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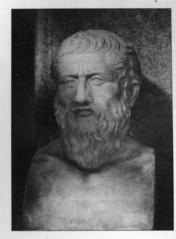
Remembering Arturo Frondizi, patriot and nation-builder



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#### From the Editors

A theme that runs through this issue is that of doing justice to those unique individuals who are called upon to change the course of history for the better, often at the cost of great personal sacrifice. One such person was Dr. Arturo Frondizi, who was President of Argentina during the end of the Eisenhower administration and into the John F. Kennedy years in the United States, who influenced the policies of the Vatican particularly in terms of economic development policy through his friendship with three popes, and who became a dear friend of Lyndon LaRouche until his death this past April.

Frondizi survived many attempts at overthrow until he was finally ousted by a military coup in 1962, and then underwent imprisonment and confinement. Unbowed, he went on to be a powerful influence for the good on Argentine, continental, and world politics; and in his old age he put himself on the line to fight for the freedom of political prisoners Col. Mohamed Alí Seineldín and Lyndon LaRouche.

The period of U.S. history around and just after Frondizi's Presidency is discussed by Minister Louis Farrakhan of the Nation of Islam, in an exclusive interview in the *National* section, where he talks about his plans for a national "March of Atonement" and his reconciliation with Dr. Betty Shabazz, the widow of Malcolm X, at the Apollo Theater on May 6. Farrakhan observes that "J. Edgar Hoover wanted to prevent the rise of a Black messiah who could electrify and unify the Black nationalist element in the Black community."

Lyndon H. LaRouche, Jr. took the opportunity of a recent visit to Halle, Germany to acknowledge the debt he owes to the great German mathematician Georg Cantor, who said, "For my works I ask for partisanship—not partisanship for my ephemeral person, but rather partisanship for the truth, which is eternal." Cantor was massively attacked by his opponents, and his work was often misrepresented, such that today its significance is not widely understood (see article in *International*).

Readers may observe that the headlines for both our articles on the elections of Presidents (Chirac and Menem) in France and Argentina end in question marks. The fact is that after those elections, the key question of how to face the world financial blowup remains, as yet, unanswered in these two important countries.

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# Halifax summit becomes a focus of economic debate

by Chris White

With the June 15-17 meeting in Halifax, Nova Scotia of the heads of state of the Group of Seven nations fast approaching, the bureaucratic caste which runs the world financial system is out in force to spread its view of what ought to be done about the global financial crisis.

The summit has become such a focus for two principal reasons: First, last year's event, held in Italy, adopted a proposal from U.S. President William Clinton that the functioning of the so-called "international institutions," namely, the World Bank and the International Monetary Fund, be subject, in this, the 50th anniversary year of their founding, to review; and, second, because of what is becoming, daily, more undeniably evident: that the world is staggering deeper into a crisis which none in present official leadership positions have addressed. In consequence, "the functioning of the international financial system" was added to the agenda of the upcoming summit.

So we find, issued on May 17 from, of all places, Windsor, on the banks of the Thames, moth-eaten and scorched seat of the U.K. monarchy's very own theme park, a declaration intended, in the presumption of its authors, to lessen the risks of financial market crises. Market regulators representing 14-16 countries gathered at a hotel near Windsor Castle, at a conference organized by the U.S. Commodity Futures Trading Commission Chairman Mary L. Schapiro and Andrew M.B. Large, chairman of Britain's Securities and Investments Board, for the purpose.

Schapiro, according to her own description, worked "night and day" after the February collapse of the 200-year-old Barings Bank, to collaborate with her counterparts to "coerce" other countries and financial institutions to accept Barings accounts, in order to "preserve liquidity" and prevent "systemic" breakdown.

The signatories to the "Windsor Declaration" agreed to

promote initiatives to deal with similar crises.

The initiatives include, according to the paraphrase supplied by the Washington Post:

- Establishing for every regulating agency a "crisis team," to provide other regulators with quick information at any time of the day or night;
- Segregation of client money from brokerage funds on exchanges and at brokerage houses;
- Making known bankruptcy laws in each market, so that speculators will know how difficult it may be to get their money out if their broker fails;
- Increased surveillance of big risks taken by market players;
- Better disclosure of how well customer money is protected by foreign rules and regulations when it ventures abroad.

#### It won't work

It is actually kind of pathetic, isn'tit? The new procedures, thought necessary to prevent repetitions of the last crisis, provide an outline both of what the bureaucrats think the next crisis might be, as well as a foretaste of what won't work.

One of the arguments put forward, about 10 years ago, against proposals for a Strategic Defense Initiative, was that monitoring systems would never be sophisticated enough to discriminate, in the case of an all-out nuclear assault, between live warheads, and dummies or decoys. It seems that the world's financial regulators are now on the verge of attempting a financial equivalent of this monitoring aspect of the SDI, in order to continue to maintain that they are capable of dealing with things by the traditional administrative means. One might wonder whether TRW, which used to be one of the contractors on such SDI-type warning systems, subsequently to move into financial service software provi-

sion, is not putting its former expertise into service on this account.

Suppose it were possible to achieve real-time, global monitoring of every transaction in every class considered potentially crisis-bearing. Would that do anything to affect what is already under way? Absolutely not. What the assembled regulators were addressing was the question of how to deal with the risks posed by the growth of derivatives, leveraged bets on the direction of financial flows, or the pricing of nominal asset classes.

Their discussion, as Lyndon LaRouche pointed out in a speech delivered in Washington, D.C. on May 17, is part of a brawl going on around the world between groups espousing three different views of the developing crisis: the view that nothing need be done at all; the view that administrative means alone are capable of dealing with any problem that might come up; and the view that the crisis is in fact systemic, that any measures taken which do not address that, will only make things worse.

It's obvious where the global regulators stand. Apart from the Windsor Declaration, such views were presented on May 11 at a symposium of the Berlin Stock Exchange. There, U.S. economist and Nobel Prize winner Merton Miller of the University of Chicago squared off against Jochen Sanio, vice-president of Germany's Federal Bank Supervision Agency.

Miller, one of the "leading" theoreticians of derivatives and promoters of their expansion, rejected any further derivatives regulation. "A collapse of the international financial system is very, very unlikely," he stated. "There is no serious danger of a collapse of the financial system due to derivatives." In respect to the derivatives disasters of Metallge-sellschaft, Barings, and Orange County, he had the nerve to say that none of these had caused any damage for the real economy, but were merely zero-sum-games among speculators.

In response, Sanio stressed the increasing danger of a chain reaction that could threaten the international financial system. "If one of them [derivatives players] fails, the network of derivatives contracts would be put under a severe stress test and could eventually break apart." Therefore, he insisted, the usual methods of banking supervision will not be sufficient to control future markets.

In the case of "crash-like turbulences," the bank supervision agencies would find themselves in the big trouble of establishing quick crisis management, Sanio stated. "Behind the huge trade volume, a new dangerous type of systemic risk is emerging in a murky way." Derivatives are being used with more and more speculative purposes. Therefore, "in recent times, the necessity for regulating action has become more than big."

#### Speculators in red suspenders

The regulators are not the only ones with something to say about all this. The fight is also emerging politically, but still within the realm of "administrative measures."

The French business newspaper La Tribune on May 15 called for a 4% tax to be imposed on financial speculation. "Where is the monetary voice of France?" asked Philippe Simonot in an editorial. Lamenting the abysmal level of the present monetary debate in France and among the candidates in that country's recent Presidential elections, Simonot recalled those wonderful days when Gen. Charles de Gaulle was trying to reform the international monetary system, introducing new currencies and proposing a return to the gold standard. Simonot proposes that France "reopen the debate by studying seriously the proposal made 17 years ago by James Tobin, Nobel Prize winner in economics. That is, the imposition of a tax on capital flows. In essence, we should clog up the functioning of the infernal machine which is moving some \$1 trillion per day around the world. Such a tax could indeed handicap speculation in the short term without damaging long-term investments. In fact, a tax of, say, 4% would mean that a round trip dollar/yen speculative trip would cost speculators 8%, while in a 10-year period it would only amount to 0.4% per year. At the European level, such a tax could undoubtedly be useful."

The same kind of views are put forward in Canada. On May 15, the Toronto Globe and Mail previewed the Halifax summit in an article by Edward Greenspon. The lead headline of the issue read, "PM Urges Monetary Sovereignty." The article reports that international financial instability is on the table at the Halifax summit, which Canadian Prime Minister Jean Chretien will host, and notes that Chretien is pushing for a "thorough discussion of the international monetary system—from the role of the International Monetary Fund to the activities of 25-year-old speculators in red suspenders."

The article claims that Chretien has dropped his proposal for a tax on speculation, claiming that it would be unworkable because some countries would become havens for speculators. The article then states:

"Long-time observers of the Prime Minister say that for him the issue really is sovereignty: Will nation-states have the final say over their economic and social policies, or will the proverbial 25-year-old trader in red suspenders? . . .

