

EIR

Founder and Contributing Editor:

Lyndon H. LaRouche, Jr.

Editor: *Nora Hamerman*

Managing Editors: *John Sigerson, Susan Welsh*

Assistant Managing Editor: *Ronald Kokinda*

Editorial Board: *Warren Hamerman, Melvin Klenetsky, Antony Papert, Gerald Rose, Edward Spannaus, Nancy Spannaus, Webster Tarpley, Carol White, Christopher White*

Science and Technology: *Carol White*

Special Services: *Richard Freeman*

Book Editor: *Katherine Notley*

Advertising Director: *Marsha Freeman*

Circulation Manager: *Stanley Ezrol*

INTELLIGENCE DIRECTORS:

Agriculture: *Marcia Merry*

Asia: *Linda de Hoyos*

Counterintelligence: *Jeffrey Steinberg,*

Paul Goldstein

Economics: *Christopher White*

European Economics: *William Engdahl*

Ibero-America: *Robyn Quijano, Dennis Small*

Law: *Edward Spannaus*

Medicine: *John Grauerholz, M.D.*

Russia and Eastern Europe:

Rachel Douglas, Konstantin George

Special Projects: *Mark Burdman*

United States: *Kathleen Klenetsky*

INTERNATIONAL BUREAUS:

Bangkok: *Pakdee Tanapura, Sophie Tanapura*

Bogotá: *José Restrepo*

Bonn: *George Gregory, Rainer Apel*

Copenhagen: *Poul Rasmussen*

Houston: *Harley Schlanger*

Lima: *Sara Madueño*

Melbourne: *Don Veitch*

Mexico City: *Hugo López Ochoa*

Milan: *Leonardo Servadio*

New Delhi: *Susan Maitra*

Paris: *Christine Bierre*

Rio de Janeiro: *Silvia Palacios*

Stockholm: *Michael Ericson*

Washington, D.C.: *William Jones*

Wiesbaden: *Göran Haglund*

EIR (ISSN 0273-6314) is published weekly (50 issues) except for the second week of July, and the last week of December by EIR News Service Inc., 333½ Pennsylvania Ave., S.E., 2nd Floor, Washington, DC 20003. (202) 544-7010. For subscriptions: (703) 777-9451.

European Headquarters: Executive Intelligence Review Nachrichtenagentur GmbH, Postfach 2308, 65013 Wiesbaden; Otto von Guericke Ring 3, 65205 Wiesbaden-Nordenstadt, Federal Republic of Germany Tel: (6122) 9160. Executive Directors: Anno Hellenbroich, Michael Liebig

In Denmark: EIR, Post Box 2613, 2100 Copenhagen ØE, Tel. 35-43 60 40

In Mexico: EIR, Francisco Díaz Covarrubias 54 A-3 Colonia San Rafael, Mexico DF. Tel: 705-1295.

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

Copyright © 1993 EIR News Service. All rights reserved. Reproduction in whole or in part without permission strictly prohibited. Second-class postage paid at Washington D.C., and at an additional mailing offices.

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

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

From the Managing Editor

If you walk into a congressional office these days and tell your congressman that the western insistence upon shock therapy has driven Russia back into dictatorship, you will be met with a blank stare. "What?" they say. "Shock therapy was never implemented. Now, maybe Yeltsin will have a chance to push it through. Things will get better, you'll see."

Our devastating cover *Feature* shows what an illusion this is. Gen. Paul Albert Scherer (ret.), the former head of West German military intelligence, is one who has deep knowledge of the Russian situation, and who has met recently with many such congressmen. His report paints a grim picture of the dictatorship, civil wars, and wars of conquest that await us, very soon, if the policy of the West toward Russia is not changed.

Americans need to know this. There is not much time to avert the danger, but yet it still could be averted. We have dismantled our military bases and cut our defense budgets, because we were told that Russia was becoming a free-market "democracy." Now, with the assault on the Moscow White House, it is apparent that something quite different is in the wind: the Third Rome policy matrix that Lyndon LaRouche warned of back in 1983. We must restore our defense capabilities immediately, and, as General Scherer recommends, we must guarantee the security of Ukraine and the Baltic states.

