supply crisis for Tbilisi and the whole interior of Georgia.

Master of theater

The Sept. 14 state of emergency vote was preceded by well-orchestrated crisis proceedings in the Parliament that day. This began in the morning when several MPs, including the paramilitary warlord leaders, Iosseliani, and Kitovani, accused Shevardnadze of wanting to become a "Communist dictator." At that point Shevardnadze demonstrated his right to be called a master of theater. He rose and declared that this was "the last time" he would stand for such "insult and humiliation," and he then announced his "resignation." He then went off to a back room, not to retire, but to hold a long meeting with his ministers of defense and security.

While this was going on, the allegedly hostile Parliament voted 149-0 with one abstention to reject his resignation, appealing for him to stay on. To prevent the play from ending after Act I, Shevardnadze said that his decision was "final."

Act II began in the late afternoon with a battery of phone calls from leading western personalities, such as former German Foreign Minister Hans-Dietrich Genscher, and governments expressing their concern over the situation and supporting Shevardnadze. Domestically, the Parliament was being prepared for an evening vote endorsing the state of emergency. To make sure this happened, security forces acting on orders from the resigned President surrounded the Parliament to prevent any deputies from leaving.

Act III began outside the Parliament, where a crowd of several tens of thousands assembled to shout support for Shevardnadze. This part was not only theater. After all, Shevardnadze had maneuvered the situation to a choice between himself as dictator or total chaos, and this fear of chaos, which is real among the population, produced the crowd. Then, with the crowd nervously waiting outside Parliament, the Patriarch of the Georgian Orthodox Church, Ilya II, was brought to the Parliament and asked Shevardnadze to stay on. Shevardnadze agreed on the basis of Parliament voting for the state of emergency and dissolving itself. Parliament did so.

The next phase

In the two weeks that preceded the vote for the state of emergency, the Shevardnadze do-nothing posture was not confined to the revolt in Mingrelia. Timed with the start of that revolt, one group of several hundred armed Gamsakhurdia followers went into Abkhazia. Acting as agents provocateurs, they began a militarily worthless series of small attacks against the Russian-"Abkhazian" forces. No national leader could be so blind as to not see that the intent of this operation was to provide the pretext for the Russian-"Abkhazian" forces to respond by completing the conquest of the remains of Abkhazia still in Georgian hands. Shevardnadze, however, said nothing and did nothing, while letting the rebellion in western Georgia grow until it was impossible to quash through any quick action.

Shevardnadze knew that the Georgian rebel provocations would ensure the renewal of war in Abkhazia, and this combined with the civil war in western Georgia would enable him to get away with finalizing the surrender of the Black Sea coastal region of Abkhazia to Russia. On the morning of Sept. 16, the Russian-"Abkhazian" forces, citing the "repeated cease-fire violations" by the Georgian rebels, began a massive final offensive in Abkhazia. The "Abkhazians" and Moscow were most considerate in this regard, beginning their final offensive only after Shevardnadze had been crowned dictator.

The controlled Georgian media are already talking about the impossible situation of a "two-front war." The next posture of Shevardnadze will be to declare that Georgia must concentrate all its efforts to fight in West Georgia to save the Georgian heartland, having "no choice" but to lose Abkhazia. Through an expected prolongation of the war in West Georgia by "cabinet warfare," timed with the approach of winter—Georgia's second without heating fuel—Shevardnadze will attempt to maneuver the desperate population to support, or at least not to oppose, Georgia's entry into the CIS and the Russian-led "Economic Union," in exchange for Russian-supplied fuel and other essentials to prevent a winter of freezing and hunger.

Who is Shevardnadze?

When Soviet Foreign Minister Eduard Shevardnadze became known during the Gorbymania era as the most prowestern cosmopolitan in the Soviet government, he was an eloquent spokesman for the post-industrial "new world order." In a September 1988 address at the United Nations, he called for a U.N.-managed global system of "ecological security." He stated that "in the absence of any global control, man's so-called peaceful constructive activity is turning into a global aggression against the very foundations of life on Earth. . . . The biosphere recognizes no division into blocs, alliances, or systems. . . ."

On Dec. 20, 1990, Shevardnadze, sniffing the winds of change in the U.S.S.R. which later led to Gorbachov's ouster in August 1991, suddenly tendered his resignation. Ironically, Shevardnadze said that he was leaving because of an impending "dictatorship" in Moscow.

Is there any way out of Poland's chaos?

by Frank Hahn

After almost two years, on Sept. 19 Poland will elect a new parliament; but anyone who harbors hopes that these elections will bring political stability is in for a big disappointment. It is true that the currently prevailing political chaos, with almost 20 different parties represented in the parliament, will be unscrambled somewhat because there is a requirement that parties win an 8% minimum vote in order to have parliamentary representation. But if the current poll results are reliable and the formerly communist SLD party wins the greatest number of seats, then we can already imagine the astonished, helpless faces of the western commentators and politicians as they announce the news. Of course, no one should overlook the fact that a significantly greater danger is posed by the probable second-strongest party, Bronislaw Geremek's Democratic Union, which over the past few years has ruined the country through free-market economic policies and the "shock therapy" of George Soros and his ilk. Indeed, power- and money-hungry super-speculator Soros is now describing the great "heroes" of Solidarity, such as Geremek and Adam Michnik, as his very best friends in Poland.

And so, it looks as if this land is faced with a deadly choice between Scylla and Charybdis – between becoming a vassal to Anglo-American financial interests, or else returning to Russian vassalage.

Voices of economic sanity

Fortunately, however, things are not quite as simple as that, since political processes in both Moscow and Washington are currently in tremendous flux, and their outcome is uncertain. Poland's fate will be determined largely by what happens elsewhere—unless, that is, other voices begin to grow perceptibly louder at home.

Such voices are definitely present, and here we would like to cite one of them as representative of other similar programmatic statements: the electoral program of the Solidarity 80 party, which is running jointly with the Movement for the Republic (RDR) of former Prime Minister Jan Olszewski. This alliance has become the home of the old resistance fighters of the 1980s who refused to go along with President Lech Walesa's decision to subjugate the nation under the yoke of the International Monetary Fund (IMF) and the World Bank.

The alliance identifies the previous governments of Tadeusz Mazowiecki, Jan Bielecki, and Hanna Suchocka

as its political opponents, since they were instrumental in handing the country over to the IMF and the World Bank. It proposes a marked turnabout in monetary policy in order to get Poland out of its deep economic depression: The Polish National Bank should make low-interest credits available for building up industry, agriculture, and infrastructure. Furthermore, Poland should unlink itself from its current tutelage under foreign financial circles. The alliance demands the development of Poland's domestic market along with certain measures to protect it, as well as legislative measures against speculation and the revocation of banking secrecy laws, in order to protect the country "from the machinations of international gangsters and national financial speculators."

The alliance sharply rejects privatization as it is currently being practiced. According to its program, "Privatization is an instrument for destroying the economy. . . . It is being carried out for purely ideological motives—similar to the way collectivization was carried out in the People's Republic of Poland in the 1940s and 1950s." Instead it demands the modernization of factories and better training of employees—all of which presumes that ownership of productive assets remain within the country, and that such assets are not thrown away and given over to international corporations or to speculators.

Modernizing Poland's defense industry

It is truly remarkable to find an electoral platform of a trade union-based movement making a passionate plea for maintaining and modernizing the defense industry. By selling off highly specialized plants, the program argues, previous governments have seriously endangered Poland's sovereignty and defense capability, at a time when the threat of military conflict is growing throughout Europe. The platform demands that "the defense industry be treated as an especially important branch of the national economy." It also explicitly calls for top-notch training of "cadres" in industry and in the Army, and the "commencement of an export-oriented policy in the armaments sector."

Lest anyone wrinkle their nose at this "anti-pacifist" attitude, consider the following: Just as in Russia, Poland's scientific-technological intelligentsia has been heavily involved in the armaments industry. Destroying this capacity would be a devastating blow to the country's future. Were the West intelligent enough to take up Russia's Strategic Defense Initiative proposal of April 1993, this would give a tremendous boost to the most highly qualified sectors of Polish industry. The fact that this programmatic point is mentioned, shows that there are circles within Polish society who want to use the connection between science and industry in order to solve the economic crisis. The fact that these happen to be trade union circles, is an encouraging sign. Indeed, the spiritual basis for the alliance's entire program has been taken from the two papal encyclicals, Sollicitudo Rei Socialis and Centesimus Annus.

Even now, Bosnia could be saved, asserts Sarajevo editor

Kemal Kurspahic is the editor in chief of the independent daily newspaper Oslobodenje in Sarajevo. The high-rise office building where it is published has been bombed out and the 70 journalists and personnel are struggling on inside the bomb shelter in the cellar 50 meters from the front line. Five journalists have been killed, 12 are missing and probably dead, and around 30 have been wounded, including Kurspahic.

"With us, Croats, Muslims, and Serbs work together, as they did before the war. They struggle every day to get out the newspaper that has become a symbol for the resistance of Sarajevo. Thewhole population in our besieged city identifies with Oslobodenje," he wrote. He was interviewed by Ulf Sandmark in Stockholm on Sept. 9, where he received the joint "Freedom Prize" of the Swedish newspaper Dagens Nyheter and the Danish newspaper Politiken. Oslobodenje has also received some of most prominent journalism prizes in Spain, the United States, France, and the United Kingdom. On Sept. 14, editors from over 50 newspapers internationally celebrated in Sarajevo the 50th anniversary of the paper, founded in the Underground during World War II.

EIR: Have there been any demands from the Bosnian side to sack European Community negotiator David Owen and close down the negotiations in Geneva?

Kurspahic: Not officially, but there are a few parliamentary parties complaining strongly about Lord Owen's behavior. From my point of view, after the Vance-Owen plan was rejected by the Serbian side, to act morally he should resign. He should give up his so-called peace attempts, because the Vance-Owen plan was partly inspired by the ethnic division formula which will bring us more terror and violence.

What Owen did not understand from the beginning is that the proposed division is more a source of than a solution to the Bosnian tragedy. The divisions were first introduced in the so-called peace process in Lisbon in March last year, before the war. They were introduced by the EC negotiators, a Portuguese diplomat and Lord Carrington. Just two weeks after they developed the maps for the division of Bosnia, Radovan Karadzic [leader of the "Bosnian Serbs"] started to cleanse his parts of the map. So we started to suffer genocide along the Drina River. He was cleansing town after town—

Foca, Zvornic, Visegrad. Then it spread all over the country, but it was along the lines drawn up at the peace conference. And therefore division is not the answer for Bosnia.

After the Serbian side rejected the Vance-Owen plan, it was not very tasteful for Lord Owen to propose another plan which made even greater concessions to the aggressor, and which brings victims of the aggressor under more intense pressure. I think he should resign.

EIR: How would the peace plan lead to continued war? Kurspahic: From the beginning, I did not believe in the division as a solution for Bosnia. Before the war started, we did not have any territory in Bosnia which one could call exclusively Serbian, from which to create a so-called Serbian republic in Bosnia. One had to do what they did—ethnic cleansing, mass killings, mass rapes, concentration camps, and genocide.

We also don't have any territory that might be claimed for Muslims or Croats exclusively. In all those territories, people still live in mixed neighborhoods, mixed relations, and mixed towns. If you want to create a Croat republic in Bosnia, for example, in all the major towns of that supposedly Croat territory, you had more Muslims than Croats living there. According to the census of 1991, for example, Mostar, which is supposed to become the Croat capital in Bosnia, still had probably some 50,000 Muslims on the left bank of the Neretva River living in humiliating conditions, in some kind of ghetto, and that's how the division formula works. If you want to have exclusively ethnic towns, then you have to do something with the people who don't belong to the majority. If the international community acts to impose a division on Bosnia, we will have another decade of ethnic tensions and ethnic cleansing. I am afraid that the Geneva proposal, based as it is on division, might be the easiest, quickest solution, but it might prove the worst.

EIR: Where will the war continue if the peace plan is accepted?

Kurspahic: If Serbia's aggression succeeds in Bosnia, then it sets short-term and long-term precedents in the Balkans and in Europe. If they get away with conquering territory by force, without being punished, then it will inspire new waves of expansionism. The next move might be in Kosova and

Makedonija, with the possible involvement of Albania and Turkey on one side, and Greece on the other. If you allow borders in Europe to be changed by force, such as in Bosnia, if you allow the creation of an explosive atmosphere, then Bosnia will not be the last to pay the price for that kind of lawlessness.

EIR: Is the Bosnian standpoint to try to stop these Geneva negotiations and find another way for negotiating?

Kurspahic: Unfortunately, in Geneva, Bosnia is under blackmail. Bosnia has not had the means to defend itself. It faced an army which was hundreds of times better armed. Bosnia was attacked on the first day of its international recognition, so we did not have any arms. We relied on the army which we had helped to develop and to fund, as did the other people in former Yugoslavia, and they just turned their guns against defenseless towns, defenseless civilians, massacring the country and those who did not have the means to defend themselves.

The Bosnian Army was developed under the siege, under the terror, and unfortunately with their hands tied, because the arms embargo prevented us from exercising our legitimate right to self-defense. The world did not act to save Bosnia, and it also kept our hands tied by the embargo. So we faced a bloodbath, because we did not have the means to stage even a war of defense, and the world has not come to help us. Having been abandoned, I believe that [Bosnian President Alija] Izetbegovic and the Bosnian official representatives in Geneva really do not have a choice. If they refuse, given what is proposed to be imposed on them, they face the possibility of extermination of what is left of Bosnia, and the Muslim population there especially. If they accept, they will also be blamed for selling out other people's homes and towns, because division will reward aggression. It will legalize the crimes committed, because in ethnically pure states, no one will try those who committed genocide, and those who were expelled from their homes and towns will never be able to come back.

Accepting division in Geneva places dual responsibility on you: First, for what has already happened, because you legalize crimes; but also for what is going to happen, because by creating another two ethnic states, you will also stage another two waves of ethnic cleansing. That is why I do not believe in that. I don't see how Izetbegovic can avoid what is on the table. He really has to care about saving what is left of the Bosnian population, and unfortunately he does not have a choice. He does not have the military means to act. In that sense we are under immoral and illegal blackmail.

EIR: Some of the U.N. troops have been declared *persona* non grata. Have there been any other demands from the Bosnian side to get rid of the U.N. troops?

Kurspahic: There was not a request to get rid of the U.N. That is, in my opinion, too strong, because there are certain

humanitarian activities that they help with. The problem is not with the troops on the ground, but with their mission, which has been a failure from the beginning. They made many promising resolutions, but if any of them were really implemented, we would possibly be living in some safer environment now. There was, for example, the resolution on control of heavy weaponry. But the U.N. observers are just waiters, they just count how many rounds have been fired into a town and how many are shot back. That is all. They do not control that weaponry in any way. So their mission, at least in military terms, is a failure. It is designed as a peacekeeping mission, but there is no peace to keep. There first has to be a peace established. That is why I do not blame the soldiers there. They are also victimized; they suffer from the lack of means to fulfill their mission.

More importantly, when there are threats to intervene to save Bosnia, people like Lord Owen and some others complain that that could endanger humanitarian operations and U.N. troops on the ground. That's an argument which I cannot accept, because for us, the U.N. troops are supposed to be a part of the solution, not part of the problem. For us, being under constant sniping, shelling, terror, killings, it does not matter if we are going to be killed or die of hunger from lack of food. So if we receive humanitarian aid and still are unprotected against the killing, then I would favor some means for us to be defended. If the U.N. soldiers are an obstacle to that, if that's the excuse not to act, if we have to worry about their fate in case of an intervention, then I would prefer them to go, because we have our children to take care of and we cannot take good care of those U.N. kids.

EIR: What would a solution look like?

Kurspahic: I believe that a combination of measures might save Bosnia even now, even if many opportunities are lost. The only way out would be:

- 1) A military intervention, even if it is limited, or even symbolic, with air strikes against specific military targets around Bosnian towns, like the artillery positions around Sarajavo.
- 2) Lifting the arms embargo to give Bosnia a fair chance to defend itself. With the combination of those two measures the international community would not need a huge presence of ground troops for very long. There are enough Bosnians who want to defend themselves.
- 3) Application of sanctions against Serbia. This combination could make even Serbia enthusiastic about peace. Remember how they behaved last April and the first week of May, when there was hope for more decisive measures and even military intervention. Even [Serbian President Slobodan] Milosevic came to apply sanctions against the Serbians themselves. This lasted for two weeks, when there was a credible threat. As soon as it disappeared, they refused again.
- 4) Political will not only to propose, but to enforce a political solution in Bosnia.

World Court reaffirms April ruling vs. Serbia

On Sept. 13, the International Court of Justice in The Hague made public its decision on the urgent petition by the Republic of Bosnia-Hercegovina for conservatory measures under Article 9 of the Genocide Convention. Russia and Serbia dissented from the majority opinion. This is the first time in the court's history that it has met twice to consider a second petition in the same cause.

In order to avoid misunderstandings and excessive constructions being put on the court's order, we make the key passages of the order available to our readers. They read as follows:

"Since [our] Order of April 8th 1993, and despite that Order... great suffering and loss of life has been sustained by the population of Bosnia-Hercegovina in circumstances which shock the conscience of mankind and flagrantly conflict with moral law and the spirit and aims of the United Nations... Since the Order of 8th April 1993 was made, the grave risk which the Court then apprehended of action being taken which may aggravate or extend the existing dispute over the prevention and punishment of the crime of

genocide, or render it more difficult of solution, has been deepened by the persistence of conflicts on the territory of Bosnia-Hercegovina and the commission of heinous acts in the course of those conflicts...