"'The question is, who has more power to effect changes in government policy—the IMF, democratically elected parliaments, or Moody's,' said Sylvia Ostry, a former top bureaucrat who has met with Mr. Chretien as part of his summit preparations." They both currently think it's Moody's, and that that's not acceptable.

Similar views were expressed in a May 14 television appearance by the President of France's National Assembly, Philippe Seguin, who said that the role of central banks has to be redefined, in view of the economic crisis.

This kind of discussion will surely become more prominent as the Halifax summit approaches. And, given the deepening international crisis which provides the backdrop for the summit, it will contribute to making that summit a turning point, of sorts, in the crisis process.

EIR May 26, 1995

# Bankers play their last card in Brazil

by Silvia Palacios

In early May, a group of European and U.S. bankers headed by John Reed of Citibank held a private seminar in the city of São Paulo, the conclusion of which was to put out the line worldwide that investing in Brazil definitely does *not* run the same risks as in Mexico. Behind this apparent "confidence-boosting" campaign is a determination by the bankers to appropriate for themselves the rich public companies that the Fernando Henrique Cardoso government is being urged to privatize.

In addressing the press, Reed declared that "the worst of Mexico's crisis is over; international capital will return to Latin America," albeit with greater caution than before. He emphasized that all that remained for Brazil to become the spoiled darling of the bankers is privatization, and more privatization. He demanded that this process be "accelerated" by the Brazilian government, by putting more political pressure on the National Congress to immediately approve the constitutional reforms that would alter the status of the state companies, including the state oil monopoly Petrobras, and open them up for takeover.

Privatization was also the message to President Cardoso during his trip to England to attend the 50th anniversary of V-E Day. In a meeting with the *crème de la crème* of the City of London, four of the major banks—including Rothschilds—insisted that their primary interest in Brazil was investment in privatizations.

#### Feeling the 'Tequila effect'

Despite all the propaganda, however, the reality is that Brazil has been continuing to lose its international reserves in substantial quantities. According to reports in the daily *Gazeta Mercantil*, Brazil lost \$7.9 billion in reserves between March and April of this year due to the effects of the Mexican crisis, the partial flotation of the Brazilian currency, the *real*, and the payments of interest and principal on the foreign debt. In the past four months, there have been net capital exports of \$10.4 billion, meaning that the exchange reserves (which the government boasted were more than sufficient to protect Brazil from the so-called "Tequila effect"), have fallen from \$40 billion in January to \$28 billion currently.

This fall in reserves is not the only symptom of impending economic disaster. There are also agricultural and industrial

bankruptcies, rising unemployment, and even suicides of debt-strapped businessmen unable to continue producing under the exorbitant interest rates. In Rio Grande do Sul and São Paulo, industrialists and agricultural producers are being punished by indiscriminate imports stemming from the Cardoso government's "open door" policy. And in Minas Gerais, the country's third largest industrial state, there is a rebellion of the industrialists against the government's currency policy.

One business leader of that state told this reporter that, "if this continues, we aren't going to go into bankruptcy; first we are going to shut down the companies." He added that in Minas Gerais, no one believes the free-trade myths any more: "When there was the NAFTA [North American Free Trade Agreement] party, we travelled to the United States and I asked the manager of one powerful industrial group if he was optimistic about the business opportunities that would be opening up in Mexico. He told me, 'Do you think we're stupid?' Then I realized that I, with my question, was the stupid one."

Also giving the lie to this bankers' propaganda were the comments of former Brazilian President José Sarney, who in 1987 decreed a debt moratorium and who today holds the Senate presidency, the third most important institutional position in Brazil.

In an article in the May 5 Folha de São Paulo, Sarney warned that Brazil could not continue to follow the suicidal route trodden by Mexico. "The truth is that the Mexican case is not limited to Mexico's difficulties, but rather involves the test of a model that was judged invulnerable to any crisis. . . . I am taking precautions. Two years ago, from this very spot, I stated that Mexico was the most successful of the models adopted by the countries of Latin America to solve their crisis. It was my mistake, and everybody else's, too."

In the Chamber of Deputies and other institutional centers of the country, there is a growing certainty that Brazil is entering into the maelstrom of collapse as well. In the first week of May, Congressman Valdir Colatto, one of the leaders of the congressional farm bloc, quoted at length from a report on the Mexican crisis produced by EIR, emphasizing that the first productive sector to foreshadow the bankruptcy of the Mexican model was a collapse in agriculture, precisely as is now occurring in Brazil.

The Cardoso government's stubborn adherence to the sellout policies initiated by the predecessor government of Fernando Collor de Mello, has provoked widespread indignation. On May 11, in the daily *Tribuna de Imprensa*, a civil-military group published an open letter to the National Congress protesting each of the actions undertaken by the Cardoso government to date. They attacked the government's demographic policy, privatizations, the bleeding of resources via domestic and foreign debt payments, efforts to impose the one-worldist concept of "limited sovereignty," nuclear policy, and more.

# How will Chirac face administrative despots?

by Jacques Cheminade

The author ran as an independent candidate for President of France, as one of a field of nine candidates in the April 23 first round election. He wrote this article one week before the inauguration of Jacques Chirac on May 17 as President of the French Republic.

Jacques Chirac has been elected President of France with a plurality of national and local powers greater even than those enjoyed by the late Charles de Gaulle. He therefore has complete responsibility, because he has available—on paper—all the means of putting his recovery policy into effect. However, I have two reasons for thinking that his springtime promises will not be kept. The first is that "the markets" are imposing an austerity policy, relayed by the voices of the Parisian technocracy. The second is that Chirac has, in the face of the challenge, an administrative approach which dooms him to capitulate, if he sticks to it.

#### Dictatorship of the 'markets'?

It is clear first of all that "the markets"—i.e., the interests attached to the financial cancer which I exposed throughout my campaign—are demanding their pound of flesh and are convinced they will get it. In technocratic language, as *Le Monde* of May 7-8 says in its financial page, "They take for granted... the fact that the next government will get down to the priority of cutting the public deficit." Clearly this means not taxing financial capital, and going after consumption and family incomes (by hiking the value-added tax and so forth). The inevitable result of this would be austerity and a recession. But this is just what the markets want: The *Le Monde* article is called, "Long Live the Recession!"

The only way to break with this logic is not to treat the public deficit as a thing in itself and the State budget as a closed system in which spending has to be cut or revenues increased. Rather, beyond accounting conceptions, the economic reality is that the public deficit and the State debt were caused by a lack of growth. The French office which monitors economic indicators, the OFCE, has shown this clearly. With an average growth of only 3% during the last five years, with social spending unchanged, the public deficit would have remained around 1.5% of Gross Domestic Product and would never have reached the current level of 6% of the GDP (1994). The problem is therefore non-growth, and we have to look at the cause.

This is found in the capture of money and credit flows by the financial economy, at the expense of the physical economy, and in the unprecedented rise in interest rates (remuneration of financial gains) which is the sign of that capture. If one does not go after that cause, then talking about wage increases, a recovery in consumption, or relaunching investment makes little sense: It is a little bit like claiming to make the sun shine without trying to dispel the clouds.

#### **Gingrich-Gramm logic**

Now if we go back to Jacques Chirac's speeches and statements, we see that he never gets out of the dilemma we have posed above: He claims to reduce public deficits and the State debt, while at the same time relaunching wages, consumption, and investment, without treating the basic question of non-growth and its cause.

In his "Face to Face" debate with Lionel Jospin, his Socialist rival in the last round of the Presidential election, Chirac announced two things. First, that he was going to pursue privatizations while earmarking the proceeds for debt reduction. Next, that he would achieve a rollback in the public deficit by holding down budgetary spending for the current year at the level of the previous year's spending, and by assigning the surplus receipts to trimming the deficit. That means functioning entirely in an accountant's closed system! Now, it is precisely in such a system that one cannot escape from the financial law: Mr. Chirac thus goes deeper and deeper, with his head down, and no doubt not fully consciously, toward the logic of Newt Gingrich and Phil Gramm in the United States, in the version recycled into France by Alain Madelin.

All that one can say otherwise, in these conditions, is foreordained to fail, and one can understand that the "markets" take very little into account his fine social words and his generous flights of fancy, and are playing to the hilt the pursuit of financial contraction from which they get the advantage. Long live the recession!

Some might call me unfair and say I am pre-judging a man before he is tested. That is certainly not the case. A man can always break the dilemma which he agrees to get back into. What I am saying—which cannot be contested—is that if Jacques Chirac does not shift gears, he will be forced to govern in perfect technocratic and financial continuity with the Balladur mode, no matter what his intentions may be otherwise.