"How?" asks the congressman, worried about the bankrupt state of the U.S. Treasury. "Where is the money going to come from?" That's where LaRouche's economic policy comes in, the American System of national banking and infrastructure development, to replace the idiocy of the "shock therapists." Unless a shift in that direction is effected, General Scherer's scenarios will go swiftly into effect.

In Moscow, LaRouche's ideas are being closely scrutinized (p. 47). In the Mideast, a battle royal is being waged between those who agree with LaRouche's "Oasis Plan" concept, and those who back the World Bank's miserly approach (p. 44). And back home, we are happy to report, the LaRouche forces are making advances that have their enemies running scared (p. 62).

Susan Welsh

EIR Contents

Interviews

55 Bishop S.E. Pangratos Majdanski Vsevolod

The bishop of Skopelos, Ukraine is a representative of the Ecumenical Patriarch of Constantinople.

Photo and graphic credits: Cover, pages 5, 23, EIRNS/Stuart Lewis. Page 11, EIRNS/John Sigerson. Page 31, EIRNS/Philip Ulanowsky.

Departments

18 Australia Dossier

Showdown looms over derivatives.

57 Report from Bonn

All quiet on the Eastern Front?

58 Andean Report

Narco-terrorist "justice" exposed.

59 Report from Rio

A non-military military.

72 Editorial

A bloody Somali side-show.

Economics

4 IMF bankers join the push for NAFTA secret accords

The chieftains of the International Monetary Fund and the World Bank have joined the campaign to get the U.S. Congress to approve the disastrous North American Free Trade Agreement.

7 New Mexican debt bubble requires billions of dollars in loot

9 Islands of nuclear power could green the deserts of the Mideast

11 U.S. Unemployment Coverup

12 Cargill beats a hasty retreat in India

13 Peru still blacklisted despite new anti-terror victories

15 Garbage debate is turned on its head

16 Currency Rates

17 Banking

Gonzalez takes on the Fed.

19 Agriculture

Wine market confirms *EIR* forecast.

20 Business Briefs

Feature



Boris Yeltsin at the White House in Washington, June 1991. Western heads of state are cheering his bloody crackdown as a "victory for democracy," but in truth, his days are numbered.

22 LaRouche says West must change policy toward Russia—fast

Those who dismissed LaRouche's 1983 analysis of Russia's "Third Rome" cultural matrix can now see events unfolding just as he forecast. Will they learn the lesson before it's too late?

25 Yeltsin clamps down dictatorship, sets conditions for civil war

28 World reactions to Yeltsin's crackdown

30 Russian 'revolution from below' brings threat of war and conquest

A strategic briefing by Gen. Paul Albert Scherer (ret.), the former chief of West Germany's military intelligence and counterintelligence service, and one of the world's top experts on Russia and the former Soviet bloc.

41 Scenarios for Russia's future

International

44 Mideast pact offers new chance to revive Europe
Muriel Mirak-Weissbach surveys the political landscape since the signing of the Israel-PLO peace accord, and reports how Lyndon LaRouche's international movement is acting to bring the agreement to fruition.

47 LaRouche human rights case is featured in Moscow newspaper

Nezavisimaya Gazeta tells "The True and Complete Story of a Human Rights Campaign."

48 Economic deals bring India and Iran closer

50 Venezuela shaken by threats of a coup

51 The role of religions in the search for peace

A report on the Seventh International Meeting for Peace in Milan, Italy, sponsored by the Italian lay organization Community of St. Egidio.

55 A moral challenge faces eastern Europe

An interview with Bishop S.E. Pangratos Majdanski Vsevolod.

56 What China staked in wager for Olympics

60 International Intelligence

National

62 ADL candidates in trouble as voters eye LaRouche option

Virginia independent gubernatorial candidate Nancy Spannaus, an associate of Lyndon LaRouche, has Mary Sue Terry on the run.

64 ADL asset Holtzman bites the dust

65 Dignitaries from Austria, Hungary ask that LaRouche be freed

67 ADL files unsealed by San Francisco court

68 Congressional Closeup

70 National News