... "The Security Council in Resolution 819 (1993) of 16th April 1993, took note of the Court's Order of 8th April 1993, in which the Court indicated that the F.R. [Federal Republic] of Yugoslavia (Serbia and Montenegro) should take all measures within its power to prevent the commission of the crime of genocide. ... [T]he Security Council in Resolution 859 (1993) of 24th August 1993 which, interalia, affirmed the continuing membership of Bosnia-Hercegovina in the U.N., reaffirmed the principle of the unacceptability of the acquisition of territory by force and recalled that of individual responsibility for the perpetration of war crimes. . . .

"The Court . . . is not satisfied that all that might have been done has been done to prevent commission of the crime of genocide in the territory of Bosnia-Hercegovina, and to ensure that no action is taken which may aggravate or extend the existing dispute. . . .

... "The present perilous situation demands, not an indication of provisional measures additional to those indicated by the Court's Order of 8th April 1993... but immediate and effective implementation of those measures....

"For these reasons, the Court reaffirms the provisional measures indicated in paragraphs 52 A(1), 52 A(2) and 52 B which should be immediately and effectively implemented."

Bosnian activist thanks the Schiller Institute

This statement was made at the Schiller Institute-International Caucus of Labor Committees Labor Day conference in Virginia by Djenana Campara, of the Bosnian Information Center in Ottawa, Canada.

Dear Friends from the Schiller Institute:

I am very pleased to be able to meet with you in person, some of you for the second or third time. I wish to thank you for having invited me to participate in your gathering here in Washington.

While the activities of the Schiller Institute and its associates are of significant importance in these troubling times, it is the work on behalf of the most fundamental principles of democracy, justice, and human rights regarding Bosnia and Hercegovina that is particularly valuable to us.

The Republic of Bosnia and Hercegovina and its peo-

ple are fighting, literally, the rest of the world. In their fight they must be victorious—as a matter of principle. They are fighting for the rest of us who will follow their path, whether it leads all of humanity into a better future, or deep into the basement of civilization.

You have been of great help to us at the Bosnia-Hercegovina Information Center in Ottawa, and also to our elected and appointed representatives, and for that I wish to express our profound gratitude. I hope that a day will come soon when we will meet again in celebration — a day when Bosnia and Hercegovina will have been saved for all of us. But our work will not come to an end then, as there is injustice all over the world.

The need for your leadership in aspiring for justice for all the peoples of the world is now greater than ever before, however, the results of your work are also becoming increasingly obvious even to those who, until recently, haven't been able to face the truth—that in 1993, in the middle of the most powerful democracy on earth, a political prisoner, a prisoner of conscience, can indeed be a reality.

Thank you again for your work and your help.

Immediate and effective military action

We remind our readers that these provisional measures of April 8, 1993, were highly unfavorable to the government of Yugoslavia, namely, that that government should take all measures within its power to prevent commission of the crime of genocide, and ensure that "any military, paramilitary or irregular armed units which may be directed or supported by it, as well as any organizations and persons which may be subject to its control, direction or influence, do not commit any acts of genocide, of conspiracy to commit genocide, or direct and public incitement to commit genocide, or of complicity in genocide."

The new element is the words, "immediate and effective implementation of these measures." This can mean anything, including an implicit recommendation to the U.N. Security Council for immediate and effective military action against Serbia.

The ball is in the court of the Security Council.

However, the International Court of Justice refused to grant what was, essentially, a demand by Bosnia-Hercegovina that the court make a declaration clarifying the position in international law under the Genocide Convention, to the effect, that upholding the current arms embargo against her constitutes, by every nation which signed that convention, a manifest violation of the convention, and further, that every such nation is legally bound to obey her call for succor, by intervening militarily in her favor. The court avoided making what would be, in fact, a completely new departure in international law, by saying that the court may indicate provisional measures to be taken by the parties before the court, but not by third states or other entities who would not be bound by the eventual judgment.

The court also said that it was unable to accept Bosnia's contention, in its request for provisional measures, that partition and dismemberment or annexation of a sovereign state could in itself constitute an act of genocide. This is not surprising, given the fact that the dissenting opinions of Russia and Serbia explicitly support the Geneva negotiations. Judge Tarassov of Russia went so far as to say that the court should have "encouraged" both sides to "make a positive contribution to the success of the Geneva peace negotiations."

Not some piffling dispute

Opinions qualified as "separate," but which were in fact dissenting opinions in Bosnia's favor, were delivered in writing by Judge Elihu Lauterpacht, the *ad hoc* judge named by Bosnia, and by Judges Shahabuddeen (Guyana) and Christopher Weeramantry (Sri Lanka). As these are lengthy and somewhat technical, we can only summarize the line of argument here. All three judges noted, in varying ways, that the Bosnian petition cannot be compared to some piffling dispute over sea lanes or international business legislation, but that the court is faced with the worst case ever put before it in its 70-year history. In Judge Weeramantry's view, the life-or-

death issue for Bosnia raises the question as to whether the court can issue legal obligations on the respondent which are binding.

Because of the acuteness of the crisis, he said, this has become a central issue for the international legal system. Unless the court is prepared to consider its own orders as binding, and to seek the means by which its orders can be enforced, Weeramantry concludes in essence, the court will bring complete discredit upon itself and upon international law; in the current case, "noncompliance with that order endangers the very subject of the dispute before the court." The same question was raised by Judge Shahabuddeen, who, in the body of his argument, attacked the credibility of all of Yugoslavia's counter-claims. Judge Lauterpacht, named by the government of Bosnia, is a professor of international law at Cambridge University. Writing in an intense and personal tone, he argued in a 30-page statement that, inter alia, the court had erred in not calling for lifting the arms embargo and in not specifically demanding that all Yugoslavian aid to the Serbian war effort in Bosnia be cut off.

European bishops on Bosnia

From an appeal for peace in Croatia and Bosnia-Hercegovina launched by the participants in the eighth symposium of the Council of European Bishops Conferences in Prague on Sept. 12, 1993 "to the leaders of the international community and public opinion":

Among the various and grave situations which compromise freedom and solidarity in Europe, we are particularly struck by the sufferings of the populations of ex-Yugoslavia, hit by a war which has lasted far too long. This war involves countless losses of human lives and the collapse of human and religious values. . . .

We are perplexed in the face of the difficulties in obtaining objective news about what is occurring in those regions. . . . We are especially surprised by the prospect by which the aggressor force may finally prevail over the rights of individuals, families, and of ethnic and religious groups. . . . We cannot accept such a prospect, because in this way, in Bosnia-Hercegovina, Europe dies as a community based on rights and not on violence.

We are distressed by the brutality of the military forces which are struggling to conquer territory.

We cannot understand the ineffectiveness of international organizations, which appear incapable of stopping the bloodshed, the destruction, and the untold sufferings of innocent and defenseless men, women, and children. One has the impression that once again, the weakest are being sacrificed for the interests of the powerful of this world. . . .

'Never before had I reached such a degree of freedom'



Alexandre de la Caffinière, whose remarks we reproduce below, was born in 1971 and trained at the school of the Paris Opera. Between 1989 and 1992, he was engaged at the Royal Ballet of Flanders at Antwerp; he then danced for one season at the Hessen State Theater, before, in August 1993, taking up an engagement as soloist at the Berlin German Opera, where the ballet is now directed by the renowned Danish ballet master Peter Schaufuss.

Although the artist is, as yet, unknown in the United States, his observations will be of interest to those who may have little knowledge of the ballet, but are concerned with the classical theater, as they give a real insight into the degree of intellectual rigor, even suffering, which the great roles such as "James" in Bournonville's *La Sylphide*, call for. For those who do follow the present debate over dance technique, what Mr. de la Caffinière has to say about the Bournonville school is, to say the least, audacious. Never before has a person entirely trained at the Paris Opera, number one among the world's academies, suddenly proclaimed the superiority of another, "less prestigious," but extraordinarily difficult school, of which most dancers prefer to remain profoundly ignorant.

It should be noted here that when this gentleman refers to the "Bournonville" or "French" school, he is talking about the particular technique taught in France in the mid-19th century, and which, for historical reasons we cannot discuss here, is presently taught only in Denmark. In France and elsewhere today, there prevails essentially, the modern Russian technique, which, with its emphasis on stretched-out, taut lines, hyper-extensions and vast jumps, is far more spectacular, far more "effective" on stage, but also, frankly, absolutely vacuous.

Mr. de la Caffinière's words will have to be taken seriously by the art world, because they are spoken by a person who must be respected, in spite of his youth, as a great artist. His interpretation of James in Schaufuss's production of La Sylphide at the Hessen State Theater in the spring of 1993 can only be described as a breakthrough for this art form, reaching a level of mental concentration and moral truth, which reminded one of the pre-war Shakespearean theater. Although in every respect severely classical, the French-

man's interpretation traced a new frontier with regard to the ability of the ballet to express the most powerful, the most elevated thoughts and emotions. For those who were there and had eyes to see, it will never be forgotten.

Mr. de la Caffinière responded in writing to written questions submitted by Katharine Kanter.

EIR: You say that you have thought about the role of James for years. Why?

De la Caffinière: It is indeed the case that *La Sylphide* holds a most special place in my heart: It was the first piece from the repertory I ever saw. It was at the Opera, I was a child, and in that moment I thought to become a dancer. For me, to dance James was to fulfill that dream. Interpreting James in Bournonville's *Sylphide* is the point at which I knew I had become a dancer.

However, to dance this ballet also means to be aware that you stand, so to speak, before a monster of the classical repertory: the first romantic ballet, the one which broke the path for those that came after. Many great artists have danced the role before me; I knew that to take on James's being would be an astonishing journey. Nor was I let down!

EIR: Most striking is the humility with which you put forward the author and his ideas, rather than the morbid self-display so often seen. What did Bournonville intend in this work?

De la Caffinière: For a dancer, the trap of narcissism lies always open, the trap of putting up on stage, not what the author may have wanted to say, but an exhibition of the self.

La Sylphide is a drama, in the real sense of the word, of a man whose sensitivity and weakness lead to his fall. To my mind, this ballet is not out of date. I see James, and I know that I myself might fall under the spell of a Sylph. She stands for that which is unknown, mystery, fantasy, desire, temptation, and that is what leads James to his wrack. Men are weak, at times too impressionable and imprudent; they want to break away, to see other climes, to have dealings with mysterious things. Women are more aware of danger, more realistic, more clear-sighted: This is well depicted in Effie, in La Sylphide. In the outcome, she shows herself to be

EIR September 24, 1993

strong; she will dry her tears, marry Gurn, and in the end, forget James, his folly and lack of judgment. It seems to me that these traits in man and in woman hold true for our own day; most likely, they are universal, and that may well be what Bournonville wanted to say.

EIR: It is most unusual for one artist to play both Gurn and James, the more so, in a single season. How have you worked on these two roles?

De la Caffinière: "To work on a role" is, to my mind, not really an accurate way of putting it. From a technical standpoint, I work on the steps, the variations, on the choreography.

When it comes to interpretation however, I cannot truly say that I work on that. But, if you insist, "working on the roles" of James and Gurn started by understanding what these charactershave to say. Pure dance excludes the use of speech, but in truth, some roles do speak. First and foremost, I must understand the character I play. From then on, I do not try to bring to each performance the same emotions. Once I am on stage, I think of myself as James, or Gurn, and each mime passage, each single gesture, takes on meaning; I cannot, without it being dishonest, do what I have been asked, simply because I have been told to do it. On stage, I discuss with myself constantly, and I live each moment as though it were

real to me. Thus, each single performance becomes another adventure.

Plainly, however, in order to come at that degree of freedom, many hours of work have to be put in, whether on the technique, on studying the choreography, or on the mime.

EIR: What was the hardest for you in this piece?

De la Caffinière: In classical dancing, many believe that bravura means spinning a thousand times through the air or on the ground, a kind of acrobatics. Such things have more to do with gymnastics — much as I like to watch that myself — but do not possess, as I see it, the quality of bravura in any way whatsoever. In Bournonville, there is such a thing as bravura, indeed, it seems to me that bravura is intrinsic to Bournonville's style.

To reach the level known as bravura, there must be the utmost simplicity, the utmost modesty in the work, and empty provocations which one may have been taught before, such as futile accents of the arms or the head, must be put aside. Whereas, what is called for, is a very correct execution of the steps. That is what makes Bournonville's technique so hard: to dance each step with unfailing rigor, the which requires utmost concentration, making it seem as though it were all effortless, the strain being all the while hidden, as though it were nought, as though you were born winging



De la Caffinière in "Gurn" in La Syphide.

through the skies, flying from one side to another, and, withal, smiling!

EIR: Do you agree with those, the majority, who say that there is far too much mime in Bournonville?

De la Caffinière: I have not yet seen all of Bournonville's works; what I have seen, gave me considerable delight. However, I must say, that after watching on video a film of his A Folk Tale, to the eye of a professional the part he gives to the mime passages, which are both numerous and lengthy, struck me as somewhat excessive, and, if I may so, even somewhat dull.

That being said, one should bear in mind that at the time, there were quite other motives: Dancing had only begun to emerge as an art form in its own right, whereas music and drama had for long been considered as such. That may well be the reason why, in some of Bournonville's ballets, there are so many, and such lengthy passages where there is no dancing. In my view, that should be respected, and held up as a witness to the past. Furthermore, like any other artist, Bournonville, though a genius in his art, did not compose only masterpieces.

In La Sylphide, what particularly enchants me, is the way the mime is woven in throughout: Even in the dancing passages, it does not stand apart, while dance and mime mingle in the most admirable way to form one single element, the which makes this ballet speak so powerfully.

EIR: You have said that your own character changed and that you "aged" considerably while studying the role of James. What do you mean?

De la Caffinière: The psychology of the character of James led me to think a great deal, and I am persuaded that thinking will always bring about change, and some kind of progress. Further, I feel somehow close to James: Like him, I can resist temptation, but it may be that one day I shall be carried away by it. The role of James helped me to understand myself. I am 22, and when I danced this role, I knew I had become a man, and an adult.

Moreover, I do not believe that ever before, had I reached such a degree of freedom of expression: The rigor I imposed upon myself allowed me to become open, to move forward; also, I learned much more about my art.

EIR: What did you mean, when you said that Bournonville has helped you to put back order in disorder? What do you mean, when you speak of "putting aside unnecessary things"?

De la Caffinière: At the Opera school in Paris, where I was fortunate enough to be trained, it is true that young dancers are expected to have certain physical attributes which I do not possess. Striving to live up to those demands, and under that influence, I tried to stretch out my limbs in order to



Alexandre de la Caffinière as "Gurn" in Bournonville's classic ballet La Sylphide. In the center, T. van Cauwenberg as Madge. Hessen State Theater, March-April 1993.

appear longer, taller, and more finely constructed than I am. At present, I have to pay the price for those flaws in placement; I am struggling to get back to the way in which my body should be balanced, and to find a placement suited to it. It is in fact Bournonville which has let me do away with unnecessary things.

The great strength of Bournonville's school lies in that it demands the utmost sobriety from the interpreter. In order to dance it, there must be the most exact possible placement of the body, precise positions, and the êpaulement. These things, to my mind, make the French school the best in the world, because it allows those who have developed such qualities a vast range of freedom to interpret all other choreographers.

EIR: As a dancer, you have to do what you are told. But in 20 years, you yourself will be responsible for the dance. Does one have to accept accidents as an "occupational hazard," a normal by-product of what I always say is irresponsible choreography?

De la Caffinière: Accidents *are* an occupational hazard. To seek must involve an element of the unknown: The dancer

must go beyond what he thinks are his limits, he must err in order to be right, and that can sometimes lead to accidents. On a bigger scale, choreographers, working out new steps, sometimes demand dangerous things from dancers. But no matter what the field of investigation, it is far more instructive to err than to hit upon a thing straightaway, without ever knowing why.

Thus, and yes, I do believe this, one must to some extent take this on, while knowing one's limits; in any event, in choreography there will always be both sides, the author and the dancer. A choreographer cannot ask from a dancer what he cannot do.

EIR: Whatever do you see in Balanchine, my old enemy? De la Caffinière: Unless he himself feel that emotion while performing a work, I do not think a dancer can convey it. That state of emotion arises in me when I dance Balanchine, whom I consider to be a turning point in the history of ballet. What I love in him is his study of the extreme, without ever there being exaggeration, and his study of calculated loss of balance. He sought another means of conveying emotion through movement, and found it.

Of course, and such is often the case with Bournonville as well, some of Balanchine's movements are dangerous. Each in their own way, these two choreographers are both extreme. Be that as it may, I think the best way to understand and dance Balanchine, is to understand the French school, that is, Bournonville.

Other choreographers interest me, people who would perhaps not be with us had Balanchine not opened the door; I like the originality and creative spirit of Jiry Killian, or William Forsythe, for the same reasons I like Balanchine, to whom Forsythe is, in my opinion, the successor. But I have also had the good luck to dance James Sutherland [dancer and choreographer, currently at the Ballet of the Hessen State Theater, Wiesbaden], a yet-unknown author, who has brought me a great deal in my art, and whose works I find to be on the highest level.

EIR: What do you think of the state of your profession today?

De la Caffinière: As for classical dancing, the teaching of it is often not what it should be. I can accept a number of styles, but the academism of the French school should be universal. Bournonville's works do allow, and will allow, those dancers willing to look closely into them, no matter what the school they themselves come from, to understand a great deal, and by their own volition, of what is classical dance.

As for contemporary dance, I am most interested in it, and thanks to the few but good choreographers who do exist, it is doing well. As a dancer, I will always be open in the mind to new authors and new ideas, otherwise men of ability will never be found out.

'Multi-culturalism' is to destroy education

by Carlos Méndez and Cynthia Rush

The United States isn't the only country in which neo-malthusian Satanists are out to brainwash schoolchildren under the guise of "educational reform." Throughout Ibero-America, entities such as the United Nations Educational, Scientific, and Cultural Organization (Unesco), the Organization of American States (OAS), the U.S. Agency for International Development (AID), the World Bank, and numerous nongovernmental organizations have been engaged, often for many years, in dismantling traditional education and replacing it with what they call more "relevant" multi-cultural programs which take into account ethnic and even geographical differences.