#### Neither a project nor a design

The televised debate with Jospin confirms, in content and in form, all my fears.

In content, the only thing we heard was speeches by experts, like the timely remarks of two directors of a ministerial cabinet or two students in a seminar at the national administrative school. Nary a project, nary a design, nary an impetus worthy of a President of the Republic or even of a prime

minister, never a political word in the tragic sense of the term. This augurs ill, indeed, poorly, for a "step toward a break," not only on the part of Chirac and Jospin, but also for a French political world which, as in the 1930s, swims in a fishbowl without seeing the world.

It is otherwise significant that foreign policy was hurried over in the last moments of the debate, without the interlocutors giving the feeling of having anything decisive whatsoever to say about it.

In form, the two candidates seemed to fear the reality of bodies and words, physically remaining frozen and each one playing a pre-scripted character. There was a striking absence of taste for words, of pleasure in handling the language: Their speeches were programmed, without modulation, dealing out one by one the "frozen words" which Rabelais talks about.

More prosaically, if Chirac does not dissolve the Chamber of Deputies, and if he names Foreign Minister Alain Juppé as prime minister—as everything seems to indicate—the feeling of technocratic and financial continuity will become set in cement.

#### A political movement

From then on, it is a "state of disgrace" that he will have to endure. France, faced with a President it elected largely by default, will look for something else, in the midst of a national crisis and a world crisis which its government will not succeed in getting a grip on.

That will be an extremely dangerous situation, in which Jean-Marie Le Pen's National Front, and a moral anarchism destructive of all values, will link up as formidable machines to popularize evil. We must do everything to keep from getting to that point, while being ready to deal with it. That is why our priority—that of my friends and myself—is twofold:

- to do our best to show, to the Presidential majority and to the opposition, the nature of the fundamental issues and the need to rapidly come up with a response at that level, with the logic of a break which this response implies;
- to constitute our own political movement, starting from the basic premise of what is at stake in the ongoing crisis of the system, and to detach ourselves on principle from any administrative conception of people and things. To lead the way back to daring and enthusiasm, is in fact the best way to save the framework of our country.

Tocqueville used to say that administrative despotism is the only thing democracies have to fear. I would rather see it as the first step toward an oligarchic order, the closing in on a system of management by accounting and thoughtcontrol. The challenge which has been thrown up to us today is to escape this, and to lead others out of it, by taking the high road.

# Behind the scenes of the Paris stock market rise

Since the beginning of April, the CAC 40—the index of the main stocks in the Paris market—has been steadily climbing, and on May 12, it crossed over the psychological barrier of 2000. This is thanks to a marked return of foreign investors, of whom the Anglo-Americans are the most important group, who control a good third of French stock-market capitalization as well as half of the "floating" part, i.e., the stocks which are actually available on the market and have not been frozen by their holders.

This return was especially felt on the day after the Jospin-Chirac debate. The fact that both of them were so careful to avoid mentioning the financial problems, "reassured" the markets which had confidently returned to investing in France. Chirac's victory confirmed and amplified this movement. This is a poor omen for the coming Chirac Presidency.

Since early April, Anglo-American capital has been pouring into the Paris stock market, following the strong advice of the major investment houses, according to the financial newspaper La Tribune des Fossés. Morgan Stanley, for instance, recommended to its clients at that time "to increase the role of French stocks in their portfolios and to favor the media, banking, and energy sectors."

What are the foreign investors betting on? Above all, on a weak franc. Michel Hollant of the Meeschaert Rousselle stock firm, recently commented in *La Tribune* that the stocks with the heaviest trading volume are in the export area and these are the ones which can "take the most advantage of a weakness in the franc." Among the main beneficiaries of these investments are: Elf Aquitaine, la Générale des Eaux, Danone, Axa, LVMH, Alcatel Alsthom, and Total.

There is also speculation on a relaunching of consumption caused by the policy of higher wages and recovery in employment, promised by all the candidates. "The dogma of the strong franc is presently replaced by that of employment," Jean Borjeix, of the Jean Pinatton stock company, also noted in *La Tribune*. It was also indicated in the stock market circles that investors are especially buying up construction industry shares, because the top candidates had made public housing construction one of their primary campaign planks.—*Christine Bierre* 

Economics EIR May 26, 1995

# The International Monetary Fund's 'Mexico model' produces starvation

#### by Carlos Méndez

The following speech was delivered by Carlos Méndez, associate director of EIR's Spanish-language Resumen Ejecutivo magazine, to the Schiller Institute conference "Global Financial Crisis: To Be or Not To Be," on May 17 in Washington, D.C. Carlos Cota Meza, EIR's Mexico City bureau chief, contributed to the research and preparation of the material.

In Mexico, the country so long presented as the great model of the "benefits" of free trade and of the North American Free Trade Agreement (NAFTA), it has now been demonstrated beyond a shadow of a doubt that such theories only serve to loot and, above all, to deliberately destroy the physical economy, the truly productive economy upon which the survival and growth of the population depends.

In the case of Mexican agriculture, which was not especially developed but which was growing little by little, the destruction occurred through the classic free-trade combination of raising interest rates and reducing credit, and raising the prices of agricultural inputs, keeping the prices of products artificially depressed, and opening up the borders to imports which came in at prices lower than those same products were produced domestically. Once national agriculture is destroyed, the country lacks the money to import food, and starvation begins to spread.

When the financial crash occurred in Mexico last December, what collapsed was not merely the "Mexican model," but the whole free-trade model imposed everywhere through such instruments as the International Monetary Fund (IMF).

Here, we are going to look at what has occurred in Mexican agriculture in just the 12 years that this model has been imposed. The assessment of what has occurred in this sector in Mexico is conclusive: For the first time in decades, the Mexican government has officially acknowledged that there are areas of starvation in the country—not of poverty or even extreme poverty, but outright starvation.

And this is not something only happening in Africa, thousands of miles from the United States, but just on the other side of the U.S. border. And this catastrophe implies not only the spread of epidemic disease and genocide, but also violent social explosions, which will not be kept out of the United States by concrete walls along the border.

#### Twelve centers of starvation

In February, when President Ernesto Zedillo announced the Family Food and Nutrition Program (not yet in effect), he officially recognized the existence of 12 zones "with serious nutritional problems" (see **Map**).

These zones are largely inhabited by Indian populations in which malnutrition and high infant mortality are already endemic. And yet, looking at the accompanying map, we see that hunger in Mexico has reached pandemic proportions and does not distinguish between Indians, peasants, and small property-owners, as is now occurring in the Lagunera region of Coahuila and Durango states. The 12 regions include:

- 1) Tarahumara Indian zone, Chihuahua.
- 2) The highlands of Chiapas.
- 3) Montana, Tierra Caliente, Costa Grande, and Costa Chica, Guerrero.
  - 4) Huasteca and Otomi-Tepehua region, Hidalgo.
  - 5) Purepecha plateau and Tierra Caliente, Michoacán.
  - 6) Sierra Norte, Mixteca, and Sierra Negra, Puebla.
  - 7) Triqui, Sierra Mazateca, and Mixteca zones, Oaxaca.
  - 8) Sierra Gorda, Querétaro.
  - 9) Chontalpa and Costa regions, Tabasco.
- 10) La Huasteca, Los Tuxtlas, Zongolica, Sierra de Soteapan, and Valle de Uxpanapa, Veracruz.
  - 11) Laguna region, Coahuila and Durango.
  - 12) Maya zones, Yucatán and Quintana Roo.

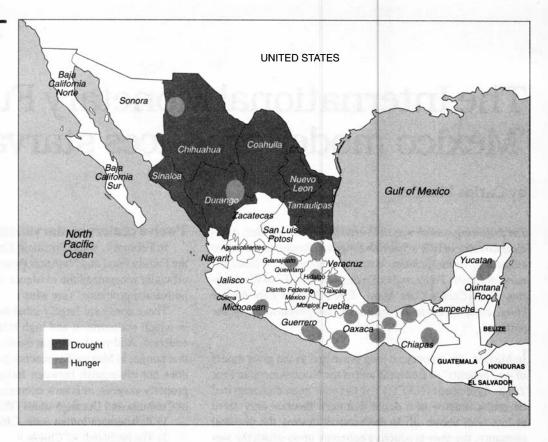
Although officially, President Zedillo's program is supposed to meet the needs of some 2 million "high risk" families between now and the year 2000, the situation is much more serious. According to the daily *Reforma* on March 16, government sources have indicated that if contingency measures are not taken quickly, these 12 regions will begin to face starvation in the coming months due to a resurgence of the crisis, because "the population there is eating its last products, without any possibility of recultivating them, given the lack of resources to buy, sow, and deal with the drought."

This is truly the situation. As the result of 12 years of IMF free-trade lunacy, Mexico has already reached the point of lacking the resources to sow what it needs, to confront the drought, or to buy food abroad.

Severe droughts like the one Mexico is currently suffering have happened many times in the past. The difference is

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Hunger spreads as Mexico crisis is aggravated by drought



that the last 12 years of disastrous economic policies have eliminated the resources for dealing with the drought. That is, at the current time, Mexico has no food reserves, it is not producing what it needs, and it has no money to buy food. Its dams do not have sufficient water reserves, because nothing has been done over the past 12 years to maintain them, much less to have built the new hydraulic works that the country has required for decades.

#### The process of destruction

The process of destruction began in 1983 with the government of President Miguel de la Madrid, who simultaneously imposed policies of punctual payment of the foreign debt, IMF genocidal austerity, and the commercial "opening" demanded by NAFTA—although the formal signing of the latter was done by President Carlos Salinas, who continued and intensified the same free-trade policies.

Between 1985 and 1991, Mexico removed customs tariffs—licenses and quotas—on more than 10,000 products that it imports. The average tariff fell from 47% to 9%. In 1985, De la Madrid announced even more radical measures of trade liberalization, together with a general opening-up of the economy (and in November of that year, Mexico entered the General Agreement on Tariffs and Trade). In November 1987, De la Madrid signed a trade agreement with the United States, the last stepping-stone to NAFTA.

With the debt crisis in late 1982, agricultural investment came to a complete halt. The hydraulic works that were in process ground to a halt as well, and no new work was begun. According to official statistics of the Mexican Agriculture Department, public spending on the agricultural sector between 1980 and 1991 fell by 72%, while state credit to the rural sector practically disappeared altogether.

The result of this can be seen in the Table.

Today this situation is worse. In the six states of the republic most affected by the drought, a loss of 5 million hectares that were to have been cultivated in the 1995 spring-summer cycle, was reported.

• Tamaulipas: The Rio Bravo Agricultural Association

# Mexico dependent on food imports, cumulative total 1988-94

Millions of tons

Product		1) (2) uction Impo	(3) rts Consumption 1/2	(4) Imports as % of Consumption 2/3
Rice	2,796	728	3,524	21%
Beans	7,308	520	7,828	7%
Corn	103,833	14,000	117,833	12%
Wheat	27,246	5,318	32,564	16%
Soy	4,133	15,564	19,697	79%
Cotton (seed)	1,540	981	2,521	39%
Sorghum	32,281	18,345	50,626	36%



In 1993, the Permanent Forum of Rural Producers organized protests against government and International Monetary Fund-dictated policies. The failure to reverse such policies has led to areas of starvation appearing across Mexico. Here, PFRP leaders demand an end to farm foreclosures.

reports that the sorghum, corn, and cotton harvests are in danger of being lost. Six municipalities have been declared "agricultural disaster zones" due to lack of water and spread of pests. At least 900,000 hectares of crops have been damaged to date, and the Tamaulipas Regional Cattlemen's Union has warned that the situation could become even more chaotic, since meat and milk production have been severely affected by animal weight loss and high mortality rates, as yet unquantified.

- Nuevo León: Producers here calculate that at least 500,000 hectares on which a variety of basic crops have been sown, have been badly damaged; in addition, 30% of the area planned for cultivation has been abandoned. After 16 months without rain, the state government has declared a state of emergency. Of the three dams in the state, the largest, El Cuchillo, is running at only 15% of capacity; the second, Cerro Prieto, is at 30%; while La Boca is at 40%.
- Coahuila: At Comarca Lagunera, the Lázaro Cárdenas and Francisco Zarco dams are running at less than 30% of capacity. In the northern part of the state, 18,000 cows died in just four days, bringing the total of dead animals to 30,000. And, in areas totally dependent on rainfall (i.e., without irrigation), farmers planted only 322 hectares out of 50,000 originally planned. The small property owners of Coahuila indicated that around 400 hectares sown with basic crops are showing damage and losses.
- Durango: Small landowners and cattlemen report losses of 700,000 hectares of crops, and over 20,000 head of cattle dead. Inhabitants of many towns have begun to emigrate in search of food.
  - Chihuahua: The state agricultural department reports

that, on average, most dams are running at 30% of capacity. The health secretary estimates that especially in the mountains, hunger and the number of deaths by starvation will increase markedly. Farmers and small landowners in the Juárez Valley estimate that total or partial damage is 1.5 million hectares. The state's economic crisis, aggravated by the drought, is so bad that even members of the Mennonite community, characterized by their affinity for hard work, are leaving their lands and other assets behind to emigrate to other countries.

• Sinaloa: Water shortages in the state's nine dams have caused a 35% reduction in the area sown with basic grains. The National Water Commission reports that there is only enough water to meet the population's needs during the summer, a season characterized by temperatures of 40° centigrade and above. The Sinaloa Confederation of Agricultural Associations (Caades) estimates that almost 1 million hectares have been damaged due to lack of water.

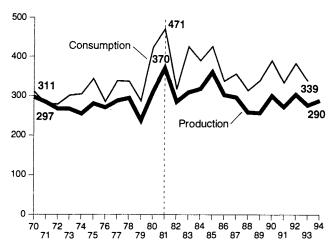
In the face of such a catastrophic situation, the government's response has been merely administrative, expressed through Agriculture Secretary Francisco Labastida Ochoa. The minister has explained that aid to the affected zones will arrive as soon as the details of an "Emergency Program Against the 1995 Drought" are formalized.

#### A dire emergency

As we showed in "Mexico's Physical Economy, a Victim of the Debt Cancer" (see *EIR Special Report*, "The Debt Bomb Explodes . . . Again," Jan. 27, 1995), grain production between 1981 and 1994 fell 22% per capita, although imports partially compensated for the drop in consumption levels.

#### Grain consumption and production

(kilograms per capita)



During the Salinas de Gortari government, food imports rose from a value of \$1.8 billion in 1988 to \$71.2 billion in 1994. It's clear that after the Christmas 1994 financial debacle, in which the peso collapsed and Mexico's foreign currency reserves were nearly depleted, there will be no more food imports, making consumption totally dependent on whatever can be produced inside the country. In the most important categories, this means an almost immediate fall of 10-20% in total food consumption.

But what is the state of national food production after six years of Salinas's demented policies? From 1988 to 1994, the area under cultivation nationally dropped by 9.959 million hectares. The government argues that corn was sown on some of this land, but the truth is that production of other basic grains required for Mexicans' daily diet ceased. Cumulatively, Mexico imported 21% of its total rice consumption. Despite the fact that the country is self-sufficient in bean production, 7% of its total consumption during this period was imported. There were record corn crops and an increase in the number of hectares under cultivation. Nonetheless, 12% of its corn consumption was imported, which means that, overall, Mexico imported the equivalent of one year's production (see Figure).

Wheat imports were 16% of total consumption over six years, a volume equal to the record 1985 crop of almost 5 million tons. As for soybeans, the equivalent of 79% of total consumption over six years was imported; and 38% of the national sorghum consumption was imported (see chart).

Even with a drop in the area under cultivation, fertilizer consumption per hectare stagnated between 1981 and 1991, and in 1992, the state fertilizer company Fertimex was privatized; compare this to the period between 1970 and 1981 when

the fertilizer consumption rate increased by 38%. National seed production has virtually collapsed, dropping by 75% over the past six years.

Agricultural economist José Luis Calva estimates that during the just-concluded 1994-95 autumn-winter season, production of eight basic grains dropped by 60%—from 11.3 million tons to 4.5 million tons. He predicts a further 20% drop in the area under cultivation for the 1995 spring-summer season due to the economic crisis and the drought. (If we assume that the 5 million hectares already affected by the drought were a part of the 13.7 million hectares sown in 1994, this would mean that there has already been a loss of more than 30% of arable land.)

#### Salinas sowed hunger

At the Agricultural Development Forum organized by the Mexican Senate, Agriculture Secretary Labastida Ochoa admitted that "in the last two decades there has been no increase in land under cultivation." He added that of the 24 million people who live in the countryside, "18 million live in poverty, and of these, 6 million live in extreme poverty."

According to research by the University of Chapingo, 45.2% of all rain-fed cultivated land, and 35.6% of irrigated land under cultivation, is used to grow corn. Data provided by the National Institute of Statistics, Geography, and Information (INEGI) indicate that 92% of all corn producers (2,249,598 Mexicans) work on holdings of less than five hectares, and 96% of them receive only the daily minimum wage or less. (This sector of the population produces only for its own consumption, or for very modest and precarious marketing.)

It is clear that this sector of the population is helpless in the face of higher prices for herbicides, fungicides, insecticides, and fertilizer, all of which increased by 54% in the month of March alone! The prices of machinery and equipment have increased by 25%, and interest rates on loans by over 100%.