These reforms amount to outright racism and cultural relativism, inculcated under the pretext of eliminating allegedly "authoritarian" tendencies. The aim is not only to create the ignorant and docile labor force demanded by foreign usurers, but to extirpate the continent's Spanish-language, Catholic heritage. They are designed above all to reverse the evangelization process launched in the 16th century, through which Ibero-America's Indian populations were assimilated into the more advanced western European culture introduced by Spain, and were exposed to the concepts of universal history. Today, many of these reforms are taking place under cover of "non-discriminatory" programs whose real purpose is to brainwash students into thinking that their identity is really ethnically determined.

The Inter-American Dialogue (IAD), the Washington think tank which runs the Clinton administration's policy for Ibero-America, recently made known its intention to make "educational reform" in Ibero-America a key focus of its future work. Such reforms are coherent with the liberal free trade and drug legalization policies the Dialogue backs.

De-schooling in Bolivia

Take the case of Bolivia. New President Gonzalo Sánchez de Lozada, a member of the IAD, announced shortly after taking office in early August that he would completely overhaul the country's educational system, which one former education minister has labeled "repressive" and discriminatory. The Lima daily *Expreso* reported on Aug. 8 that in order to create a curriculum that meets the educational needs of

used by Unesco in Ibero-America

children in rural zones, the Bolivian government had been working with the United Nations International Children's Emergency Fund (Unicef) to elaborate a new project with the help of Colombian and Peruvian teachers. Known as the "beginning educational curriculum for children in rural areas between the ages of four and six," the program reportedly reflects the government's "new educational philosophy" and will begin next year.

The program asserts that "in the face of a western-urban curriculum structure, which confronts the child with unknown linguistic codes, different patterns of behavior, and merely informative content, the idea is to promote an intercultural and bilingual education. This means . . . teaching the child in his own language, and introducing Spanish orally as a second language" (emphasis added).

This program assumes that Indian children aren't capable of comprehending "complex" urban culture, and encourages them to stick to their backward Indian ways. This is the same philosophy defended by Leon Trahtemberg, of the Peruvian chapter of B'nai B'rith, who has worked to systematically eradicate Hispanic cultural values from the country's public school curriculum, and who violently attacked the 500th anniversary of the evangelization of America, calling it "500 years of looting."

Indigenism as a weapon

On July 4, the *Houston Chronicle* published an article by Donna Lee Van Cott, director of the IAD's indigenous affairs division, headlined "Indian Power Helping Democracy Take Hold in the Hemisphere." Van Cott argued that the continent's indigenous movement should be used to promote bankers' interests inside Ibero-American governments. She particularly points to the case of Bolivia, where the new Vice President Víctor Hugo Cárdenas in an Aymará Indian who is "a viable ally for a white millionaire mining baron," Sánchez de Lozada.

Van Cott claims that Cárdenas was elected thanks to the "massive Indian mobilizations that tore through neighboring Ecuador in the summer of 1990.... Since that time, Indian-based peasant and union organizations have stepped up protests, with 40,000 attending anti-quincentenary demonstra-

tions in La Paz."

The target of all these demonstrations was the celebration of the 500th anniversary of the Christian evangelization and the continent's Spanish heritage. In his inauguration speech Aug. 6, Cárdenas, who is a teacher and leader of the Tupac Katari Revolutionary Liberation Movement (MRTKL), spoke in Spanish, Quechua, Aymará, and Guaraní, afterward affirming that after 500 years, Bolivians would work to transform "exclusion and marginalization into inclusion and democracy."

"Indigenism" serves yet another purpose. The focus on "ethnicity" is coherent with the genocidal plans of the International Monetary Fund (IMF), the World Bank, and the IAD—plans which Sánchez de Lozada fully shares. As industry minister in 1985, Sánchez implemented the economic shock program designed by Harvard punk economist Jeffrey Sachs which destroyed the economy, threw hundreds of thousands of state sector employees out of work, and plunged 97% of the population into misery. Even now, Sánchez defends this austerity program, arguing that it wasn't the cause of Bolivia's misery, since misery existed before then. Now, he adds, "at least there's misery with stability."

Worse, together with savage austerity, Sánchez de Lozada proposes legalizing the drug trade. At the end of June, he stated that when he took office, he would officially propose this. For some time, the Inter-American Dialogue has called for the "selective" legalization of drugs. The IAD has also suggested that drug-producing nations use the revenues from the trade to pay their foreign debt.

ADL subversion in Peru

In Peru, under the aegis of B'nai B'rith, similar efforts are under way to eliminate "western," "urban" influences in education. Claiming to defend Indian culture, local B'nai B'rith representative Leon Trahtemberg has been demanding an educational reform which eradicates all signs of Judeo-Christian values. Echoing Trahtemberg's arguments, Expreso complained in October 1992 that Peru's "civic calendar is filled with holidays and celebrations which marginalize the Indian: On Independence Day, homage is paid to white heroes; on Language Day, Cervantes and the glories of the Spanish language are remembered, and on religious holidays, ethnically white figures are presented speaking Spanish. . . . To Peruvianize national education means to 'peasantize' and 'Indianize' it, recognizing their values and identity.... Cultural pluralism ... and the characteristics of each community must be respected. . . as well as the right of children to use their native language, and to use their own 'cultural knowledge.' "

Trahtemberg has collaborated with Peruvian psychoanalyst Max Herńndez, who also attacks the Christian values underlying Hispanic culture. Hernández, who studied at the Tavistock Institute in London, a center for psychological warfare directed by British intelligence, is a key operative

in the networks which actually created the narco-terrorist Shining Path, and which seek to submerge Peru in the same type of ethnic genocide now taking place in former Yugoslavia. The Serbian psychoanalysts directing genocide in the Balkans were likewise trained at Tavistock.

Behind all the verbiage about protecting Indian culture lies Trahtemberg's real concern. At a conference in 1992 he stated, "It has been found that uneducated [Indian] women have an average of seven children, while women with higher education have an average of three . . . Thus, to invest in education of illiterate or poorly educated women not only guarantees better birth control, it allows for better care for the children." Thus, for Trahtemberg, the aim of education is not to *increase* potential population density through economic development, but to cut the population in absolute terms, depriving the nation of its real source of potential wealth. As for his cynical promise of "better care for the children," it should be noted that children's living conditions have grown worse wherever such malthusian programs have been implemented with a vengeance.

'All men are not created equal'

Most of the educational reform programs now under way in Ibero-America are guided by the comments of Juan Carlos Tedesco, director of Unesco's international education office. In an interview published July 29 in the Buenos Aires daily *Clarín*, Tedesco argued that the big problem in Ibero-American education was homogeneity: "The same thing was offered to everyone." This type of approach, he insisted, led to discrimination and disrespect for "diversity." Given the structure of today's business community, he added, real knowledge isn't so important. What counts is teamwork and "internal solidarity."

In Colombia, the "New School" program, strongly backed by Unicef, is based on the Unesco formula. Begun in 1978, and now established in over 28,000 rural communitites, the program is organized strictly around a child's role in his community. According to literature published to celebrate the program's 15th anniversary, "if the New School is located in Caldas, discussion will focus on coffee, while in a municipality of Meta, the topic will be rice." As the program's national coordinator Hernando Galvez said in a training seminar, the teacher has been transformed into a promoter of the students' knowledge, "for whom the method of chalk, blackboard, and language has been tossed into history." The teacher is now a "guide" who must "reflect on the socio-cultural conditions of the community in which he works, the parents' expectations, and the topics of most interest to his students."

The New School maintains that it is the student, not the teacher, who has the last word. "There were too many years in which the student remained seated, with his hands on his head or on an open notebook, with his attention always focused on the teacher. The latter talked and talked while the



Children at a Unicef-sponsored program in El Alto de La Paz, Bolivia. If new President Sánchez de Lozada gets his way, they'll be "educated" only as slave laborers on legalized drug-producing plantations.

student took notes and waited for the teacher to dictate or write on the blackboard. . . . It was the teacher who had the last word. No longer. The teacher 'dictates less' and listens more to his students." The teacher no longer tries to implement a particular study plan, but rather "follows the student's pace of learning, because this is the philosophy of flexible promotion."

This philosophy is also Leon Trahtemberg's. He affirms that "knowledge is not in the program, the textbook or the teacher's words, but rather it is the result of the intellectual and psychic interaction between the teacher and student."

The New School program also encourages profiling of families, their educational levels, jobs, attitudes, health, etc. To encourage children's rebellion against parents, Unicef encourages the New School program to focus on "the rights of children" and "reconceptualizing the male-female relationship," among others topics. Unesco invited representatives of Colombia's Education Ministry to attend the World Education Conference in Bangkok, Thailand in 1990 to present the New School model there. "The invitation came thanks to the fact that the World Bank chose the New School program as one of the three most important models internationally of Basic Rural Education," program literature explains. Another 24 teachers were invited by the AID to travel to the United States in September 1990 to "share experiences" with American educators. Program literature explains that "countries with similar social and educational characteristics have become interested in learning about the program and identifying strategies which make its application viable."

'Narco-democrats' let loose in Guatemala

by Gretchen Small

What does the U.S. State Department mean when it insists that "democracy" is the only form of government it accepts for other nations? Judging by the State Department's policy toward Guatemala since May 25, 1993, the only acceptable "democratic" government is one which deploys narco-terrorists to destroy the founding institutions of the nation. On May 23, then-President Jorge Serrano declared that, in order to stop Guatemala from sliding into anarchy, he was dissolving the Congress, suspending functioning of the courts, and announcing elections for a Constituent Assembly to implement constitutional reforms. The military high command supported him. "The country is controlled by drug traffickers and mafias," Serrano warned, and continued that maintaining "a facade while being totally gnawed away by the mafia, by drugs, and by those who want to use it for their own benefit" cannot be called democracy.

Within hours, the White House and State Department launched a campaign to overthrow him. Declaring the emergency measures to be an "illegitimate course of action," the U.S. government ordered all aid to Guatemala cut, called an extraordinary meeting of the Organization of American States (OAS), and threatened to deny Guatemalan goods preferential access to U.S. markets until the measures were rescinded and the military commanders supporting Serrano purged. The OAS foreign ministers backed up the United States, worried that Serrano's actions would have "a harmful effect" on the dialogue under way with the Guatemalan National Revolutionary Union (URNG), a narco-terrorist band allied with Castro's Cuba.

On June 1, the Guatemalan government press office announced that Serrano had been "separated from his post in an action led by the Army." Secretary of State Warren Christopher credited "pressure from the U.S." with forcing the counter-coup. On June 5, the same Congress which Serrano had attempted to disband for its ties to drug-trafficking, elected as Guatemala's new President, the virulently anti-military human rights prosecutor, Ramiro de León Carpio, notorious for his defense of the URNG political front groups. The State Department gave him its "strong" support.

Three months later, President De León declared that a "crisis of governability" had been created. In a national television address Aug. 26, De León ordered the Congress and Supreme Court to dissolve themselves, and announced he

would bring far-reaching proposals for constitutional reform before a new "clean" Congress.

This is exactly what Serrano had been overthrown for attempting to do back in May—but to very different ends, and by very different means. De León threatened the legislative and judicial branches of government that if they refused to resign, he would "call on the people of Guatemala" to march on the capital and exercise their "constitutional right to legitimate resistance."

Demilitarization is top demand

"The people" who immediately jumped to answer De León's call, were the URNG. From their headquarters in Mexico City, the URNG command on Aug. 27 called for people to demonstrate for the "cleaning out" of all branches of the government. Top on the list of institutions to be "purified" must be the military, they said, demanding as well that all civil defense patrols be abolished in order to achieve full "demilitarization." Within days, 20 leaders of peasant and union groups allied with the URNG occupied the Supreme Court building, leaving only after the head of the court agreed to order the arrest of several Civil Defense Patrol members.

Inside Congress, De León's resignation "order" was met with a farce of "democratic functioning" indeed. Fist-fights were broadcast on national television; garbage was dumped from the balconies onto the floor of Congress. One group of contending deputies elected a new president of Congress, only to find he could not take office, as their opponent had locked himself in the president's offices, and ordered out for pizza.

On Sept. 7, hundreds of protesters stormed the Congress. Occupying the floor of the Deputies Chamber, they staged a "symbolic session," demanding Congress resign and new elections be held within two months under reformed electoral laws guaranteeing votes for "grassroots" and "popular" organizations. Wire services and the U.S. media reported only that the occupation had been carried out by "trade union and Indian activists," leaving out that the leader of the occupation, Nineth Montenegro, is the coordinator of the Mutual Assistance Group (GAM), a well-known front group for the URNG which provides support for the families of terrorists captured, killed — or still fighting.

The day before the GAM stormed Congress, Nicaraguan officials announced the discovery of another secret arms cache belonging to a foreign terrorist group, this one—the 23rd found since May 23—belonging to the URNG. The URNG's cache was the biggest yet: 600 assault rifles, heavy machine guns, a dozen rocket launchers, a Dragonov cannon, dynamite, grenades, mortars, and more than a half-million rounds of ammunition were stored, along with computers, radio equipment, coded documents, and foreign passports. Officials reported that the cache was in active use; but the De León government which unleashed these narco-terrorist forces still enjoys the full support of the U.S. government.

EIR September 24, 1993 International 49

International Intelligence

Mandela rejects sanctions against South Africa

African National Congress leader Nelson Mandela announced that the ANC will campaign for lifting sanctions against South Africa. The announcement ends the group's long-standing insistence on the sanctions being kept in place, in opposition to

Linking this to the Sept. 7 agreement by black and white groups for the formation of a Transitional Executive Council that will help run South Africa until elections in April, Mandela told an audience of white businessmen in Cape Town: "As from the end of this month, the ANC will actively campaign across the world for the lifting of all remaining sanctions and for inflows of capital into South Africa. We are asking the international community for funds, for capital for the purpose of reconstruction and development."

South African Foreign Minister R.F. Botha responded by saying that the effect of Mandela's announcement would be blunted by the reality of violence in South Africa, which would keep potential investors in Europe and elsewhere away, "irrespective of what the ANC or anybody else says."

On Sept. 9, both the De Klerk government and the ANC said the recent wave of violence was the work of those determined to upset moves toward democracy. Also, the Inkatha Freedom Party, which has been critical of the De Klerk-ANC discussions, expressed "shock and horror" at the killings.

Italy critical of U.N. actions in Somalia

Italy has once again slammed the U.N. military operation in Somalia, this time after U.N. troops killed a number of women and children during a shootout in Mogadishu on Sept. 9.

"To shoot women and children is the antithesis of a humanitarian mission," Italian Defense Minister Fabio Fabbri charged on Sept. 10, adding that the battle confirmed

that Italy was right in its dispute with the United Nations over military tactics in the country. "Without expecting anyone to say he was wrong, the facts do prove us right," Fabbri said.

The minister said the international community should start thinking about taking the Somalia operation out of the hands of the U.N. and putting it under NATO command because "the peace mission needs improved organization."

Somalis claim that 100 civilians were killed in the battle, in which U.S. helicopter gunships were heavily deployed. The United States has staunchly defended the operation. "It is regrettable if women and children were killed. But all the people involved on the ground, or who in any way participated in the action, had in mind to kill the U.N. soldiers and were considered combatants," U.S. Quick Reaction Force commander Col. Mike Dallas said.

A spokesman for President Bill Clinton said the President "has made clear that he supports the ongoing U.N. mission in Somalia."

Plane crash kills Sudanese negotiators

A Sudanese military aircraft crashed north of Malakal on Sept. 5, killing all on board, including high government officials. Among the victims were the governor of the southern Sudanese Nile district, Moussa Ali Suleiman; military representative Kamal al Ahmed: and the president of the Peace and Development Foundation, Abu Goseisa, who organized and hosted an international Conference on Religions last April (see *EIR*, May 14).

The delegation of eight was on its way to talks with the Lam Akol faction of the rebel Sudanese People's Liberation Army (SPLA), during which it was expected that further progress would have been made in reaching a peace agreement to end the civil war. The crash, which government officials say was due to engine failure, has dealt a severe blow to peace efforts.

In related news, Sudan asked Egypt on

Sept. 8 to help persuade the United States to take its name off a list of states sponsoring terrorism. Sudanese Foreign Minister Hussein Suleiman Abu Saleh told a news conference after talks with President Hosni Mubarak and Foreign Minister Amr Moussa in Cairo that Mubarak had promised to ask Washington to change its decision.

"If America is for rightness, it must revise its decision," said Abu Saleh. "This is why I came to Cairo to hand over a letter to President Mubarak, as head of an important country in the Arab world and the Horn of Africa, and president of the Organization of African Unity. President Mubarak expressed great concern. He said he would do his best to rectify this situation — meaning a revision of America's decision."

Pope in Baltics calls for reconciliation

Pope John Paul II called on the "winners" of the Cold War to "forgive" and the "losers" to "adapt," during his Sept. 4-10 trip to the Baltic states, according to a Catholic News Service article by Agostino Bono.

On his visit to Lithuania, Latvia, and Estonia, the pope "asked the winners to be forgiving and warned them that the end of one set of problems brings the start of new ones. He appealed to the losers to adapt to the changed social reality through 'sincere conversion and, if necessary, expiation. . . . After every significant social upheaval, man bears scars both in patterns of behavior and in his soul,' the pope added."

During a Sept. 5 Mass at Vingis Park in Vilnius, Lithuania, the pope appealed for peace between Lithuania and Russia. He said the Vatican "recognizes the aspirations of citizens of Russian origin who ask to be able to enjoy their human rights in their country of residence," but also asked for a rejection of the "spirit of revenge" and the "temptation to obtain by force that which can only be established in a lasting manner through good sense and negotiations."