The higher prices of inputs are destroying small propertyowners who had maintained a semi-industrialized production with decent rates of productivity. The attack on this layer of producers will force the entire productive and reproductive cycle to break down at its weakest point, causing thousands of deaths by starvation. In urban centers, higher food prices and scarcity will result.

According to the May 12 issue of the daily *Excélsior*, in exchange for compliance with the IMF-World Bank accords, the creditor bankers are prepared to offer all the assets seized this year through foreclosures on producers—including commercial, industrial, residential, itourist, and agricultural properties—on the so-called "global market." The U.S. company La Salle Partners has been chosen by the country's top banks, including Banamex, Serfin, Inverlat, Bancentro, Banoro, and Banco Mexicano, to conduct a confidential auction of these properties on Aug. 11.

As can be seen, starting in the spring of 1995, death by starvation is once again showing its face to Mexicans.

#### **Book Reviews**

# 'The feminine technology': a study of pioneering women in nuclear physics

by Jessica Primack

#### Kernenergie: Die weibliche Technik (Nuclear Energy: The Feminine Technology)

by Jonathan Tennenbaum Dr. Boettiger Verlags-GmbH, Wiesbaden, 1994 397 pages, paperbound, DM 28.80

I opened this book with initial skepticism. How would it be different from other biographies of a few of the important women in the field of nuclear science? The answer became clear quite quickly.

Tennenbaum states the theme of the book as the "double revolution" of the "atom women." This double revolution was the discovery of radiation, opening a whole new field in natural science, and the breakthrough in the recognition of women as scientists. The author re-creates the process of discovery in such a vivid way that the reader shares the joy experienced by the scientist.

I will present a few of the people whom Tennenbaum introduced me to, and a bit of their life's work. The "atom women" who are discussed in the book include: Marie Curie, Irène Joliot-Curie, Ida Noddack, Maria Goeppert-Mayer, Lise Meitner, Elisabeth Rona, Ellen Gleditsch, Marguerite Perey, Chien-Shiung Wu, and Dixy Lee Ray.

#### Mendeleyev and the music of the elements

The book starts with a short history of the development of the understanding of matter. One of the most important steps along the way to mankind's ability to utilize nuclear energy, was the revolutionary discovery by Dmitri Mendeleyev of the periodic system of the elements. What was particularly important, was Mendeleyev's method of discovery. He gathered the sparse knowledge of the elements known in the 1860s, and worked from an ordering principle. Mendeleyev describes it: "Simply the lumping together of facts . . . does not deserve to be called science of a higher form. The building of science needs not only building material, but also

a concept, a harmony." His special genius was that he used his hypothesis to correct the characteristics (weight, atomic number, reaction with other elements) of the known elements, and even dared to leave holes in his system and to predict the characteristics of the missing elements. The predictions that Mendeleyev made were proven to be true in the decades to come. His periodic system became the frame of reference for future research in chemistry and physics.

#### Marie Curie and the method of hypothesis

The 1890s were the decade of "rays." Roentgen discovered X-rays, and Bacquerel, radioactivity. Bacquerel was trying to find out what these rays were; it seemed as if the element uranium had "an energy of its own." This unexplained phenomenon is what Marie Curie decided to write her doctoral dissertation on. Her objective was "to examine the origin of the tiny amount of energy that was sent out, through rays, of the element of uranium." After much tedious work, she published her findings. She hypothesized correctly many of the characteristics of the elements (polonium, radium) that she had not yet discovered. "All matter examined containing uranium," she wrote, "is active based on the ratio of uranium contained in the substance. . . . It is interesting to note that the two most active elements, uranium and thorium, are also the elements which have the highest atomic weight. . . . Two minerals containing uranium are much more active than uranium itself. This very notable fact leads to the hypothesis, that these minerals contain another element, that is much more active than uranium." She also pointed out that uranium is radioactive within all chemical compounds, that the element itself is radioactive.

Mrs. Curie's work was based on a continuous hypothesis. As Tennenbaum explains, the process of hypothesis which enables the scientist to ask fruitful questions, the which is no longer found in modern science textbooks, is the "subjective aspect" of science. The generation of Marie Curie did not only assess facts, but studied by working through the original works of great scientists, and learned

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the process of discovery.

Unfortunately, the very fruitful work of Pierre and Marie Curie was suddenly interrupted by the death of Pierre.

It is important to understand under what conditions the "atom women" worked, and the prejudices they had to deal with. In 1900, for example, Dr. Paul Moebius wrote a book called *The Mental Deficiency of Women*, which was reprinted 12 times until 1920. According to him: "It is proven that those parts of the brain which are essential for mental activity, being the flaps of the forehead and temples, are less developed in women than in men, and that this difference is from the time of birth." One can just imagine what Marie and Pierre thought of such statements!

After the death of Pierre, Marie spent more time in the laboratory because, as she said, "that is all I can do." A horrible witchhunt was started against her. Just four months after the death of Pierre, Lord Kelvin, the infamous scientist from England who got his title from marrying into the aristocracy, wrote a nasty letter to the London *Times*, claiming that radium is not a new element at all, but probably a mixture of lead and helium. It is interesting to note that Lord Kelvin did not write his letter to a scientific magazine, but to a popular newspaper. Marie Curie felt obliged to produce pure radium from radium chloride. It took four years of strenuous work, but she finally produced pure radium and had proof of the validity of her life's work.

#### Ida Noddack, the daring young scientist

Tennenbaum introduces the reader to one of the most interesting "atom women," who unfortunately is much less well known. In 1934, Enrico Fermi received Ida Noddack's open letter, printed in the magazine *Angewandte Chemie*. Her letter criticized the conclusions he had come to involving experiments in which neutrons were shot at uranium; the results of those experiments could not be explained by the chemistry of the time. Fermi had concluded that when uranium was shot with neutrons, the neutrons became protons and created "transuranium." Noddack demonstrated that his thesis was not sufficiently well researched, and she predicted the splitting of uranium. She had correctly hypothesized atomic fission, five years before Otto Hahn and Fritz Strassmann discovered it.

Ida Noddack was born on Feb. 25, 1896 in a small town in Germany. Her father owned a varnish factory, so she was probably exposed to chemistry at an early age. She studied in Berlin and received her doctorate in chemistry in 1921. She was especially interested in chemistry's fundamental questions. At that time, there were still holes in Mendeleyev's periodic table of elements. She and her future husband decided to join "the hunt for the elements."

Their method of approach allows one to understand why Mrs. Noddack was able to predict the fission of atoms. It became clear to them that all the other chemists were looking

# Bridge Across Jordan by Amelia Platts Boynton Robinson

From the civil rights struggle in the South in the 1930s, to the Edmund Pettus Bridge at Selma, Alabama in 1965, to the liberation of East Germany in 1989-90: the new edition of the classic account by an American heroine who struggled at the side of Dr. Martin Luther King and today is fighting for the cause of Lyndon LaRouche.

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in the wrong places for elements. Mrs. Noddack described their work: "Already in 1871 Mendeleyev predicted three of his system's missing places, whose characteristics he derived from their vertical and horizontal neighbors. . . . But it seems that Mendeleyev, who had a wonderful imagination, did not dare to predict other empty spaces. . . . Among these few holes it was especially noticeable that there were two directly below manganese. . . . We soon realized that the few textbooks available at that time were not sufficient for our work. . . . We had to work through papers of the original literature of the past 100 years. . . . We realized that in the vertical group of the system there were not only somewhat steady changes, but also jumps, and for analogous reasons, these jumps must take place between manganese and the ekamanganese which lies directly underneath it."

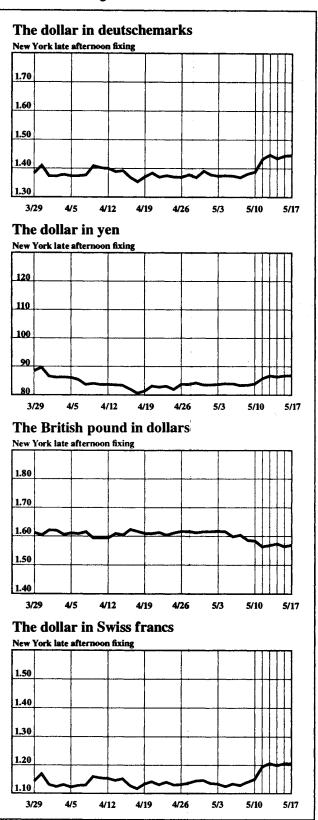
The Noddacks scientifically guessed the charter of elements and then began their hunt for the very rare elements. Because they worked from an ordering principle, their guesses were correct. After many years of work, they published the findings of the two elements: number 43, masurium, and number 72, rhenium.

Something unbelievable then happened: a total denial from the scientific world! How could two young chickens have found the elements that for years had eluded so-called great scientists? The Noddacks decided to look for rhenium in its pure state, and travelled to Norway to collect the mineral. They succeeded, and proved that rhenium is element number 72. Unfortunately, masurium is so rare that they were unable to prove its existence. The element was later produced artificially and given the name technetium.

Tennenbaum opens up the world of science and the joy of discovery to those of us who generally think of it as dull, simply a matter of memorizing facts. If I were a science teacher, this book would be the first book the children would read.

Beyond that, there is an urgent political dimension. In Germany, the Green party, which is totally opposed to all advanced technology, especially nuclear energy, is now considered the third-strongest party. Without nuclear power, not only will industrial nations like Germany become impoverished, because energy costs will be so high, but also developing-sector nations will lose whatever chance they would have had to become industrialized. These Greenies, who, in the name of "feminism," are preventing Third World women from developing their nations, have also done horrible things to the youth of Germany. As this author can attest from her recent years' attendance as a student in a German Gymnasium, the Green ideology has become predominant among German youth, and has inserted itself as a central component of the German education system. The Greens have taken away young people's ability to be excited about discovering something, as these women scientists did, which can change the lives of people all over the world. This book is a necessary antidote to this Green disease.

### **Currency Rates**



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#### Report from Rio by Silvia Palacios and Lorenzo Carrasco

#### **Ecology policy made by the Windsors**

The United Nations and non-governmental organizations are telling Brazil what to do, while the British press cheers.

By turning over Brazil's ecology policy to organizations directly controlled by the British Crown's intelligence services, President Fernando Henrique Cardoso's promise, in his farewell speech upon leaving the Brazilian Senate last January, that in his administration the non-governmental organizations (NGOs) would be considered "neo-governmental organizations," literally came true.

This means that his administration will continue dismantling the Brazilian nation-state—a task begun by his predecessor Fernando Collor de Mello—while its functions will be supplanted by foreign interest groups steered from outside Brazil, which are part of the supranational United Nations government.

Cardoso counts on the strong international support he is gaining with these actions to make up for the lack of domestic support which his economic policy is generating.

His policy of "supranational globalism" is especially obvious when it comes to environmental policy. The most scandalous instance was the announcement that the government would be advised by four NGOs, among them Greenpeace, on how to conserve the woods of the Amazon.

The deal was made through Acting Environment Minister Aspasia Camargo, one of the intellectuals who has long been promoting the "modernization" of the State via the creation of a "new federalism"; she is simply continuing the ecology policy begun by Collor de Mello's environment minister, the lunatic José Lutzenberger, a close friend of Britain's Prince Charles and his "New Age" ideas.

Meanwhile, a collection of NGOs is taking charge of demarcating a significant number of indigenous zones, which is how the British Crown is wielding the "indigenism" weapon over Brazil. In the south of the Amazon state of Pará, the demarcation efforts were funded by the Mata Virgen Foundation, created by British rock star Sting. Other NGOs seeping into the country to dominate tribes and indigenous policies, such as the Friends of the Earth, financed by the Goldsmith brothers among others, have set up radio transmitters in the indigenous parts of the Amazon.

Worse yet are the accords which the government signed with the Brazilian Foundation for Sustainable Development (FBDS), run by the businessman Israel Klabin and his crony, businessman Eliezer Batista. The Strategic Affairs Secretariat (SAE) turned over the economic zoning of the Amazon region to this NGO. The FBDS, created at the time of the U.N.'s Eco-92 summit in Rio, is the Brazilian branch of the Business Council for Sustainable Development, to which selected businessmen of the oligarchist 1001 Club belong. In other words, it is an asset of the British monarchy, and its money comes from sources like the Global Environment Facility formed by the Group of Seven, the World Bank, and U.N. representatives.

The Klabin clan got into power in Brazil during World War II and the postwar era, under the aegis of the intelligence apparatus coordinating British operations in North America under Sir William Stephenson ("Intrepid") and the media network of Lord Beaverbrook, which had an important agent of influence in Brazil in the press mogul Assis Chateaubriand, a lifelong partner of the Klabins. Israel Klabin is now the main conveyor belt for evaluations and orders emanating from Henry Kissinger into Brazil.

Inside the new government, Klabin's influence is well known. It is mainly focused on restructuring the Brazilian intelligence services. According to the daily *Gazeta Mercantil* of Jan. 16, Ronaldo Sardenberg, Strategic Affairs Secretariat director, who frequents the "universalist" circles in the Foreign Ministry, started a series of consultations with persons and groups who could convey ideas to him about the SAE's future role, including Israel Klabin.

None of this is surprising, since the Foreign Ministry's policy boils down to turning everything over to the Anglo-American supranational power, in return for assurances of a Brazilian niche in the U.N. Security Council. This was precisely the content of the trip which President Cardoso made to England, as the only Ibero-American head of state invited by the British to attend commemorations of the 50th anniversary of Victory in Europe.

The Brazilian President met secretly with the British monarchy's clump of bankers—the Rothschilds, Midland Bank, Kleinworth Bank, and others—to assure them about their interests in Brazil, inviting them to feast on the profits from the sale of the public patrimony through his government's privatization policy. The bankers are so sure of their "Cardoso project," that before his trip, the City of London's magazine The Economist ran major coverage with the message: "What Britain did in 16 years (by way of privatization) President Fernando Henrique Cardoso will do in four."

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## Report from Bonn by Rainer Apel

#### **Economic impulses from the Far East**

Germany is investing a big effort into improved economic relations with China.

Outside the European Union's program for the modernization of transport and telecommunications infrastructure, the only consistent impulse abroad currently for Germany's export-oriented industry is coming from mainland China. There has not been a single week recently without a meeting between senior officials or industry managers from both sides. Although spectacular contracts have not materialized, the intensity of contacts signals a genuine interest on both sides to improve cooperation.

This interest has been confirmed by Chinese leaders despite the fact that the Dalai Lama of Tibet was received on May 9 in Bonn by Foreign Minister Klaus Kinkel. Indeed, embarrassment at the Dalai Lama's talks in Bonn was not concealed by German industrialists, who were at that moment engaged in talks about projects with the Chinese.

The Chinese ambassador to Bonn protested with the German Foreign Ministry, and the German ambassador to Beijing was summoned to the Chinese Foreign Ministry to receive a note of protest. Although no grave diplomatic crisis developed, the question arises: Who in the German government is interested in aggravating relations with the Chinese at a moment when negotiations on a number of potentially profitable industrial projects were under way—just at a time when Economics Minister Matthias Wissmann and a high-powered industry delegation were on their way to Beijing?

Chancellor Helmut Kohl, who will receive Chinese leader Li Peng in Bonn in mid-July, and plans to visit Beijing in October, had his spokes-

man declare diplomatic contacts with China a "project on the level of the chief." This made clear that Kohl considers this field important enough not to leave it exclusively in the hands of his Foreign Ministry, which is known for its Anglophile views.

Reflecting Kohl's views, a mid-May report by the Economics Ministry identified the transport infrastructure and energy sectors of China as the most crucial fields for investments, because that is where the Chinese economy has some of its worst bottlenecks, and where German industry has specialized know-how.

Already in mid-April, Bavarian State Gov. Edmund Stoiber returned from a tour of the Chinese province of Chandong, with which the Bavarians have a sister-state partnership, with the message that the Chinese have a deep interest in cooperating with the Germans, with whom they have had positive experiences (unlike their experience with the British, for example). Stoiber portrayed a prominent role for German industry in China's national infrastructure development program, which over the next 10 years envisions the construction of 100,000 kilometers of roads and highways, 20,000 km of new railway tracks, and 10 new nuclear power plants.

The same message was also sent home by Economics Minister Wissmann, who first feared the worst when he found that all planned high-level meetings, for example with the railway minister, had been cancelled or postponed, when he arrived in Beijing on May 9. But, unexpectedly, he was received by the head of the state planning commission the next day, and learned that China wants to accelerate

bilateral talks.

The question mark over all potential projects is where financial resources can be found in the collapsing, speculative world monetary system that currently dominates banking policies. It is nevertheless important to note that in a May 11 report from Beijing, Germany's business daily *Handelsblatt* wrote that Wissmann identified railway technology, particularly high-speed train systems, as the centerpiece of relations with the Chinese.

German industry is aware of the competition from other industrial nations; for example, the 1,300 km of tracks for the new rail route between Beijing and Shanghai, designed for conventional, high-speed railway technology, could be served by the German ICE, French TGV, Japanese Shinkanzen, or the Swedish X2000. But if the Chinese decide for maglev technology, the Germans, who are the only ones who have that technology available at this moment, in the form of the Transrapid system, would have an exclusive role.