In a speech to academics, he warned against the "defects" of democracy. "Totalitarianisms of opposite tendencies and unsound democracies have plagued the history of our century," the pope said. Democracies "exhibit enormous contradictions between the formal recognition of freedom and human rights and the many social injustices and discriminations they tolerate. The risk in democratic regimes is to become a system of rules insufficiently rooted" in human values and "ethical responsibility," he said.

John Paul also stressed "ecumenical cooperation" among Lutheranism, Orthodoxy, and Catholicism, the main Christian confessions in the Baltics, in the rebuilding of Baltic societies.

Bonn to ask U.S. for crackdown on neo-Nazis

The German government is preparing to present a formal request to the United States to cooperate with German authorities in eliminating the links between Gary Lauck's NSDAP-AO organization in the United States and German neo-Nazis. Lauck, based in Nebraska, publishes a considerable portion of the neo-Nazi literature illegally circulating in Germany.

Previous attempts by Bonn to get the United States moving on the issue have failed, as American authorities told the Germans that Lauck is not violent and therefore his promotion of Nazi ideology cannot be prosecuted without violating his freedom of speech.

The Lauck problem was the subject of a report in the weekly Welt am Sonntag on Sept. 12, which pointed out that "by far the largest share of propaganda material of German neo-Nazis and skinheads is produced in the U.S.A." Lauck publishes a bi-monthly neo-Nazi journal, Nazi Battle Cry, which in its latest issue debates "the theoretical potentials of armed resistance against the German state."

In 1992 alone, German police found Lauck's propaganda in 72 searches of neo-Nazi residences, with one publication depicting a man with a swastika bombing a telecommunications tower.

The article quoted a German anti-terror-

ism expert: "For the FBI and CIA, Lauck is not interesting, because he is only a propagandist and not a violent person. If they would provide us with his address files, we could move against the people who are distributing his material in Germany illegally."

New political group emerges in Russia

Former Russian Security Council head Yuri Skokov announced the formation of a new political movement on Sept. 8, Consensus for the Sake of the Fatherland, which is presenting itself as an alternative to the current political wrangling and a regroupment of nationalist leaders from the Civic Union formation and from Russian regions.

Skokov is one of the most important figures in the Great Russian nomenklatura, who played a significant, often behind-thescenes role as head of the Security Council until he was sacked by President Boris Yeltsin.

According to western press accounts, there is a 13-man leadership body for this movement, which doesn't consider itself a political party. It will organize a gathering of "the peoples and citizens of Russia" in October. Russian television is portraying the formation of the group as a bid by Skokov to run for the presidency. Skokov has a significant base in the Russian regions, and claims that his group is being funded by donations from 20 regional councils.

The London Financial Times quotes Skokov saying his group stands for "an evolutionary path to a federal, democratic, and law-governed state. . . . People are tired of conflict. What we offer is self-preservation, survival."

The Financial Times says of Skokov: "As a man so far untouched by scandal or allegations of corruption, and with strong links to the Soviet period which is now seen in a positive light by many, he could become a rallying figure for those disenchanted with the democrats who support Mr. Yeltsin but find the national/communist alliance too strong a dish, even in today's chaotic society."

Briefly

- BOSNIAN Vice President Ejup Ganic called for the resignation of European Community "mediator" Lord David Owen, because of Owen's openly pro-Serbian positions. The statement was given in an interview with the New York Times of Sept. 8. Ganic accused Owen of defending the position of the British government rather than that of the European Community, which he officially represents.
- CHILEAN military officers and civilian employees of the Army have issued an open letter to President Patricio Aylwin, demanding an end to attacks against the Armed Forces by anti-military forces in the human rights lobby and elsewhere. The authors vow to retain "complete freedom of action, to defend themselves against this shameful harassment and immoral aggression."
- TURKEY is seeking Russia's help in order to lift the U.N. embargo against Iraq, Turkish Prime Minister Tansu Ciller told reporters at a press conference in Moscow on Sept. 9. "We will try to conclude this agreement with the help of the United States, as part of three-way cooperation," she said.
- GERMANY'S former head of military counterintelligence, Gen. Paul Albert Scherer (ret.), will speak at the National Press Club in Washington, D.C. on Sept. 29. He will present his evaluation of the crisis in the former Soviet Union, and is expected to show how world conflicts have been exacerbated by the failure of the western nations to halt aggression, notably in Bosnia.
- THE REAL ISSUE in Bosnia is British control over U.S. policy, wrote the London daily *Independent* on Sept. 11. "Alarm was raised" in some circles of the British cabinet, according to the report, "when it was disclosed that British was threatening to veto any proposal by the U.S. government in the U.N. Security Council to lift the arms embargo."

EIRNational

Musical chairs at the White House

by Chris White

The wags were quick to point out that it was only those Presidents who had failed to get reelected who showed up at the White House on Sept. 14 for the signing ceremony of the job security and environmental side agreements to the North American Free Trade Agreement (NAFTA). Former Presidents Ronald Reagan and Richard Nixon both stayed away.

A portent of things to come, perhaps? Actually, this kind of humor is only importing the old methods of the Kremlinologists—remember? Who stood where, and next to whom, in the reviewing line for this year's grand parade, and what should we all conclude from that? Surprisingly, less attention was given to the more interesting question of why it was that one less chair was provided by the White House staff than there were former Presidents plus Clinton to be seated. Was someone considered de trop?

The NAFTA signing ceremony kicks off Clinton's legislative campaign for the remainder of the congressional session. It is part of a double header. In the week of Sept. 20-comes the long-awaited Health Care Reform Plan. This is to be unveiled to the public, one can presume, to the accompaniment of the same kind of ceremonial goings-on, plus background briefings, plus dispatch of ranking and involved cabinet members to Congress, plus commandeering of the media, and so on.

Interesting it is, indeed, that the two programs which are supposed to be of such defining moment for the Clinton presidency should thus become linked. The President's fate will indeed be linked with what will now become his NAFTA agreement, and Hillary Clinton's health care plan. The media will surely be quick to tie his continued success to the "success" of the two programs. As usual it all comes out backward.

It is no exaggeration to say that if those two programs are passed, in any form, Clinton will join those unreelectable veterans of U.S. political life who provided the backdrop to

the signing ceremony, with as yet another failed former President. Defeat would possibly provide Clinton with another chance. But what about the country? Presidents come and go—they are supposed to; the country unified under the Constitution is supposed to remain. These two fall ventures of the Clinton administration could help put the final nail in the coffin.

Recipes for disaster

Both the programs proposed will make the problems they are supposed to deal with much, much worse. They do that because both assume what every other failed presidency of the past generation assumed, that the way to deal with current perceived crises is with more of the same poisonous brew that brought the crises into existence in the first place. So much for the fear of change, of replacing old ways of doing things. This was the specter Vice President Al Gore raised when he introduced the NAFTA side-agreement ceremony, and told everyone that this issue is much more than just a matter of Republican versus Democrat. Indeed, like the forthcoming health care reform, it is.

NAFTA is set fair, already, to become the name applied to all the accumulating failures in economic policy of the past years. Health care reform will rapidly become perceived as one of the biggest swindles ever perpetrated against the American people. And then, it will again be discovered, that those who vote because they agree with what the candidate before them might say, vote equally readily, next time around, against the foreseeable results of their own preferences. That's what happens when ignorance runs up against trickery and deceit, and ignorance doesn't have the brains to figure out that its his propensity for self-deception which is the problem, not the huckster who sells him yet another re-labelled

bill of goods drawn out of the same shoddy inventory.

This is all reflected in the politics of the programs proposed. As Gore pointed out, it is more than just a problem of Republican versus Democrat.

What problem did Clintonrun into with his timid stimulus package, and his budget? Bob Dole's Republicans. Which of the two parties has now emerged as the most solid proponents of the NAFTA agreement? Bob Dole's Republicans.

What does that mean for Hillary Clinton's health care blueprint? No one in their right mind would consider that the Republicans will not exact a price for their support for NAFTA. After all, the Democratic base of the minority President is in a shambles. House Leader Richard Gephardt (Mo.) is a defector from the NAFTA agreement. House Deputy Whip David Bonior (Mich.) has broken from it. The AFL-CIO joined Bonior and other congressional figures to oppose it. Sen. Max Baucus (D-Mont.) has warned that, even with Republican support, passage in the Senate is not assured. Next year is an election year. Why should the Republican faction carry water for Clinton. Only because the version of the health care plan which finally goes under the gavel for a vote will be something they also could accept.

Indeed, it is not Republican versus Democrat, if anyone still thought it was, no more than the NAFTA agreement is a trade agreement, or the health care reform plan is a health care reform plan.

What health care is really all about

Take the latter. Health care reform ought to take up the question of the provision of health care services. After World War II we had standards, laid down by Congress, which set parameters for education programs, construction programs, and much more. They were called the Hill-Burton standards, and roughed out national requirements in terms of people per doctor, hospital beds and nursing staff per person, programs for dealing with what was then still the chronic problem of tuberculosis, and others. The Hill-Burton standards were never met. The country is further from meeting them now than at any other time. TB is back, in new forms, and accompanies AIDS, threatening everyone. Anyone in their right mind would have to say we have a national health care breakdown.

That is not what "health care reform" is all about. Health care reform is about containing the financial costs associated with health care. Like everything else, we can't afford it. The cost of health care is killing us. Is that the problem? No. The problem is rampant usury and speculation in every aspect of national life, which loads parasitically and disproportionately onto health care, because the victim-host has no choice but to pay. The usury and speculation which are killing health care, through their effect on the financing of insurance programs, construction projects, and education, and through eliminating non-financially viable parts of the service, are also responsible for driving down wages and employment, such that where 40 years ago, one wage earner could support

a household with more than two children on one pay packet, now two earners, sometimes more, are needed to support less than two children. More than a 60% reduction in living standards in two generations, the bulk of the reduction in the last 10-15 years. No wonder we can't pay for health care or anything else.

Is that what they're talking about? Of course not.

'Affordable health insurance for all'

And here we go again; don't worry about the contents of the package, just look at the beautiful label. The fastest growing parts of federal expenditures include debt service, and Social Security and Medicare programs, otherwise known as entitlement programs. In the name of health care reform, we are going to get the destruction of the social welfare programs, such as they have become. What successive administrations have been unable to do in the name of "cutting" and "reforming" entitlement programs, is going to be implemented in the name of health care reform. And, look at the difference a name change makes. The American Association of Retired Persons (AARP) is happy with what it has seen of the Clinton program so far, though it has opposed every other social program-busting attempt.

Medicare is going to be phased out, to be replaced with the new program. Health programs for the retired workers of major corporations, such as IBM and General Motors, are going to be taken over by the government; small businesses will contribute. Some \$90 billion is supposed to be "saved," for the purpose of deficit reduction over a period of five years. Costs of maintaining the elderly will be borne by all contributors, but not the corporations which have gutted the programs that were, earlier, set aside, and so on.

The plan is circulating in Congress. The Republicans, so far, are making supportive noises; they just want to emphasize that contributions will be "voluntary" and "individual," they want a broader attack on Social Security payments, and the retirement age raised from 55 to 62, to presumably thereby delay benefit payments seven years. And Americans are said to be 65% in favor of "health care reform." And, why wouldn't they be, given what we've got?

But like NAFTA, "health care reform" is the name for another multibillion-dollar looting swindle, combined with a covert government bailout of speculation bankrupt insurance companies and Fortune 500 management incompetence. This is the issue which, in Gore's words, goes beyond the traditional divisions between Republican and Democrat, and which ties both NAFTA and health care reform into the neat "his" and "her" bailout packages. They probably will be published with blue and pink covers. And, it is precisely the issue which dooms both as non-viable economically, and failures politically. It's tempting to wonder where the missing chair went. But what about the continued existence of the nation? Isn't that more important than perpetuating financial swindles, which will destroy everyone, in the name of change?

EIR September 24, 1993 National 53

LaRouche motion for freedom denied

Without so much as a hearing or oral argument on volumes of new evidence, the Fourth Circuit Court of Appeals in Richmond, Virginia on Sept. 13 denied Lyndon LaRouche's habeas corpus motion for freedom. Completely ignoring detailed new evidence of a massive government-private hate group "concert of action" against LaRouche, the Appeals Court said it had already dealt with the matter of government wrongdoing when it denied LaRouche's trial appeal in 1990. The panel also endorsed the notoriously biased trial judge, Albert V. Bryan, Jr., and said there was no basis for Bryan's recusal.

From his prison cell in Rochester, Minnesota, where he has served almost 5 years of a 15-year sentence, LaRouche called the Fourth Circuit decision "a complete fraud. There were ample legal grounds and massive evidence before the panel which should have led them to overturn the earlier decision on the case. The Appeals Court is covering up for what is proven conclusively to be a false case on the basis of lying, illegal investigations, perjured testimony, and hiding of exculpatory evidence. Without even a hearing on the new evidence, the panel has treated a very serious matter of international concern without consideration, respect, or due process."

A mass of evidence

LaRouche's habeas motion, filed on April 19, presented six volumes of new evidence proving his innocence. Much of it was drawn from the secretly taped conversations of former U.S. Deputy Marshal Donald Moore, monitored by the FBI during the course of an investigation of the attempted kidnapping of LaRouche associate Lewis du Pont Smith and his wife, Andrea. Moore was a key member of the state and federal teams prosecuting LaRouche. The new evidence presented in LaRouche's motion emphasized the politically motivated collusion of government officials with the Anti-Defamation League of B'nai B'rith (ADL), in an illegal "Get LaRouche" task force. The evidence covered the following areas, among others:

- 1) Moore's admissions that the ADL was an integral part of the LaRouche prosecution team. Moore's statements take on new significance in the context of the breaking ADL spy investigation in California.
- 2) Moore's admissions that the FBI maintained its illegal Cointelpro operations against the LaRouche movement at least through 1982.
- 3) Moore's acknowledgement that while he was a part of the anti-LaRouche investigation team, he was involved in

orchestrating an anti-LaRouche media campaign which followed the March 18, 1986 Illinois primary victory of two LaRouche Democrats.

- 4) Moore's admission that he illegally obtained LaRouche's Social Security number for use in a federal tax investigation.
- 5) The admission by Moore's associate Galen Kelly, the convicted kidnapper and "deprogrammer," that his activities would create "defectors" who would "immediately come over to the law enforcement community and tell all and cooperate."

The Fourth Circuit's ruling

Ignoring all the evidence, the Fourth Circuit's opinion stated, in part:

- "... [W]e perceive no abuse of discretion in Judge Bryan's adverse rulings in this and other proceedings were clearly not enough in and of themselves to warrant recusal.... The challenged comments at sentencing were made in direct response to the Defendants' repeated assertions that their prosecution was politically motivated, and therefore were not reflective of extrajudicial bias.
- "... Stated generally, the Defendants assert that the bankruptcy petition filed by the government was filed in bad faith for the sole purpose of furthering their criminal prosecution by making it impossible to repay loans, as evidenced by testimony in subsequent proceedings and by the bankruptcy court's decision, and that they have compelling new evidence, most of which was previously suppressed by the prosecution, of a conspiracy between the government and private parties to destroy the ability of the Defendants' companies to repay loans, and to generally impair the finances of the NCLC. They assert that the trial court's decision on the government's motion in limine would have been different had this information been available at trial. We disagree.

"These matters were essentially considered on direct appeal and decided adversely to the Defendants. . . .

"We also note that the Defendants have greatly distorted the character of much of the evidence presented in support of their claims. They assert, for example that the bankruptcy court found that the bankruptcy petition was filed in bad faith when in fact the bankruptcy court expressly rejected the contention that the petition was improperly motivated. . . . Much of the other evidence presented in support of these claims is equally lacking.

"The facts which the Defendants want this court to notice are not adjudicative facts within the meaning of the rule. Most of the facts they seek to have noticed were gleaned from the recent trial of Donald Moore and his co-conspirators in U.S. v. Smith on charges of attempting to kidnap two persons connected with the NCLC [Footnote: All of the defendants in the Smith case were acquitted after a jury trial]. . . . The facts are not appropriate for judicial notice, particularly at the appellate level, because their relevance has not been established."

Virginia governor withdraws OBE plan

Virginia Gov. Douglas Wilder on Sept. 15 announced that he was calling for "the immediate disbandment" of the state's Common Core of Learning programs and experiments. The Common Core is the Virginia version of "outcome-based education" (OBE). It has come under increasing attack, as parents realize that it is a means to destroy traditional academic education, in favor of satanic "values clarification" and value-free "multiculturalism." The program has been vigorously promoted by the state Department of Education, but has not yet been approved or funded by the legislature.

A principal opponent of OBE is independent gubernatorial candidate Nancy Spannaus, who has made opposition to the program the focus of her campaign. In a statement, she welcomed Wilder's decision, while pointing out that it is only a first step. "More steps must be taken," she said. "In general, they involve reversing the New Age brainwashing programs called group guidance counseling (such as Pumsy-Duso), the sex education programs promoting homosexuality, and other such indoctrination. These have been going on before Governor Wilder's tenure, I realize, but they are part and parcel of the same noxious program."

The text of the governor's statement follows:

After careful consideration, I have instructed the Department of Education to immediately withdraw the Common Core of Learning initiative for Virginia's schools.

The World Class Education initiative, of which the Common Core of Learning is a significant component, was introduced with the best intentions, and with goals that must be met if Virginia is to achieve educational excellence into the 21st century. I believe that Virginia's students need to be judged on their ability to meet our highest standards of achievement and that current evaluation standards do not go far enough to ensure the result we desire—students prepared for the work force of tomorrow.

Unfortunately, in formulating a new approach to Virginia education, our reform efforts have become tied to other fashionable approaches to curriculum reform. Make no mistake, I do not now, nor have I ever, endorsed changing Virginia's education standards to encompass values-based education. Knowledge and proficiency of basic skills must remain the basis for education in our Commonwealth.