A hint in this direction was given to a Hongkong representative of the Thyssen Industry group, which is producing the Transrapid, on May 8. After two months of intense negotiations with the municipal administrations of Hongkong and Canton about a maglev train route between the two cities, the manager expressed optimism that this 160-km route could be served by the Transrapid. Construction would start in 1997 and be completed in the year 2000, with costs of DM 3.5-4 billion (roughly \$2-2.5 billion). Based on maglev technology, the new route would reduce travel time between the downtown areas of Hongkong and Canton to 20 minutes. The lord mayor of Canton will soon visit the Transrapid testing route in Emsland, Germany.

## **Business Briefs**

#### Agriculture

# German minister attacks EC for 'currency war'

German Minister of Agriculture Jochen Borchert described as "outrageous" the announcement of plans by the European Commission to cutpayments to farmers which compensate for foreign exchange turbulence. This is "currency warfare" against farmers of countries with strong currencies, he said.

Over the last four months, the European Union has been more and more unable to maintain its currency compensation payments to farmers. In the case of Germany, Borchert said, foreign exchange turbulence has reached the point that it is threatening the very existence of farmers. Exports of milk and meat, especially, have collapsed in only four months.

Borchert warned that if the EC were to implement the cuts, this would mean "dynamite for social peace in the countryside and for the capability of farmers to survive." He rejected the plans as "politically irresponsible" and "completely unacceptable."

#### Aerospace

# German sector headed for collapse, say councilmen

The German aerospace and defense industry is heading for an "uncontrolled collapse," according to the WLR, a newly formed working committee of factory councilmen in the defense and aerospace sector in Munich. The WLR warned that jobs in this sector have already been cut from 280,000 to 140,000 since 1990, and that 40,000 more cuts could follow soon. This would forever destroy Germany's technological capacity in this area, which had been built up over a long period of time by huge state investments.

The WLR initiators emphasize that the WLR is the first-ever union of factory councilmen in the aerospace and defense sector in German history, and was set up without any direct trade union support.

WLR Chairman Peter Meinck noted that "many of our highly qualified engineers and technicians have been dismissed," and that this was accompanied by a "dramatic reduction" of students in engineering areas.

One bright spot is that German-Chinese cooperation is intensifying. In early May, representatives of Daimler-Benz Aerospace (DASA) and Chinese authorities signed in Beijing an agreement on two projects. In the first, DASA, Aviation Industries of China, and the South Korean Samsung Aerospace Industries Ltd. will develop a common civilian jet for 100 to 120 passengers. Only recently, British Aerospace, French Aerospatiale, and the Italian Alenia had formed a joint venture for the same purpose.

The agreement also involves the Xichang Satellite Launch Center putting a German communications satellite into orbit in 1997, using the Chinese "Long March" rocket. The satellite deal was described by DASA chairman Jürgen Schrempp as a "world premier of high importance," and is a setback for the European Ariane launch system.

#### Debt

# Algeria given bailout by London Club banks

The so-called London Club of banks holding Algerian commercial debt has agreed to reschedule \$3.2 billion of that debt, Reuters reported on May 13. The agreement would give Algeria up to 15 years to pay back loans originally due in March 1994 to December 1997. The deal is a significant boost to the Algerian regime at a time when it has been under pressure from the Clinton administration and other governments to negotiate with the opposition Islamic Salvation Front.

The banks leading the negotiations with the Algerian Central Bank are Chase Manhattan, the Arab Banking Foundation, Long Term Credit Bank of Japan, Japan Leasing Corp., the French-Arab Banking Union, and Sakura Bank. The group is headed by the French bank Société General. It is estimated that the Japanese banks hold two-thirds of the Algerian debt.

Meanwhile, the International Monetary Fund is expected to approve another \$1.8 billion loan for the next three years, in addition to the \$1 billion they approved lastspring. The Paris Club for foreign debt held by governments is expected to approve the rescheduling of \$5 billion in debt. Despite the fact that the Algerian military-backed government refuses to hold elections, it is apparently still considered an "economic model" by the international financial community.

#### Labor

# USAir mechanics accept 13% wage cut

Mechanics at USAir Group, Inc. have agreed to a 13% wage cut, which will save the airline \$1 billion in annual costs, according to Dennis Hitchcock, a spokesman for the International Association of Machinists, which represents about one-third of USAir's 45,000 workers, Associated Press reported on May 8. The highest paid of the 8,000 USAir mechanics will lose about \$4 an hour from their current \$23-an-hour wage. Some 6,500 flight service workers also represented by IAM will have their wages cut about 10%. In addition, paid lunch breaks are eliminated, and the airline will be allowed to use more non-union mechanics.

In exchange for these concessions, the employees will be given a 20% stake in USAir, as well as \$400 million in preferred stock and \$12 million in stock options. The company's three biggest unions each will get to nominate a director to the company's board, and nonunion employees also will get to name a director.

The agreement with the machinists follows a tentative agreement with the pilots union that cuts the average income (\$129,500) of USAir's 5,200 pilots by an average 22%.

USAir has lost more than \$2.6 billion since 1988, including nearly \$700 million last year. Analysts say that the airline's costs are the highest in the U.S. airline industry. Warren Buffett's Berkshire Hathaway, which owns a large chunk of USAir, has extracted hundreds of millions of dollars through its holdings of preferred stock, which have paid out a dividend rate of over 10% despite the airline's losses.

#### **Communications**

#### Murdoch wants to buy up Berlusconi media empire

Australian-born media magnate Rupert Murdoch has formally offered to buy Silvio Berlusconi's television stations for \$2.8 billion, the financial daily *Il Sole 24 Ore* reported, according to Reuters on May 12. Berlusconi was prime minister of Italy for seven months until losing power in December 1994.

The newspaper said that the proposed deal with Murdoch's News Corp. would also include the television advertising agency operated by Berlusconi's Fininvest media group. Officials of Fininvest, which is 100% owned by Berlusconi, said they could not immediately comment on the report.

Berlusconi has repeatedly said that he would be willing to sell his television stations at the right price to end controversy over the conflict of interest with his political activities. The media magnate is leader of the center-right Freedom Alliance, which hopes to return to power when elections are held, possibly in October.

According to *Il Sole*, Murdoch was offering to buy 51% outright at an agreed price, with the value of the remaining stake to be set after a June 11 referendum on television ownership. In the referendum, backed by Berlusconi's political opponents, Italians will be asked to limit to one the number of national television stations that may be owned by one private sector company or individual.

#### Finance

# Markets, not nations, have power, banker says

The governor of the Bank of Spain, Luis Angel Rojo, warned that financial power is now in the hands of the markets, not governments, at the ceremony investing him *Doctor honoris Causa* of Alcala University, the Spanish daily *El País* reported on May 11.

"Power has moved from the hands of governments to the markets. The markets condition national monetary policies, make ex-

change rates explode, spread tensions. How should governments deal with this? There are no easy solutions. . . . The markets are characterized by their enormous potential, their unease, their greater efficiency and competitiveness, all qualities which imply enormous advantages but of course, problems of instability," he said.

The Ramon Areces Foundation, the Ortega y Gasset Foundation, and L.A. Rojo have invited Bank of England Gov. Eddie George to speak in late May on "A British Perspective for European Recovery."

#### **Banking**

# In Italy, Cuccia's banker commits suicide

Ludwig von Hackwitz, director general of Fondiaria Assicurazioni, the second largest Italian insurance company, committed suicide on May 7, jumping from the 21st floor of a skyscraper in Milan where he lived. Hackwitz hadrecently been called in by Fondiaria's new president, Luigi Amato Molinari, a former Generali manager who was appointed to Fondiaria by Mediobanca's Enrico Cuccia.

The official explanation for the suicide is that Hackwitz was ordered against his will to implement draconian budget cuts, including layoffs of 400 employees, because of Fondiaria official losses of a half-trillion liras. But there may be bigger losses which are not yet known publicly, due to derivatives and other speculative ventures in which Hackwitz was apparently involved. Investigators found two sealed letters written by Hackwitz, which will be opened in front of a notary.

Fondiaria belongs to the group that controls Assicurazioni Generali, together with Euralux (Lazard-Fiat) and Mediobanca. This group holds 15% of Generali, deposited at Mediobanca, whose 90-year-old chairman, Enrico Cuccia, is still the mastermind of the cartel. Fondiaria is connected to Italian free-masonry. Its headquarters in Florence is in a district built by pro-British masons soon after Florence was declared the capital of Italy in 1860.