Our students must be prepared for the world of tomorrow—which means being adaptable to different forms and

styles of learning, knowing other languages and appreciating other cultures, and understanding how to grow not only as students, but as human beings. But at the very center of all these goals must be a rigorous curriculum of basic facts, knowledge and information, and from that we can never retreat.

Judging on this basis, I have determined the Common Core of Learning initiative has strayed from our World Class Education goals. Too much time and effort have been placed on concepts with laudable goals, but that may in fact serve to weaken educational standards for Virginia's children.

While much of the opposition to the Common Core of Learning has been based on misinformation and hysteria, one argument made by some opponents has great merit — that our Commonwealth should not interfere with localities' ability to maintain a rigorous curriculum that meets the highest standards. Our role is to buttress the good works of localities, and not to block them.

The opposition has had an impact, and some supporters of the Common Core of Learning have suggested trying a new start, going back to the beginning with our initial goals and coming up with a new proposal. Clearly, not enough public input went into the development of the Common Core of Learning. There were no focused discussions on components of the proposals, and no grassroots consensus for reform was allowed to grow.

But I have concluded that more public input and a better public relations campaign would not be sufficient to make this proposal more acceptable to me and other Virginians concerned about the future of our children.

Of greatest concern to me is the cost of reform efforts and the potential future costs of a re-formulation. This year, of the nearly \$3 million we will spend on our World Class Education Initiative, the lion's share will go toward Common Core of Learning programs. For Fiscal 1994-95, the Board of Education proposes to spend nearly \$4 million for model schools, assessments of programs, and the development of staff, and these costs would increase to \$6.7 million for Fiscal 1995-96.

This is too much money to be spending on experiments when our state faces another fiscal crunch. Our educational dollars must be spent more wisely today than ever before. Teachers need adequate pay, facilities must be kept in top condition, and school books and equipment must be of the highest quality. Our job is to focus our spending on the most basic needs and to ensure that local efforts to improve standards are rewarded and emulated.

I would hope that the support for our World Class Education Initiative that members of the business community have shown can now be rechanneled to the communities. Reform must come from the bottom up, and parents must be concerned about how their children are taught — not just to block the ideas of some, but to offer solutions that we can all benefit from.

Sixth Circuit assails OSI and ADL at Demjanjuk hearing

by Jeffrey Steinberg

After months of being slandered by such groups as the Anti-Defamation League of B'nai B'rith (ADL) and the Los Angeles office of the Simon Wiesenthal Center as a Nazi sympathizer out to "get" the Justice Department Office of Special Investigations (OSI), the chief judge of the U.S. Sixth Circuit Court of Appeals, Gilbert Merritt, issued an impassioned public response on Sept. 3.

The occasion was an important hearing in the court's review of the case of John Demjanjuk, at which attorneys for Demjanjuk and the Justice Department argued the recently issued Special Master's report, which reviewed evidence of government "fraud upon the court" in the prosecution of Demjanjuk as the alleged Nazi war criminal "Ivan the Terrible" of the Treblinka death camp in Poland during World War II. On July 29, an Israeli Supreme Court panel overturned Demjanjuk's conviction as "Ivan" on the grounds that massive evidence, including material that had been in the Justice Department's files since 1978, identified another man, Ivan Marchenko, as the real concentration camp mass-murderer.

When the Sixth Circuit, in June 1992, decided to reopen the Demjanjuk case on the basis of media reports that crucial evidence had been withheld from defense attorneys, the justices immediately came under attack from ADL circles. Former Rep. Elizabeth Holtzman (D-N.Y.), who was instrumental in the creation of the OSI Nazi-hunting unit in 1979, warned that a reversal of the Demjanjuk conviction could spell the beginning of the end for the OSI. Chief Judge Merritt was widely slandered in ADL circles as "John Demjanjuk's best defense lawyer."

Security was unusually tight at the hearing. Spokesmen for the Kach Movement, an Israeli affiliate of the U.S.-based Jewish Defense League, threatened to assassinate Demjanjuk, and, according to sources close to the clerk of the court, there was also concern about possible attacks against the judges. According to investigative journalist Robert Friedman, JDL terror targets in the United States are selected by a team of Mossad officers who in the past included a top official of the Brooklyn, New York office of the ADL.

Means must be just

Presiding over a large audience in the courtroom, Chief Judge Merritt read from a prepared text: "Let me say at the outset that what the court is dealing with here—what we are

deliberating about in this case + is means, not ends. We are deliberating, for example, about whether the withholding of the Leleko and Malagon statements or the Polish Main list from the defense was a proper means in the original prosecution of this case.

"We have never doubted that the *end* was reasonable—bringing to the bar of justice and prosecuting those responsible for Treblinka and other death camps. But because the court has questioned the *means* used by the prosecution, some have said that the court also questions the *end*. That is wrong.

"We have read and reread the various statements of Leleko and Malagon who were guards at Treblinka. They describe in the most minute detail the almost unimaginable crimes committed—the smell of burning flesh day after day for a radius of 10 kilometers, the mutilation of children, crimes the details of which make other murders pale by comparison. The end sought by OSI—to bring those responsible to justice—is a worthy end. Neither do we disagree with the principle of justice and human rights established at Nuremberg. We do not doubt that there is a higher law that overrides the positive directions of the state in some situations—the Holocaust prosecutions themselves being the best example.

"But in a just society we cannot allow evil or unjust means to defeat noble ends. In our law each step must itself be just.

"So at the outset, please understand that we are deliberating about *means*, the propriety of the steps used to achieve the worthy goal of punishing those responsible for the most unspeakable, the most evil of all mass murders in human history."

De novo review demanded

Following Merritt's statement, defense attorney Michael Tigar addressed the court on behalf of Demjanjuk. Tigar argued that, while the bulk of the Special Master's final report, submitted by Judge Thomas Wiseman in June 1993, consisted of facts that catalogued a pattern of OSI failure to disclose crucial exculpatory evidence, Wiseman's conclusion that the government had not committed willful fraud upon the court was wrong. He reviewed the behavior of several OSI attorneys who oversaw the Demjanjuk investigation and prosecution, and detailed their failure to provide critical data after informing the court and the defense that

there was no more information to be turned over. In particular, Tigar highlighted the failure of Norman Moscowitz to turn over a series of interrogations of Treblinka guards known as the "Fedorenko Protocols," and the report provided to OSI by the Polish Main Commission, a government agency in charge of pursuing Nazi war criminals.

The Fedorenko Protocols included interrogations of two crucial eyewitnesses, Leleko and Malagon, both of whom described in detail the inner workings of the Treblinka camp. Leleko was first interrogated on Feb. 21, 1945, and he provided detailed descriptions of the two men who manned the motors of the gas chambers, identifying them as "Nicholas and Marchenko." Leleko would be re-interviewed in the early 1980s and would be shown photographs of John Demjanjuk. He failed to identify Demjanjuk's pictures as those of anyone he knew at Treblinka. Despite the clearly exculpatory nature of this information, OSI attorneys never provided the Fedorenko Protocols to Demjanjuk's attorneys or to the court.

When Justice Department Appellate Division attorney Patty Stemler began to address the court on behalf of the OSI, she was immediately grilled by Chief Judge Merritt about the Fedorenko Protocols and the failure of Moscowitz and other OSI attorneys to provide copies to the defense.

Stemler attempted to defend the OSI failure to disclose the documents by claiming that the material had been "lost" between the Fedorenko and Demjanjuk case files (Fedorenko was a Treblinka guard who was also prosecuted by the OSI during the late 1970s). At that point, Judge Pierce Lively pointed out that if the Israeli prosecutors had been provided with the Fedorenko materials, they might have decided not to seek Demjanjuk's extradition. The Fedorenko material, which was lost during 1981-91 (the time of Demjanjuk's denaturalization, extradition, and trial in Israel), was only rediscovered as the result of a Freedom of Information Act lawsuit by Rep. James Traficant (D-Ohio). Lively asked Stemler, "How sloppy can you get? The Fedorenko and Demjanjuk cases were so close and were handled by a relatively small office." The OSI handling of these crucial documents, he charged, was "highly neglectful."

Toward the closing moments of the hearing, Judge Damon Keith, the third member of the panel, asked Tigar what kind of specific relief he was seeking from the final recommendations of Wiseman to suspend any further action against the OSI. Tigar argued that, while Wiseman had amassed a detailed evidentiary report, he had failed to apply the proper standards in judging the OSI's conduct. He called upon the judges to undertake a *de novo* review of the underlying legal issues and rule that the government did, indeed, commit fraud upon the court. He argued that the government has an affirmative obligation to the truth, and ended by stating that "while justice may be blind, the Department of Justice should not be blind" to the truth. Such behavior, he said, constitutes "reckless" disregard and is the basis for overturning Demjanjuk's denaturalization.

At the conclusion of the hearing, John Demjanjuk, Jr. and Edward Nishnic, Demjanjuk's son-in-law, stated at a press conference on the courthouse steps that they were optimistic that Demjanjuk would soon return to the United States, despite the fact that the Israeli Supreme Court is still reviewing a series of petitions from the Kach Movement and a group of Nazi concentration camp survivors who are demanding his re-trial on other war crimes charges.

John Demjanjuk, Jr. noted that his father would be "always stigmatized" by the false war crimes charges, that he had already suffered eight years in solitary confinement in an Israeli prison, and that his experience with the OSI had convinced him that there was "no integrity in the Department of Justice."

Nishnic chastised the Israeli National Police for doing everything they could to strip Demjanjuk of security. On two separate occasions, when it had been anticipated that Demjanjuk would be allowed to leave Israel, the deputy chief of the Israeli National Police had announced his travel itinerary. At the same time, the police have informed Demjanjuk's family that they will provide no security once Demjanjuk is released from prison.

Nishnic praised the Clinton administration, and especially Attorney General Janet Reno, for her decision not to challenge the Sixth Circuit's decision to allow Demjanjuk to temporarily return to the United States once he is released from Israeli custody. "The new DQJ image is that of the moral high ground," he said. Even if Reno decides to seek Demjanjuk's deportation, he added, at least we will be fighting on a level playing field with all of the evidence now out in the open.

Two rulings awaited

The Sixth Circuit is expected to issue a written ruling shortly on the Wiseman Report and the underlying question of whether OSI conduct amounted to fraud. And in Israel, the Supreme Court president is also reviewing the demands by 12 petitioners for a new trial for Demjanjuk. Eight Supreme Court justices and Israel's prosecutor are opposed to new charges, citing the extradition treaty with the United States and international law as forbidding new indictments on charges other than those for which an individual was originally extradited.

At the OSI office in Washington, and at ADL headquarters in New York City, there is growing fear that the Sixth Circuit and the Israeli Supreme Court will soon rule that Demjanjuk was a victim of a frameup. The ADL is also awaiting a decision from the San Francisco district attorney, who is reviewing evidence that the ADL ran a nationwide illegal spy ring that obtained classified data on tens of thousands of American citizens. The same kind of arrogant disregard for the law which has been identified in the OSI-ADL handling of the Demjanjuk case is being unearthed in the ADL spy case as well.

Drug mafia targets St. Louis schools with racist behavioral conditioning

by Leif Johnson

If the drug mafia were to write the curriculum for your schools, what would you expect it to say?

Do you imagine they would advocate use of drugs, perhaps as "recreational," or propose legalizing drugs "to take away the profit and crime"? Or, might they write a niceynicey teacher's guide to ingratiate themselves with the school district?

In the St. Louis, Missouri area, Dope, Inc.'s Anti-Defamation League (ADL) has infiltrated not only the school systems with student and teacher workshops, but also the Boy Scouts, court employees, corporations, churches, museums, men's clubs, black organizations, hospitals, and the homeless. The ADL agenda is contained in a 400-page curriculum called "World of Difference; Teacher/Student Study Guide," which is co-sponsored by KMOV-TV, the St. Louis Post-Dispatch, the Urban League, the Danforth Foundation, and Civic Progress.

Does the dope lobby's World of Difference manual ever mention drugs? Not at all. Is it "nicey-nicey"? Hardly. It demonstrates to teachers how to perform the cruelest psychological tricks on children, including pre-schoolers. It actively teaches the dogma of racial distinctions by having children compare the color of their skin with their classmates'. It instills violence and paganism, and puts the practice of witchcraft first on its list as one of the world's important religions.

Above all, it teaches "pluralism." Children are not to grow up to be citizens in a great republic founded upon "truths we hold to be self-evident" and "inalienable rights." Rather, they are taught that each one of them is "different" depending on where their ancestors may have come from, and that because they are "different," they be separated into diverse "interest groups" in a pluralist society. This is the World of Difference.

Establishing racial stereotypes

Let us look at p. 31 of the ADL's manual. The lesson, called "What's in a Picture," is directed at pre-schoolers. They are told to fold a piece of paper in half. On one side they are to draw a "young black American boy." Then the children are told to close their eyes and listen to this description: "Young black American boy: He has very short, black,

curly hair, like teeny, tiny bedspring coils tightly wound. His nose is plump and round like an over-ripe Bing cherry. His eyes are so deep, dark brown that they resemble small bits of coal. The whites of his eyes are as white as freshly fallen snow. His skin is the color of bark from a maple tree."

After this description, the children are told to draw the boy again and compare the result to their first picture. It is certainly demeaning to compare a child's hair to bed springs, his nose to an over-ripe cherry, his eyes to coal, and his skin to the bark of a tree; but there is a deeper level to this. Preschool children at best will draw a stick figure of the human form, and frequently leave out a part of the head (an ear or two, a nose), and may forget even an arm or the torso, and so on. Children of this age make very little distinction of size, weight, color, or even gender of their playmates, because they accept other children as children, not objects. The purpose of this "lesson," therefore, is to implant, using nonhuman imagery, a vicious stereotype of another human based on a physical difference. The dope lobby manual freely admits that this is what it is doing. At the head of the "lesson" is written: "Purpose: To develop awareness and appreciation of differences; introduce the concept of stereotyping."

In short, teachers in the St. Louis public schools are being trained by the Anti-Defamation League to teach racism.

The purpose of having children draw the young black American boy again after the teacher gives a stereotyped description, is to test whether the stereotype took hold in the child's mind. Of course, children have already been bombarded with just this sort of stereotyping from television, so that this activity in school serves as a powerful reinforcement.

The "lesson" ends with a paragraph called "Closure," which reads: "Discuss stereotyping. We may not want to talk or play with a group of people because of our mental pictures of them. Do you think other people may have stereotypical feelings about you or someone else you know? How can people be hurt or affected by stereotyping?"

The next lesson (p. 33), titled "Color of People," is a followup reinforcement whose purpose is "to develop and enhance an appreciation of color, stimulate critical thinking skills; and promote motor development." The "Areas of

Study" include: "Math, Science/Health, Social/Emotional Development." Under "Learning Objectives," the "students will: state a simple definition of 'melanin'; classify similar colors; locate environmental objects that match (resemble) skin color; memorize and sing a song.

"Examine skin. Instruct the children to take a good look at their own skin. If you have hand-held magnifying glasses, pass them around so that the children can focus on the skin. Encourage the students to compare and contrast the skin color." Get it, kids? Skin color, skin color, skin color. When all the children are through checking each other's skin, they "do other sorting or graphic activities involving hair or eye color."

Reviving 'Jim Crow'

From the earlier lessons on racial categorization of people, fourth graders are given a lesson on "Negroes along the River," in which the child is told about the "Negro roustabout, of the 'befo de wah' era, shuffling on and off boats. . . . Most of the Negroes along the river had their full share of grief, grueling hard work, and little happiness. Despite this, they found time to express their joys and sorrows in melody and dance strumming the banjo, shuffling feet as they 'jumped Jim Crow.'

With condescending empathy for the wretched plight of slave stevedores, the ADL author has skillfully managed to introduce the standard stereotypes of black Americans, the "shuffling," the dialect ("befo de wah"), and the general notion that they were such simple souls that, despite their condition, they could express their simple emotions of joy and sorrow by "jumping Jim Crow."

Jim Crow never "jumped Jim Crow." He was a crippled slave named Jim whose owner was Crow. He was hired by a minstrel show because of the ludicrous and tortured motions he would make when he attempted to dance. Blacks no more "jumped Jim Crow" than Englishmen jumped John Bull. Jim Crow was the name of the apartheid system imposed by the Southern Jurisdiction Scottish Rite Freemasons in the South beginning in the late 1880s.

The ADL's distortion is quite understandable, given the fact that the ADL itself is a branch of the Scottish Rite freemasonic order called the B'nai B'rith, founded to defend slavery and the Confederacy in 1843.

Here is one of the songs presented to children by the World of Difference, a song these "jumping" roustabouts reputedly sang:

Oh, I thought I heard the Kate Adams when she blowed, She blowed jes' lak she ain't goin' to blow no mo'.

The reason that I lak the Kate Adams so.

She carries a chambermain an' a watch below.

Such trash is presented as the real "black" music of the time; whereas there is nary a word about the beautiful and

moving Negro spirituals, which are perhaps most profound and lasting of all American music. What is introduced here is what is now called "Black English." On p. 217 of the dope lobby's manual, entitled "Flossie and the Fox," the fourth grader gets a big dose of this synthetic nonsense written by a former teacher in the Kirkwood, Missouri public schools.

"FL-O-O-OSSIE!"

"Here I am, Big Mama."

"Take these to Miz Viola over the McCutchin Place. Seem like they been troubled by a fox. Miz Viola's chickens

"Though the work was hard, the life of a roustabout (slave) suited the Negro to a T. He could travel and see the world, he got three meals a day and a place to sleep and there was practically no responsibility to bother him."

-World of Difference, p. 263

be so scared, they can't even now lay a stone."

"Why come Mr. J. W. can't catch the fox with his dogs?"
"Ever-time they corner that ol' slickster, he gets away. I
tell you, that fox is one sly critter."

"How do a fox look? I disremember ever seeing one."
"Chile, a fox be just a fox. . . ."

There's more, but you get the idea that even "afta de wah" dem peoples still do be talkin' funny lak dat. But is that way Dr. Martin Luther King spoke, or Rev. James Bevel, or Marian Anderson, or Dr. W.E.B. Du Bois? Since when do we glorify ignorant speech, and then cruelly foist it upon an oppressed group so that they may never learn literate English? In fact, "Black English" was cooked up at Harvard, Yale, Princeton, the University of Chicago, and Oxford, England.

A powerful poison

Teaching children racism in the classroom is much more effective from a brainwasher's standpoint than allowing the child to pick up ordinary street racism. Children expect to learn from teachers, and therefore tend to be more attentive to what teachers say than they are to classmates, siblings, and often parents. Even one dose of the ADL's "anti-racism" racism can have a powerful effect; repeated dosages can cause the child to become obsessed over a difference of skin color.

Forcing children to fixate on their own and others' physi-

cal appearance is to have them deny that the essence of a human being consists in the person's mind and character. Concentrating on superficial "differences" makes children begin to see others not as fellow humans, but as objects among other objects, and they lose that love they might otherwise have toward the other person. That "other person" is now a category, and the child's mind is increasingly clouded by the disease of pluralism.

Humiliating the children

Simple teaching of racism is only the first level of the World of Difference indoctrination. The next level is "rein-

"Pagans. Drawing on pre-Christian European traditions as well as Native ways, neo-pagans preach a simple ethnic [sic] code: if it harms no one, do what you will. Pagans are especially interested in honoring feminine qualities to balance the hierarchical and patriarchal aspects of our society. This religion is sometimes called Wicca or Witchcraft. . . . Wicca festivals include solstices, equinoxes, and other natural times."

- World of Difference, "Religious Diversity in St. Louis," p. xi

forcement." Humiliation and shame are introduced to produce self-hatred which can then be directed outward as hatred of others.

On p. 17, a lesson for pre-schoolers says: "Although there are more than 4,000,000,000 people on earth, no two are exactly the same. This book [*People*, by Peter Spier] emphasizes and explores those differences: bodily shapes, nose sizes, hair, eye color and shape."

One child, designated "Person of the Week," is made to sit facing the class and answer a list of 39 questions put by the teacher. These include: "Full name; address; age; phone number; birthday; weight; people in the family; jobs of family members; your job when you grow up; favorite group or band; favorite animal; favorite place in the world; any awards, trophies; the best thing about me is..."

Then come the questions used to humiliate:

"Things That Scare You..."

"Something That No One Else Knows About Me Is...."

The "Person of the Week" who is sitting facing the class, is now forced to recall in public his or her fears, and reveal them to the class. Then the child must divulge what he or she has been unwilling or afraid to tell anyone (including parents). These psychological profiles will become part of the permanent school record of the child, passed on to the federal Department of Education, and then the federal Department of Labor upon graduation from high school.

Every reader can remember the ordinary humiliations he or she suffered in school. Imagine what shame can be inflicted if this is sanctioned by the teacher. The "Person of the Week" may be a very thin or very heavy child; some children's parents have menial jobs, or, in the case of a family on welfare, none at all; and the "scared of" and "secret" answers might be the subject of weeks of taunting and scapegoating.

By grade two, the student answers the "What Would Hurt" questionnaire, with a "yes," "no," or "don't know." The questions, which are to be discussed by the entire class, include:

"At school no one wants to play with you because your family doesn't have much money."

"You are in a wheelchain and some of the kids won't let you join their game."

"Some of the kids with blue eyes have a club, and they won't let you join because your eyes are brown."

Also in the second grade children are asked to fill out a family history questionnaire that includes these questions:

"My name is special because: (please explain where your name came from and if it has any special meaning)."

"My mother's family came from . . . ; my grandparents on my mother's side came from . . . ; my father's family came from . . . ; my grandparents on my father's side come from"

Some children do not know their fathers, and it is more and more common that children are being raised by relatives, or by foster or adoptive parents who have no blood relation to the child. The questionnaire forces the child to publicly announce this fact, and to brood about it.

Add now another layer of manipulation of the child: group dynamics, or peer group pressure. For pre-schoolers, the teacher announces that all children wearing blue or having green eyes cannot play that day. Sixth graders are put into groups of four to six, and are asked to "role play" the humiliations of discrimination. Or, two sixth-grade classes (one designated white, one black) sit in a large circle. The dope lobby's manual says: "Your class sits in one half, the host class in the other. No one is talking. The atmosphere is tense."

A parallel operation is to crowd one class into a very small area and have another class come in and try to find space within that same area. This "rats in an overcrowded cage" technique is meant to show how the American Indians allegedly "felt" when the Europeans came to America.

The cult of populism and opinion

The immorality and pragmatism that St. Augustine proved caused the fall of Rome, plagues us again today, as Elisabeth Hellenbroich demonstrates.

The following is edited from Mrs. Hellenbroich's presentation to the semi-annual conference of the Schiller Institute and International Caucus of Labor Committees on Sept. 5. She is an executive member of the ICLC in Germany.

Sixteen hundred years ago, St. Augustine wrote his City of God, in which he examined the causes that led to the collapse of the Roman Empire. It was moral decay, the praise of the false, pagan gods, but, in particular, the arrogance of power and the negation of a divine natural law, which transformed the Roman state into a lawless robber band, St. Augustine concluded in his book. St. Augustine showed that there are two types of human societies: one which orients toward the Idea of the Good, the eternal City of God, and one which only lives in the ephemeral finiteness and thus opens the door for evil. Said Augustine: "The one state consists of people who want to live according to the flesh, the other according to people who want to live according to the spirit. . . . Animosity, jealousy, rage, are the work of the flesh; but the chief and root of all these evils is pride, which rules in the devil even without flesh. . . . For the human being has become similar to the devil, not because he is of flesh which comes from the devil, but because he has lived according to himself, thus according to man, therefore is he similar."

We are faced today with a global moral crisis which goes far beyond what St. Augustine described as the evil of his time 1,600 years ago. The tragedies which we see unfolding, the historical injustice which made Lyndon LaRouche a prisoner of a profoundly unjust system, these were made possible because of the cult of populism and opinion.

Populism is a technique of lying. It has its roots in the philosophy of Aristotle, the Sophists, and in the philosophy of the empiricists such as Locke and Adam Smith. The essence of this philosophy is "that opinion is knowledge," and that there is no universal truth. Man, according to the philosophy of Locke, Hobbes, and Smith, is a selfish egoist, who is driven by survivalist instincts, the instinct to seek pleasure and avoid pain. These empiricists deny that the human mind has an "innate" faculty for creating universal ideas; they deny that "the laws of the universe are inscribed in the heart of man, and that man's inclination to form an idea of God is within man's nature," as St. Paul had said. For them thinking is just sense perception, memory, experience, and informa-

tion. These empiricists deny that there is an active principle of love, that Pauline principle of agapē, the love to perfect oneself by developing another, which guides creativity. If anything moves man, as Adam Smith develops it in his *Theory of Moral Sentiments*, it is the Fabian sense of pity, of "sympathy," which man feels toward the suffering of the other. Man acts, not because he wants to do good, but because he imagines that the same evil could befall him as well, says Smith. There is no passion, there is only an administrative kind of "ethical conduct," whereby man suppresses his worst impulses, such as envy and lust, and whereby man tries to be benevolent, approving or not approving.

LaRouche, in his chapter on "Microcosm and Macrocosm" in his essay "Science as History," picks out of Smith's Theory of Moral Sentiments that quote which he sees as the essence of immorality: "The administration of the great system of the universe . . . " Smith writes, "[and] . . . the care of the universal happiness of all rational and sensible beings, is the business of God and not of man. To man is allotted a much humbler department, but one much more suitable to the weakness of his powers and to the narrowness of his comprehension: the care of his own happiness, of that of his family, his friends, his country. . . . But though we are . . . endowed with a very strong desire of those ends, it has been entrusted to the slow and uncertain determinations of our reason to find the proper means of bringing them about. Nature has directed us to the greater part of these by original and immediate instincts. Hunger, thirst, the passion which unites the two sexes, the love of pleasure and dread of pain, prompts us to apply those means for their own sakes, and without their consideration of their tendency to those beneficent ends which the great Director of nature intended to produce them."

Adam Smith's immoral dogma, that man should not care for the universe, finds its modern expression in today's cult of populism and opinion. It is what David Riesman, in his ideological portrait about American society called *The Lonely Crowd*, identified with the "other-directed man."

There are three types of society and man that Riesman analyzes, and three types of population models: The tradition-directed, the inner-directed, and the other-directed man. The tradition-directed type belongs to the primitive agrarian society, where man's identity is rather group- and family-

EIR September 24, 1993 National 61



On his way to govern his "island," Sancho Panza receives Don Quixote's benediction. "The key in statecraft is justice and love," the knight-errant admonishes his squire. Engraving by Gustave Doré (1863).

oriented. The inner-directed man, the Renaissance man, is the one who masters nature and production by means of inventions, and who—guided by inner, universal values—optimistically thinks that there is no problem on earth for which man could not find a creative solution.

The other-directed man, the modern man, gets his norms of behavior, not from universal ideals, but from the peer group and the opinion of the peer group. He is not concerned with morality, but with popularity and acceptance. Be loved and liked and have fame, is what counts. It is the corporate manager, the gray bureaucrat, who cannot judge or think through for himself whether something is good or bad without consulting friends, without finding out "what the line is," without being tutored by the TV. He is constantly on the ready to feel out what others think and say. And everything he does, his taste in fashion, his taste in food, his taste in sex, is other-directed. Therefore, there is nothing more important to him than banal gossip, sex, and food, not because he really enjoys it, but because "sex . . . provides a kind of defense against the threat of total apathy. This is the reason," says Riesman, "why so much excitement is channeled into sex by the other-directed person. He looks to it for reassurance that he is alive." Now there are, as Riesman shows, very definite techniques – the technique of soap operas, the cult of sincerity displayed in the TV talk shows, the opinion polls — which

serve to enforce other-directedness. In Classical Greece and in Rome, Riesman writes, "defamation in politics, ostracism, when introduced in the fifth century [into Greece], became a formidable weapon of public opinion, wielded capriciously as a means of ensuring conformity of taste and of 'cutting down to size' those statesmen, playwrights and orators of markedly superior ability. . . . In addition, the common people produced a numerous brood of informers, who were constantly accusing the better and most influential men in the states, with a view to subjecting them to the envy of the multitude."

Man, the microcosm in relation to the best of all possible worlds

Populism is the negation of that which is the unique quality of man: "Man's nature being a little under the angels, and including the spiritual as well as his sensuous nature, concentrates in himself the universe, and this is the reason why the Classics called man a microcosm or a little universe," Nicolaus of Cusa writes in On Learned Ignorance. LaRouche in "History as Science" refers to Cusa's notion by emphasizing that man's uniqueness is that he is created as in the "image of God" (imago Dei) with the capacity to participate in God's creation (capax Dei). This concept of man, as LaRouche says, "defines the human agency of universal, ontologically transfinite change, the human agency which generates hypothesis and higher hypothesis, to be situated entirely within the sovereign individual creative personality. This creative person, if so developed, is the *microcosm*; successful change in upward development of mankind's self-reproductive, selfdeveloping relationship to the universe as a whole, is the unperfected reflection of the corresponding macrocosm." So, only if man identifies with the principle of change as the essence of true knowledge, by making his own discoveries physically efficient for the survival of his species, that man acts as a true microcosm. And it is that "transcendental" quality of man's mind, as Plato says in the Philebus, to discover "That everything consists out of a One and a many, which contains limitedness and unlimitedness. And that we have to look in everything for the one, the one idea," which makes man transcend his own finiteness so as to become "an actual infinity."

Justice and the principle of self-government

How, then, do we make man conscious of his uniqueness? How do we transform him in such a way that he becomes a moral personality?

In Plato's dialogue *The Republic*, this question is hotly debated between Socrates and some of the young Athenian intellectuals. The issue is: What is justice? And "Can we create a just state?" "Well," Thrasymachos says, "this is very clear. Judging from our experience, justice is nothing but the right of the stronger. Those who rule give the criteria for justice. Thus, in dictatorships, the dictators say what is just;

in democracy, the crowd dictates what is just." This thesis corresponds to that of the famous Nazi judge Carl Schmitt, whose principle—"justice is not in the state, but the state is just"—became the basis of Nazi law. In reference to Thrasymachos, Glaucon adds in *The Republic:* "If it were not for the ethical codes of society to suppress our greed, we would 'by nature' all commit injustice and fulfill our secret wishes."

Then Socrates asks, is this really true, or is there a selfsubsisting positive, something which we can define as divine natural law, which ought to be the basis of statecraft? Socrates emphasizes that in order to understand what the principle of justice is, one has to create a reciprocal relationship between man's soul and the state. A man who knows how to govern himself, as the dialogue shows, is able to govern himself, i.e., his identity lies in the use of his creative power, his reason, with which he governs his emotions and orders his thinking. The more man concentrates on how to "generate" ideas, that is, the more he concentrates on perfecting his capability to understand the laws of the universe, the more he understands with the help of his hypothesis-creating faculty what the difference is between the "ephemeral" - the "opinion" - and the "invariant" - "eternal" ideas - the more he will be able to understand that which "causes" the "becoming": the "Idea of the Good," which is the cause for the intelligible, as well as the sensible things. If this concept, the "Idea of the Good" as the absolute which generates the becoming, is grasped, then it is upon this idea that a just state should be founded. And only the philosopher-king, who identifies with the Idea of the Good, who becomes a true lawgiver by discovering new scientific laws which change society for the Good – only he should rule as a living image of justice.

Don Quixote

There is a metaphorical example given by Renaissance poetry of what Plato means by the principle of self-governing and justice. It is Cervantes' famous Socratic dialogue Don Quixote. The theme of this poetic dialogue is: How can Spain - at that time very backward and full of corruption and illiteracy – become truly self-governing? In this Socratic dialogue we see two personalities going through a process of becoming self-conscious about themselves. On the one side Don Quixote, who is a fool, "ignorant" in the Pauline, Erasmian, and Cusan sense of learned ignorance, who "knows" that he does not know. He is a moral man, who courageously fights for the idea of the Good and wants to liberate Spain from superstition and backwardness. But it happens that he, a big admirer of chivalric novels, sometimes confuses illusion with reality, and, in that way, gets involved in all kinds of funny adventures and confrontations.

"Don Quixotterie" is the attempt to find a difference between illusion and reality, to make the imagination the source of new ideas. On the other side, there is Sancho Panza, the peasant. He is an original genius, with a very



Governor Sancho is denied his "right" to eat all the food put in front of him, and a crisis erupts. Engraving by Gustave Doré (1863).

developed common sense, no formal education, but with the naiveté that geniuses have. With a tremendous thirst for knowledge, he accompanies Don Quixote in his many adventures, a voyage through the Spain of that time and its social problems.

At one point, Sancho has the opportunity to become governor of an island. Without being pedantic, he tries to be a true representative of natural law and to apply all that he has learned during the voyage and that Don Quixote has taught him about statecraft, before he takes that responsibility. Thus, Don Quixote had told him: "If you take your wife with you, teach her and make her better. Don't interpret the laws arbitrarily. This is what ignorants and scholastics do. Exert justice toward the rich and poor. Don't be blinded by selflove, nor become corrupt. The key in statecraft is justice and love. . . . Cut your nails, wash and don't run around like a bum, because this indicates a sloppy character. Don't artificially speak, and don't burp in front of everybody." So Sancho does good work as governor. He is not fixated on details and paragraphs, but tries to be just. There is one thing, however: Sancho loves food, and a crisis erupts around this question. Sancho is given all the fantastic meals on plates. But the minute they are put in front of him, with the odor wafting into his nose, the minute he wants to eat, these meals are pulled away, and, instead, he gets some sour apples, because

American populism preys on desperate farmers

American populism is spreading with particular virulence among enraged American farmers, preying on the belief that fate (often mislabeled "God") will take care of everything, and that local actions, not organizing to change national policy, are what is needed to defeat their political oppressors. Contrary to a well-cultivated mythology, it is not a grass-roots phenomenon, but is remote-controlled by social engineers trained in British psychological warfare methods of manipulation.

Recently, 150 citizens of North Dakota were interviewed by teams from the Stanford Research Institute, the California-based arm of Anglo-American efforts to propagate a New Age "let it be" paradigm shift. The result was a profile of the American farmer, showing that farmers believe the economy is in crisis, but that solutions are beyond their control. The Stanford brainwashers then set about developing strategies to make farmers believe that something was being done for them at the local level, and prepare them to be led like lambs to the slaughter.

One leading carrier of the populist virus is traveling con artist Roy Schwasinger, who duped Jerry and Betty Herdon, William Bivens, and at least seven other Texas farmers into filing do-it-yourself lawsuits and liens against assorted bankers, lawyers, Farm Credit System officials, and judges. As a result of falling for Schwasinger's populist pitch, on July 28, all 10 farmers and Schwasinger himself were indicted on 13 counts of obstruction of justice by an Amarillo, Texas grand jury. If convicted, they face up to 10 years in prison.

The middle-aged, portly, crew-cut Schwasinger sings

his siren song to those who rightly believe that the United States should return to constitutional government, but who ignorantly swallow the line that this means a return to pre-Revolutionary America. According to the bill of goods sold by the populist slicksters, the farmer was a free man back in the days when he didn't have government to "oppress" him. (The illogic of a return to constitutional rule modeled on the state of affairs before the Constitution does not faze the populists, nor, sadly, their victims.)

A variant of this line is that federal entities such as the Farm Credit System have no legal authority to operate in individual states, and that instead of being citizens of the United States, we are citizens of the "republic" of Nebraska or Iowa. This dovetails, not accidentally, with the arguments of the Confederate rebellion during 1861-65, when the British oligarchy ran its third war against the United States through the breakaway slaveholders, many of whom believed they were defending "states' rights."

Step right up with your \$300

In the 1992 presidential campaign, Schwasinger was boosted by a strange network known as Cosmos, which offered weekly conference calls spewing wildly improbable political scenarios. Since then, Schwasinger and his associates have been meeting with hundreds of farmers throughout the Midwest. They promote participation for \$300 per person in a class-action lawsuit, which has been filed in Colorado against the Farm Credit System and various other entities. For the \$300, farmers get to add their name to the suit. Schwasinger lies that the government has already made a decision to compensate the victims of farm foreclosures.

The lawsuit is an appeal of a bankruptcy dismissal by a farmer named William Baskerville, to which Schwasinger has added numerous other plaintiffs and defendants. The lawsuit was dismissed in June, however, and the judge

this would be better for his health. Dark-red and full of rage, he explodes: "Either I get something to eat in a proper way, or I'll throw away all governorship. Because a responsible position that does not get enough to eat properly is not worth a damn."

This story, which ends with both men becoming self-conscious, is an illustration of what it means to be self-governing: namely, what it means to have reason govern your greed and fantasies, and to become self-conscious.

Gottfried Wilhelm Leibniz

But there is another dimension given by G.W. Leibniz to the debate about justice. In commenting on the Thrasymachos argument, which we went through earlier, Leibniz said in his essay "On Justice": If Thrasymachos' thesis were true, that power and not natural law determines what is just, then all powers would be just and all court sentences would be just. This thesis of Thrasymachos is like the one of Hobbes who created *Leviathan*. It conceives a God Who is almighty, without wisdom and love. But there can be no justice, neither in man nor in God, if power is not based on wisdom and goodness.

Justice in Leibniz's sense derives from a God, Who in His infinite goodness, love, and wisdom created out of all infinitely possible worlds, "the best of all possible worlds." Yet, in this best of all possible worlds, there is evil. But Leibniz shows: "God is not the origin of evil, but He allowed evil as the potential to contradict the best of all worlds, as the

has given leave for any of the defendants to sue for costs incurred in removing their names from the case. Nevertheless, Schwasinger continues to make extravagant claims about the power of the suit.

Schwasinger's tactics are not new. Rick Elliot and other advocates of *pro se* legal defenses against unjust foreclosures have sold these tactics to farmers since the farm crisis began in the early 1980s. Why should farmers believe they can succeed on the same track where so many before have failed? Schwasinger tells farmers, whose appeals have been exhausted and who are desperately trying to save their farms, that he has secret information that these claims will be successful, because he is supported by the Joint Chiefs of Staff and other powerful people behind the scenes.

Schwasinger keeps up interest in his actions by spreading lurid rumors through the "patriots" network. One week, the rumor was that Federal Reserve Board chairman Alan Greenspan was dead. Another week, Schwasinger lied that the city of Ft. Collins, Colorado, the location of his office, was under martial law.

Another rumor spread by the network is that a bank holiday will be declared on Dec. 2. At a meeting in Limon, Colorado on June 22, one Joe Mentlick from Colby, Kansas, speaking on behalf of Schwasinger, said, "The government body is going to [appoint] two receivers. They are set up to process 100,000 claims per day. Fourteen hundred people have been trained. You must sign an affidavit. Money [your compensation] will be available July 1." Hundreds of people have shown up at meetings across Iowa, Nebraska, Minnesota, South Dakota, Colorado, and Texas to hear Schwasinger's promises and to hear his rendition of American history: "The United States went bankrupt in 1933. We have two governments — the constitutional government of the 50 sovereign states, and the Legislative Democracy. The Trilateral Commission con-

trols all the banks. The World Bank, International Monetary Fund, Federal Reserve, [and other] banks are all fraudulent."

Schwasinger tells people to fire their lawyers and file their own claims in court, that the proceedings which have been brought against them by their creditors are fraudulent. He is under investigation in Minnesota and Iowa, and has been arrested in Colorado for advising farmers to file liens against the judges, lawyers, and farm credit officials who have victimized them. Such liens are illegal in many states, because they destroy the credit of the affected party. This tactic led to the indictments of farmers in Texas.

Seeking revenge, not justice

Schwasinger's confidence game appeals to a state of mind which seeks revenge rather than justice, and leads the afflicted individual to "withdraw from the system." (It is worth noting with regard to this anti-Christian ideology, although space does not permit developing the point here, that Schwasinger adheres to the beliefs of the British Israelite cult, and has stated during meetings, "I am the heir to the blood of the Jerusalem priesthood.") Ultimately, the outcome is vigilantism. One famous case is that of family farmer Arthur Kirk of Nebraska, who was assassinated in 1983 by a state police SWAT team because he was accused of vigilantism after he had been induced to file false liens against local bankers and politicos.

But the real tragedy is even greater. While Schwasinger and his friends say they are not political, their efforts to lure farmers into suicidal populist actions drain energy away from effective political action, such as the movement to regain sovereign control over all national economic policy and turn the depression around, exemplified by Lyndon LaRouche and the publications associated with him. – Suzanne Rose

potential to violate the laws of creation." This seems to pose a fundamental paradox. What is the source of evil, then? Well, Leibniz says that we must think the way Augustine does: The source of evil, if we define it as metaphysical, moral, and physical evil, is 1) determined by the inherent boundedness, the finite nature of man; and 2) it is man's free will according to which he decides whether to commit good or evil. Furthermore, man should not project onto God an anthropomorphic image, which conceives God from the standpoint of man, and, since man never will be able to fully understand the totality of the universe and God's will, this best of all possible worlds is created in such a way that, even if evil does occur, it will lead to a greater Good.

This idea is picked up by Schiller, who demonstrated in

his tragedies that only when confronted with tragedies, with destiny—death, destruction, war, treason, cowardice, with evil which threatens the very essence of man—can he look for resources inside of himself and create a strength which makes him intervene positively into the course of history. How is evil, backwardness, stupidity turned into Good? By bona opera (good works) Leibniz says, It means building up a true science of Christian economy.

Economics, i.e., bona opera, Leibniz says in his paper, must start from the metaphysical principle that it is God "Who creates man for no other reason but that he should serve as His mirror, in which His infinite harmony would be infinitely mutiplied. Where God concentrates His infinite beauty in a small point in our souls." Without passion, with-

out love, says Leibniz, there cannot be a just society or economy: "Love is a joy of the mind arising out of the contemplation of the beauty or excellence of another. All beauty consists in a harmony and proportion; the beauty of minds, or of creatures who possess reason is a proportion between reason and power, which in this life is also the foundation of the justice, the order and the merits and even the form of the republic, that each may understand of what he is capable, and be capable of as much as he understands. If power is greater than reason, then the one who has that is either a simple sheep or a wolf and a tyrant."

The highest expression of man's love for God and mankind is shown when man conceives himself as an instrument, when he creates *bona opera*. It is "when man combats diseases, invents sciences, contributes to the welfare of the fatherland, eliminates food shortages and hunger that man imitates in his domain what God has done in the world," Leibniz says.

Leibniz is a perfect example of what it means to be a true microcosm. Aside from having made numerous fundamental scientific discoveries, he, as a politician who was in contact with every leading politician of his time and understood that the egoisms of the powers of his time, could only be broken by the common search for a solution to the underdevelopment of mankind. Thus he not only designed the most fascinating infrastructure and education program for Russia, which laid the basis for Russia's scientific development, but he also mediated for the Europeans the cultural and scientific contribution that China had made for mankind; furthermore, he developed the perspective of the need for an economic and political alliance encompassing Russia, Europe, and China, and foresaw the impact this would have for the advancement of mankind.

At the beginning, I said that it is the cult of populism and opinion - the tragic mistakes of having not undertaken bona opera - which have brought us to the brink of the greatest tragedy. It is the cult of populism, the use of ostracism, defamation, and lies which made Lyndon LaRouche into a political prisoner. Since his youth, LaRouche was steeped in the thinking of Leibniz, and he created an international movement based on the Leibnizian economic concept of bona opera, namely that it is our task to develop the necessary infrastructural and scientific projects which create the means for mankind's moral and economic progress. Because of that, he has become a prisoner of the lawless robber bands of our time. What has been done to us, is the same as what the latterday Huns in the Balkans have been doing: burning churches, bombing museums, and burning old books. In their hatred of man, in their bestiality, they want to eradicate justice, beauty, and truth.

But, as Leibniz said, despite evil, we have the best of all possible worlds. The principle of justice and love lives in the hearts of men, and it is our task to transform this evil in such a way that we create Good by *bona opera*.

The LaRouche Case

Russians appeal to Clinton for justice

A delegation of four Russian citizens delivered to the U.S. embassy in Moscow on Sept. 8 a letter to President Clinton. The following is a full translation.

Esteemed President Clinton:

We, deputies of the Russian Federation and of the Moscow City Council, and representatives of the public, among whom are human rights activists, scientists, and journalists, are addressing you in order to draw your attention once again to the situation of the prominent American economist and public figure, Lyndon LaRouche, who is serving a 15-year sentence of incarceration, imposed by a federal court in Alexandria, Virginia in January 1989.

We are aware that the formal grounds for L. LaRouche's conviction were accusations against him, of illegal securities operations and violation of the tax codes. In reality, however, the persecution of L. LaRouche and other activists in the movement he founded began in 1982, organized by the American government during the administrations of Presidents Ronald Reagan and George Bush, and motivated by an attitude of intolerance toward their ideas and activities, in particular toward their persistent efforts to secure representation in government bodies.

In January 1992, seeking the release of their client, LaRouche's attorneys, Ramsey Clark (former U.S. attorney general) and Odin Anderson, filed a motion in federal court, asking for repeal of the illegal sentence, insofar as—as was shown in previously classified government documents that became available to the defense (comprising six volumes, appended to the appeal)—"the convictions of LaRouche and his co-thinkers were obtained as a direct result of prosecutorial misconduct, including illegal acts and overreaching . . . [as well as] government misconduct during its investigation. . . ."

This statement refers, for example, to the following amply documented facts and circumstances, which were not considered by the court:

- illegal joint actions of the Federal Election Commission, Internal Revenue Service, and Anti-Defamation League, to inflict financial losses on the accused;
- concealment of evidence of illegal activities, aimed at depriving the movement of the capability to repay loans;

- concealment of a document, prepared by an FBI agent, confirming that the accused received numerous monies as donations for political purposes (this is directly exculpatory);
- concealment of information about the bias, falsity, and invalidity of the accusatory testimony of former LaRouche associates, who testified after being subjected to impermissible methods of pressure by investigators.

If we add to this, that the trial in Alexandria, which ended for LaRouche with conviction and sentencing in January 1989, was conducted, despite defense motions for his recusal and disqualification, by the same Judge Albert Bryan who earlier, in the summer of 1987, made a ruling on a socalled bankruptcy in connection with LaRouche, which was later rejected by a higher court as unfounded; and, if we take into account that in the past, A. Bryan was a member of a court that supervised foreign intelligence matters, while the foreman of the jury, Buster Horton, was a member of an elite inter-agency apparatus dealing with matters of national security (the so-called "secret government" of the United States), then it is impossible to disagree with the statement of attorneys R. Clark and O. Anderson, that what was done to L. LaRouche and his associates was "the persecution of a political movement," that was "shocking to the universal sense of justice and violated due process of law." There is no other explanation for the tendentiousness exhibited by the court in Alexandria.

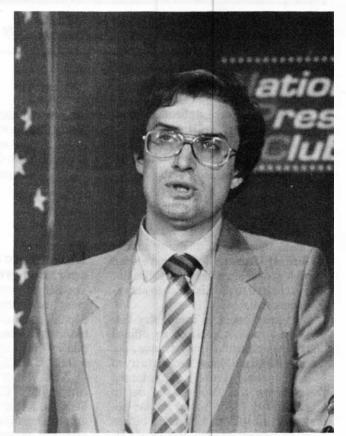
Today, Sept. 8, 1993, LaRouche reached the age of 71. He has spent the last four and a half years in prison in Rochester [Minnesota]. It is clear for us, that in view of his advanced age and the condition of his health, his prison term is a life sentence. It is also evident that L. LaRouche and his associates would rather perish in prison, than ask for pardon or mercy, since they justifiably consider themselves innocent of any violations of the law, the U.S. Constitution, or the civilized rules of political conduct. Moreover, irrefutable evidence provided by their attorneys shows that no one proved the contrary, with respect to their observing all norms of material and procedural law.

It is for precisely this reason, that Lyndon LaRouche, his imprisoned associates Michael Billington (sentenced to 77 years in prison) and Rochelle Ascher (10 years in prison), as well as those who are to start serving their sentences in October 1993—Donald Phau (25-year sentence), Anita and Paul Gallagher (39- and 34-year sentence, respectively), and Laurence Hecht (33-year sentence)—have the right to expect dismissal or reconsideration of their cases, with the observance of all guarantees of justice.

We sincerely believe and hope, Mr. President, that this legitimate desire of theirs will be satisfied in the foreseeable future.

[Signed]

Sergei Sheboldayev, people's deputy of the Russian Federation, chairman of the Supreme Soviet of the Russian



Viktor Kuzin, a deputy of the Moscow City Council, speaks at the National Press Club in Washington, D.C. during a recent U.S. tour. Kuzin and other Moscow notables are calling for the freedom of U.S. political prisoner Lyndon LaRouche.

Federation Subcommittee on Social Associations

Yuri Sedykh-Bondarenko, deputy of the Moscow City Council, vice chairman of the Moscow City Council

Boris Lyagutenko, candidate of economic sciences, section head of the Institute of Economics of the Ministry of Economics of the Russian Federation

Vasili Kolomatsky, secretary of the Ukrainian National Movement organization

Rudolf Novikov, deputy of the Moscow City Council, chairman of the Mandate Commission of the Moscow City Council

Viktor Kuzin, deputy of the Moscow City Council, chairman of the Subcommittee of the Moscow City Council on the Defense of Civil Rights

Viktor Bulgakov, deputy of the Moscow City Council, member of the Interagency Commission on Affairs of the Unjustly Repressed

Marina Rumshiskaya, member of the Council of the Human Rights Center of the Memorial Society

Taras Muranivsky, professor of the Russian State University for the Humanities, candidate of economic sciences, doctor of philosophical sciences

67

Congressional Closeup by William Jones

NAFTA faces defeat as Democrats split

A division in Democratic ranks looks as if it might lead to the defeat of the North American Free Trade Agreement (NAFTA) in Congress. Some members of the Democratic congressional leadership, including House Democratic Whip David Bonior (Mich.) and House Majority Leader Richard Gephardt (Mo.), have been highly critical of the treaty. Bonior has pledged to use his office to actively oppose it.

House Speaker Tom Foley (D-Wash.) has not declared an official leadership position on the issue, despite the White House's intent to try to push the treaty through. An informal agreement has been worked out to allow both sides access to the resources of various leadership offices in an attempt to minimize bitterness during the fight.

The support of Republican legislators, who are generally favorable to this "free trade" agreement, is crucial for passage. But the agreement will only benefit international banks and financiers, and GOPers are feeling the heat. "I am very, very shaken by the intensity of my colleagues' sense of being beleaguered on this issue during the recess," House Minority Whip Newt Gingrich (Ga.) told the Sept. 10 Washington Post. "We are 40 votes weaker than I thought when I got to town on Monday." Rep. John Kasich (Ohio), the ranking Republican on the Budget Committee, admits that he has gone from being a supporter of the treaty to undecided, because of concerns expressed by "vulnerable workers" who met him during the August recess.

A vote on NAFTA will have to come before the Dec. 31 deadline for the "fast track" authority, which mandates a simple up or down vote on the trade pact without amendments. NAFTA may make it through the Sen-

ate, but will have rough going in the House. President Clinton has appointed William Daley, son of Chicago Mayor Richard Daley, to manage the NAFTA campaign for the White House.

Resistance to Somalia operation growing

The Senate passed a "sense of Congress" resolution by a 90-7 vote on Sept. 9, which calls on President Clinton to seek congressional authorization by Nov. 15 for further deployment of U.S. forces in Somalia.

Sen. Robert Byrd (D-W.V.), a harsh critic of U.S. military action in Somalia, forced the issue, to the chagrin of Democratic leaders, when he proposed an amendment on Sept. 8 which would place a 30-day limit on operations in Somalia. After that time, according to the Byrd proposal, the President would have to conduct a review of the effect of U.N. actions in Somalia and submit a report to Congress before any further actions could be taken.

The Byrd proposal forced the Democratic leadership to come up with an alternative which would not lead to a cessation of U.S. operations in Somalia.

Byrd is not alone in his opposition to the Somalia operations. Many senators on both sides of the aisle have questioned the wisdom of a continued U.S. military presence in Somalia. Senate Minority Leader Bob Dole (R-Kan.) was particularly concerned about how the administration has spent so much effort in Somalia, while letting the Bosnians undergo a genocidal war. "In contrast to Somalia," said Dole, "what is at stake in Bosnia is more than just Bosnia—it is the future of the international order. And one has to wonder how we can support

nation-building in Somalia, while, at the same time, we sit quietly by and watch the wholesale destruction of Bosnia and her people."

Senate Armed Services Committee Chairman Sam Nunn (D-Ga.) is skeptical of further military action unless the goals of U.N. policy in the area are more clearly delineated. Nunn said on Sept. 8 that he didn't want "to set up a situation where the United States has committed its military to a mission that is very broad and basically has no end point and really no definition."

Gore 'reform' plan rankles Congress

Concern is growing on Capitol Hill that the proposals of the task force on governmental reform, known as "reinventing government," led by Vice President Al Gore and presented on Sept. 8, strike at the prerogatives of Congress to the advantage of the Executive branch.

Key congressional members have complained that they weren't consulted on the program, officially known as the National Performance Review. Neither Robert Byrd (D-W.V.), chairman of the Senate Appropriations Committee, nor William Clay (D-Mo.), chairman of the House Post Office and Civil Service Committee, which oversees government personnel, were aware of the content of the proposals until they were made public.

The Gore proposals would introduce sweeping changes into government procedure and, consequently, in the way Congress works. The plan calls for biennial budgeting and appropriations, elimination of numerous programs and regulations, and transfer of some responsibilities between Executive departments, possibly affecting congressional committee jurisdictions. The measure includes a line-item veto for the President.

Much of what the Gore report considers "micro-managing" by the Congress is encompassed by the constitutional oversight functions of Congress. The Gore proposals would also eliminate various programs and offices, especially in the Departments of Agriculture and Housing and Urban Development. It would transfer responsibility for overseeing food safety solely to the Food and Drug Administration, a proposal which has already sparked a jurisdictional dispute between the Agriculture and the Energy and Commerce committees.

Space Station must be American, says Mikulski

Sen. Barbara Mikulski (D-Md.), chairman of the Senate Appropriations subcommittee that funds NASA, expressed her skepticism over the agreement between the United States and Russia signed by Russian Prime Minister Viktor Chernomyrdin and Vice President Al Gore on Sept. 2, which seems to endorse a "unified Space Station" to be planned jointly by the two countries. Mikulski expressed her concerns on Sept. 8, as her subcommittee approved a \$14.6 billion 1994 budget for NASA which includes \$2.1 billion for the Space Station.

The last vote on the Space Station in the Senate was 40-33, a close margin which may have become smaller after the loss of the Mars Observer mission. A further change in the Space Station program which, for fiscal reasons, has been redesigned (and scaled down) several times, could lead to increasing doubt about the viability of the project. "We support a cooperative effort with Russia,"

said Mikulski, "but we believe the Space Station effort, if approved by Congress, must be an American Space Station."

Senate backs 'Don't ask' policy on gays

The Senate repelled on Sept. 9 an attempt by liberal Democrats to end all restrictions on service in the military by homosexuals. The amendment, offered by Barbara Boxer (D-Calif.), would have removed the "don't ask, don't tell" compromise on gays in the military from the 1994 defense budget, and allowed the President more leeway in making it easier for openly homosexual men and women to join the service.

The White House, which accepted the "don't ask, don't tell" compromise because of opposition to homosexuals in the military from the Joint Chiefs of Staff, expressed no interest in reviving this debate. Those who wanted to reinstate the practice of questioning recruits about their sexual orientation also opted for the compromise.

Elders confirmed after stormy debate

The Senate confirmed Dr. Joycelyn Elders on Sept. 8 as Surgeon General of the United States in a 65-34 vote. The Elders nomination was held up through the August recess because of controversial attacks she had made against the Catholic Church and Christian pro-life activists. On one occasion she had tried to justify her own pro-abortion stance by saying that abortion would lower the number of babies born with Down's syndrome, a statement which evoked parallels to Nazi eugenicists and provoked a firestorm of opposition.

Elders is a strong supporter of the controversial Norplant birth control program, and advocates sex education as early as kindergarten. Considerable opposition to Elders's nomination came from church groups and human rights organizations. Sen. Trent Lott (R-Miss.), an opponent of the nomination, said that he thought President Clinton "will live to regret this nominee unless she makes substantial changes from her conduct of the past."

House deals blow to one-worldism

The House dealt a blow to "multilateralism" on Sept. 13, voting down a measure which would have created a special \$30 million fund for peacekeeping operations. The measure, tagged onto the defense budget bill, would pay for "startup costs" for five military operations short of allout war.

"The administration is on the verge of moving U.S. foreign policy where the United Nations determines how and where operations [should be run] abroad," warned Rep. James Hansen (R-Utah). He called the fund a "blank check for unspecified peacekeeping operations around the world."

The House also rejected another "multinational" spending measure which would have authorized \$10 million for the Pentagon to build a command, control, and communications center at the United Nations in New York City. The measure would also have provided \$23.1 million for the training of foreign peacekeeping units in order to teach the military's role in a democracy. Rep. Robert Dornan (R-Calif.) lampooned the idea of building a "war room on the East River." The measure was defeated in a 210-199 vote.

National News

Aspin rebuts N.Y. Times on SDI story

On Sept. 9, Defense Secretary Les Aspin categorically denied the *New York Times* story, "Rigged Star Wars Test," which charged that a 1984 missile interceptor test for the Strategic Defense Initiative (SDI) was rigged. Aspin responded to the *Times*'s falsehoods: "To sum up, the experiment was not rigged and the deception did not take place, although a program to practice deception did exist."

What Aspin was referring to was the fact that a small explosive device had been placed on the warhead target, which would explode if it neared the target without being intercepted, in an effort to deceive Soviet sensors on a spy trawler in the Pacific about the interceptor's accuracy. However, in all four tests, Aspin said, the "deception program aimed at the Soviet Union associated with the experiments" was not used, and, therefore, "it deceived no one."

ADL law firm defends 'Kidnappers, Inc.'

A bevy of high-priced lawyers, led by the Anti-Defamation League's Washington, D.C. law firm of Arent Fox Kintner Plotkin & Kahn, has launched a desperate effort to overturn the conviction of Cult Awareness Network (CAN) kidnapper Galen Kelly.

A front-page article in the Sept. 6 issue of Legal Times attacked Assistant U.S. Attorney Lawrence Leiser, the man who obtained Kelly's conviction for the May 1992 kidnapping of Debra Dobkowski, quoting copiously from top, sworn enemies of political prisoner LaRouche. The Dobkowski kidnapping came to light on FBI surveillance tapes made during an investigation and prosecution of Kelly and others for conspiracy to kidnap and "deprogram" Lewis du Pont Smith, an heir to the Du Pont fortune and an associate of LaRouche.

Legal Times quotes Mark Rasch, who helped prosecute LaRouche while with the

Justice Department. Now with Arent Fox, Rasch is claiming that kidnap victim Dobkowski was "not trustworthy" as a witness against Kelly, and that prosecutor Leiser "has made friends with the LaRouchies and the Circle of Friends," the latter deemed by CAN to be a "cult." The article notes that Arent Fox is doing pro bono legal work for CAN. The article also quotes former Maryland U.S. Attorney Breckenridge Willcox, now a partner at Arent Fox, as condoning kidnappings of "cult" members: "It makes no sense to use the federal criminal apparatus for a case like this. Is it a crime? Probably. Should it be prosecuted? Probably not."

Catholic weekly cites LaRouche on Freemasons

The Wanderer, a national Catholic weekly, quoted from a feature article on "Leo XIII's War on Freemasonry" by Anita Gallagher, an associate of Lyndon LaRouche, in its Sept. 9 issue. Gallagher's feature appeared in the New Federalist issue for July 26. In its "From the Mail" column, the Wanderer wrote:

"Guess who's telling the American Catholic bishops to 'launch a long overdue war with Freemasonry?' Lyndon LaRouche.

"From the Mail was sent a copy of [the article] in which author Anita Gallagher chronicled Pope Leo's many attacks on Freemasonry and its offshoots, socialism and Communism, and showed how in the past 100 years, nothing has really changed in the war between the two powers.

"Gallagher even suggests that Mexican Cardinal Juan Jesús Posadas Ocampo 'was assassinated at point-blank range at Guadalajara Airport, after attacking Freemasons for "opening old wounds" in that country.
... The president of the Latin American Bishops Council, Archbishop Nicolás López, said: "Powerful political and economic interests are related to the death of Posadas Ocampo."

" On June 1, a European intelligence source told EIRNS, "The global attack on the Vatican is now in operation. Attacks on top Vatican targets are being planned

throughout the world, coordinated by various secret services. In 10 years, the Vatican will be history."

"What's interesting to 'FTM' is: Why is it only the LaRouchites who seem to 1) show an interest in Catholic teachings on Freemasonry, and 2) recognize there is a war going on between the church and Freemasonry?"

Meadows turns green over ozone book

Donella Meadows, a co-author of the discredited 1972 Limits to Growth book published by the malthusian Club of Rome, attacks the exposé Holes in the Ozone Scare in a syndicated column that appeared in the Sept. 8 St. Louis Post-Dispatch. Meadows tries to build sympathy for Dr. Sherwood Rowland, who cooked up the ozone depletion theory, portraying him as struggling to promote his theory against people "who would rather blame volcanoes" for the ozone hole.

How did this volcano theory get so popular? she asks: "In 1989 a man named R.A. Maduro, with a bachelor's degree in geology, who worked for a publication of the extremist Lyndon LaRouche, wrote a book called *The Holes in the Ozone Scare*. He quoted the numbers about chlorine release from the Alaska and California volcanoes as fact, not hypothesis, and then claimed that the ozone scare was a plot hatched by the Du Pont Co., which was planning to make a bundle on CFC substitutes."

On the other hand, Garbage magazine ("The Practical Journal for the Environment"), ran a cover story on "Ozone: Scam or Crisis?" which reaches the conclusion, based on "a rational analysis of the facts following a great deal of reading":

"There is currently no 'crisis,' nor any documented threat to human health." Further, the article concludes that "an outright ban on CFCs and other useful halocarbons (before adequate substitutes are available) would cause more human suffering and economic mayhem than the theoretical increase in ozone depletion under a more managed phaseout." It also notes that "in other parts

of the world, an already insufficient supply of affordable refrigeration would be exacerbated. The result will be more disease from food-borne bacteria, and greater hunger."

Riverboat gamblers curry Louisiana votes

An activist with Citizens for Quality Life in Monroe, Louisiana, which is organizing voters to vote against gambling in Oachita Parish (county), sent *EIR* an article from the local *News-Star*, describing how a gambling outfit, Oachita Riverboat, gave a verbal promise to earmark \$500,000 a year "off the top" to go for education, if voters approve the measure. Quite in keeping with the shady character of the proponents, the promise was not in writing.

William Hargis, of the Citizens for Quality Life, is quoted in the article that "we're not something-for-nothing suckers"; other opponents are cited as "calling the \$500,000 pledge an attempt to buy votes." But Monroe school superintendent George Cannon and Oachita Parish superintendent Lanny Johnson told the News-Star that they would have no qualms about accepting the offer. It is well-known that no sooner do they move into town, than the gambling outfits begin to spread their largesse to legislators to try to get the age of consent lowered in favor of their child-prostitution business.

'DARE' program fails to stop drug abuse

The Drug Abuse Resistance Education (DARE) program has spread to 5,200 communities in 50 states, but has plenty of opposition, according to the Sept. 9 Los Angeles Times. The Times calls it "a test for community-based policing." DARE was started by then-Police Chief Daryl Gates 10 years ago, but now support within the department has been declining. Meanwhile, DARE has spread across the nation because private funds are pouring in, according to the Times. Included in the private funding

is dirty money from junk bond king Michael Milken.

EIR featured an attack on DARE as part of the move toward outcome-based education types of brainwashing in its Feb. 5, 1993 cover story. New studies are showing that, although DARE increases children's knowledge about drugs, there is no evidence that it is reducing drug use.

A Ft. Collins, Colorado opposition group, Parents Against DARE, charges that the program uses "discredited psychological techniques." The founder of the group attacks the DARE notion that children should be told they have a choice about whether to use drugs. "Children have a choice about drug use only in the same sense that they have a choice to drive up the offramp of Highway 5," said another opponent, William Cousen, a northern California psychologist.

Wildlife Service plans land grab for Fla. panther

The U.S. Fish and Wildlife Service has drafted a plan calling for the purchase or regulation of 3.2 million acres of land in 20 south Florida counties, in order to provide living space for 30 to 50 Florida panthers. Property owners would be pressured to sell their land or be subject to infringements and restrictions, according to the Sept. 6 newsletter of Putting People First.

Some biologists contend that the Florida panther is not a distinct species from the cougar (whose numbers have increased dramatically in western states in the last few years) and should never have been listed on the Endangered Species Act.

The land grab was started by a lawsuit filed by Cleveland Amory's Fund for Animals against a captive-breeding program for the panther by wildlife researchers. Captive-breeding programs have successfully brought the whooping crane, red wolf, black-footed ferret, and others back from the brink of extinction.

In Lee County, where a large part of the panther habitat exists, it is estimated that the FWS plan would cost about \$2.6 million per panther per year.

Briefly

- NATIONAL BAPTIST Convention head Rev. Theodore Jemison thunderouslydenouncedhomosexuality as a sin at the group's national convention in New York on Sept. 9. "There are people in high places doing wrong... and men who wear ladies' clothes.... The Lord wants us to be men, men who stand up for right and righteousness; for righteousness exalts a nation, but sin is a reproach to any people."
- THE TRIAL OF FOUR suspects in the February bombing of the World Trade Center was set to start on Sept. 14. The defendants, facing a 13-count indictment, are: Mohammad Salameh, 25, a Palestinian illegal immigrant; Nidal Ayyad, 25, a naturalized U.S. citizen of Palestinian descent; Mahmud Abouhalima, 33, an Egyptian; and Ahmad Ajaj, 27, a Palestinian.
- ◆ LLOYD BENTSEN may resign as treasury secretary, one of his advisers told the Sept. 12 Washington Times. "He sees that this economic program is a disaster in the making, and he does not want to be around to see this debaçle explode on his watch." Bentsen also thinks that President Clinton is not doing enough to force through NAFTA.
- THE CHICAGO CHAPTER of the National Political Congress of Black Women is launching a campaign against "cultural garbage," according to the Sept. 6 issue of Jet magazine. Chairman C. Delores Tucker of the newly formed chapter is quoted: "How can we expect African-American children to thrive, survive, and be prepared for the next century if we sit by and allow these 'artists' to make them cultural illiterates?"
- JACK KEVORKIAN took the life of his 18th victim even while awaiting trial under Michigan's limpwristed law against "assisted suicide." Even the American Civil Liberties Union, which has stood by Kevorkian, was a little taken aback, and ACLU chief Howard Simon declared that his bail should be revoked.

Editorial

The iron is hot

The agreement signed on Sept. 13 between PLO chairman Yasser Arafat and Israeli Prime Minister Yitzhak Rabin, providing for Palestinian self-rule over Gaza and the region around Jericho, has the potential "for overcoming the bitter harvest of bloodshed, anger, and rage which has been built up over the decades so far," imprisoned statesman Lyndon LaRouche analyzed on Sept. 8. But whether this potential will be realized depends on whether the *economic* development proposals advocated by the plan are implemented. It is only through the kind of "economic development which transforms the region and brings such strength of joy that it overwhelms the accumulated bitterness," LaRouche said, that Arabs and Israelis can discover a common self-interest.

LaRouche, who has fought for almost two decades for just such an economic solution, is now "pulling rank," and he has every right to do so. In statements to his associates made on Sept. 12, he emphasized that the following measures must be taken immediately:

- Begin the construction of a Mediterranean-Dead Sea or Red-Dead Sea Canal by the end of September, suitably initiated by representatives of both the Israeli government and the PLO. LaRouche stresses that beginning such projects over the coming weeks will keep the momentum going in a positive direction. Either canal would provide for multi-purpose uses, including an inland corridor of seawater for desalination, and for raising and maintaining the level of the Dead Sea.
- Begin building a new port city in Gaza, currently a vast oppressed ghetto, as a modern port for the new "Med-Dead" Canal.
- Immediately unveil plans for the large-scale desalination of seawater through nuclear reactors exported to the region for that purpose. Fresh water is desperately needed, and only nuclear power can provide the safe, efficient, and cheap energy needed.
- Call for the return of a large number of skilled Palestinian workers and engineers from exile, to participate in these projects.

The Israelis, the PLO, the Jordanians, and others have had detailed plans for these and other projects on

the books for years, and Israeli Deputy Foreign Minister Yossi Beilin is familiar with what could be done. The Jordanian government has developed detailed plans for a "Dead-Red" Canal.

The point is that such projects must be started now; delays, plans for conferences in the future, and the like, will lead to squandering current opportunities. As LaRouche emphasizes, it is on the success of those economic features that the viability of the political promises depends absolutely.

The urgency has also been stressed by leading figures in the region. PLO Information Department head Yasser Abd-Rabbuh strongly warned of the need for immediate economic development in comments to the Berlin paper Neue Zeit on Sept. 14. "The improvement of the economic situation is a precondition of the agreement turning into a success," he said, adding, "the people must see that the Palestinian administration has power, that it is not just the pawn of Israel." The lack of such improvements would allow Hamas – the Palestinian affiliate of the Muslim Brotherhood – and other Arab foes of the plan to sabotage it. Hamas has close overt ties to Iran, and covert ties to Israeli intelligence, especially the faction which would seek to drown the accord in blood, and which also manipulates the fanatics among Jewish settlers in the Occupied Territories.

The danger is, as LaRouche warned on Sept. 15, that "Washington and Europe seem to be insisting, that at this time, all economic development in this region be limited in practice to penny-ante housing, sewage, and maquiladora-type employment projects. If that penny-ante approach is taken, then this grand opportunity for durable peace—and it's much more than that—will be shot. Without immediate action on the kinds of large-scale, infrastructural projects which the prime minister's office in Israel has ready to go on its side . . . this plan would fail."

So do not be fooled by those who are expressing their best wishes for the plan, while they attempt to ensure that not a finger is lifted to implement it. Such people are the enemies of Mideast peace.

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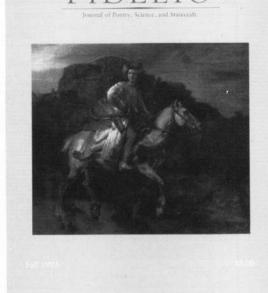
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