# Briefly

- THE TARIM Petrochemical Exploration and Development Bureau in Korla, a city in western China on the Silk Road, will raise \$3 billion to build an oil refinery, a power station, and plants to manufacture chemical fertilizer, ethylene, and methane, Reuters reported on May 12.
- NIGER has resumed talks with the International Monetary Fund to win new loans, Finance and Planning Minister Almoustapha Soumaila said on May 14, Reuters reported. The previous government proved unable to satisfy the IMF by raising taxes and cutting wages.
- MITSUBISHI Estate Co., which bought 80% of Rockefeller Group Inc. in 1989 for \$1.4 billion and has suffered around \$500 million in losses since, is threatening to force a bankruptcy filing if Rockefeller Center Properties Inc., which holds the \$1.3 billion mortgage, does not sell out to Mitsubishi, the May 11 Wall Street Journal reported.
- THE WEALTH of the 500 richest Britons slid 16% to £55 billion (\$86 billion), largely because of falling stock markets, according to the May 14 London Sunday Times.
- ◆ KAZAKHSTAN President Nursultan Nazarbayev left for South Korea on May 15, Reuters reported. "They have good technology, we have a lot of raw materials, and we are interested in technology transfers," a presidential spokesman said. Imports from South Korea jumped 66% to \$27 million last year and exports rose 131% to \$61 million.
- ITALY is impoverished, according to figures in the latest state report, Corriere della Sera reported on May 13. In 1994, some 6.5 million Italian families were below the official poverty level, youth unemployment reached a national average of 32.4%, and only 19.7 million Italians were employed, while 20.1 million lived from pensions, social welfare, or jobless support.

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## **FIRFeature**

# The heroic legacy of Argentine President Arturo Frondizi

by Cynthia R. Rush

With the death of former Argentine President Dr. Arturo Frondizi last April 18, the world has lost a valued fighter in the battle for human dignity and economic development, in opposition to the usurious and murderous policies which the international banking community has imposed on the developing sector in recent decades.

Dr. Frondizi's role in this battle is not one which obituaries published in the U.S. and international press chose to highlight as they dryly reported on the key facts of his life. But it is one which we honor in the pages that follow, because the former President's contributions in this fight are lasting ones, and because each combatant in the war on behalf of man created in the image of God—imago Dei—is precious. A devout Catholic, he was consulted by three popes over almost four decades—John XXIII, Paul VI, and John Paul II—on the crucial issues facing humanity. Up until his death, he maintained an ongoing relationship with Pope John Paul II.

At a time when the policies of the International Monetary Fund threaten to tear apart entire nations, especially in Ibero-America, Africa and Asia, we are obliged to recall Dr. Frondizi's insistence on the need for economic development and defense of the fundamental institutions of the nation-state. And, as his political secretary Carlos González Cabral writes in the affectionate memoir of the Argentine President which follows, Frondizi never sought economic benefit for himself, but viewed himself as a tireless warrior on behalf of millions who lived in poverty and backwardness. "He died lucid and poor," González wrote, and, because of his great modesty, "I never considered him my boss, but my example."

Early on in his political career, as general secretary of the Argentine League for the Rights of Man during the 1930s, he showed his commitment to defending real human rights—not those about which today's human rights mafia shriek as they support narco-terrorism in Ibero-America and demand the destruction of such vital national institutions as the armed forces. As he told a joint session of the U.S. Congress in January 1959, "for us, the human being is a sacred being and the rights



Dr Frondizi (second from right) at age 50, shortly after he took office as the President of Argentina, during a Te Deum mass on Argentina's independence day, May 28, 1958. He was the first elected President since the 1955 overthrow of Gen. Juan D. Perón.

and institutions which protect his freedom are also sacred." But, he added, "without national development, there is no well-being or progress. When there is misery and backwardness in a country, not only are freedom and democracy diminished, but national sovereignty itself is jeopardized."

These were the policies which Dr. Frondizi sought to implement during his own presidency (1958-62), and which he discussed with many world leaders, most importantly U.S. President John F. Kennedy. His presidency overlapped Kennedy's, and he developed a close, personal relationship with the American leader to whom he fondly and frequently referred in later years. With his characteristic aggressiveness—Kennedy humorously told his Argentine counterpart that he considered him to be "fortísimo . . . very tough"—Frondizi offered the American President his honest evaluation of such programs as the Alliance for Progress, and spoke frankly about the unique role he felt the United States had to play in assisting the process of Ibero-America's industrial development, also as a means of guaranteeing hemispheric security.

This was something about which the Argentine President felt strongly, based on his own studies of U.S. economic history and his understanding of how strong, sovereign nation-states are built. As he told the U.S. Congress in 1959, Argentina and Ibero-America must have the right to apply the same economic policies which had permitted the United States to become a great industrial power. Dr. Frondizi's familiarity with the work of such "American System" economists as Henry Carey and first Treasury Secretary Alexander

Hamilton, which he discussed in his 1987 lecture on Argentine protectionist Carlos Pellegrini, underscored the depth of that understanding.

In recent years, as Dr. Frondizi became increasingly concerned about the anti-human policies imposed on developing countries by the international banking community, and the cultural degradation and drug trafficking which accompanied them, he came to view American statesman Lyndon LaRouche as the embodiment of the policies and ideals he valued in the United States, and had previously lauded in President Kennedy. In a 1984 meeting with LaRouche, he sparred vigorously with the American statesman over political and economic matters, but as he wrote President William Clinton a decade later, "I have always shared to a great extent the political-economic thinking of Mr. LaRouche... because I find that it has particular affinities with what I have been preaching politically my whole life in the Ibero-American continent."

Following LaRouche's political persecution and unjust imprisonment in 1989, Frondizi courageously associated himself with the effort to obtain LaRouche's total exoneration, and wrote to President Clinton on two occasions in that regard. He also wrote to the Vatican on LaRouche's behalf. Although he did not live to see LaRouche's exoneration or the implementation of the development policies for which he fought, his combative spirit and defense of the "divine spark" in each human being will inspire us all to go forward until victory is won.

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# Democratic vocation, moral principles marked lifetime of Arturo Frondizi

by Carlos José González Cabral

The author worked for the last five years as the private and political secretary of Dr. Arturo Frondizi, former President of Argentina (1958-62).

The editors of Executive Intelligence Review requested that I write on some aspects of the personality and thinking of Dr. Arturo Frondizi, constitutional President of the Argentine Republic from 1958 to 1962. It was my great honor to serve as his private and political secretary for the last five years of his life, a period during which the deceased statesman lived in selfless austerity. As I wrote previously in one of our national newsweeklies, I am not going to praise him on account of his modesty, nor would he have wanted me to. For that reason, I never considered him my boss, but my example. As he climbs the stairs to heaven, I feel certain that he would be pleased with my reviewing some of his thoughts and definitions, which shall always serve the cause of humanity. Being able to serve at his side was a gift of Divine Providence. He died lucid and poor.

Arturo Frondizi was born on Oct. 28, 1908 in the city of Paso de los Libres in the province of Corrientes, land of the Liberator Don José de San Martín. His parents, Julio Frondizi

and Isabel Ercoli, were Italian immigrants from Gubbio. He spent his first years of primary school at a school in Concepción del Uruguay in the province of Entre Rios, and then finished at the Rafael Herrera Vegas school in Buenos Aires—a girls' school. By who knows what premonition, the school director justified the admission of a boy by noting that he would surely be an important man in the future. By 1924, with his family now living in Buenos Aires, he finished high school at the Mariano Moreno National School, and graduated with Honorable Mention in 1926.

He studied law at the School of Law and Social Sciences at the University of Buenos Aires, finishing in just three years with honors. But he didn't want to be recognized in a public ceremony by then-provisional President General José F. Uriburu, who, on Sept. 6, 1930, had overthrown constitutional President Hipólito Yrigoyen. He argued that "I cannot receive the legitimately won Diploma of Honor from the hands of illegitimate authorities." Thus in his youth, Frondizi's democratic vocation and moral principles were indelibly affirmed.

I thought it useful to report on these details of his life, because they will help us to understand many of Arturo



Dr. Frondizi with his wife, Elena Faggionatto de Frondizi, who died in 1990. During their 57-year marriage, Mrs. Frondizi was a dedicated partner, who fully supported her husband's political fight for the industrialization of Argentina and Ibero-America.

Frondizi's personal and political positions. I have no intention of writing his biography, which I leave to the historians. Knowing how I came to mention these few facts, I'm sure he would have told me, "Friend González, what's important is not for the people to know where I was born or studied, and much less what my habits and tastes are. What matters is for our people to know how I think as I try to address their problems and concerns."

#### A passion

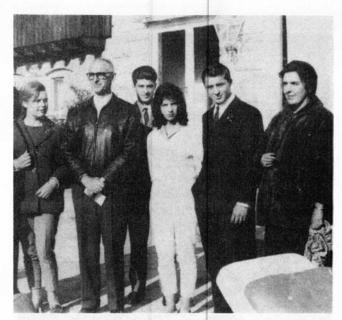
As I write this modest evocation, I am struck on the death of our dear friend Arturo Frondizi, just as he was on the death of Hipólito Yirgoyen, that "two distinct but similar levels remain in my memory." On a personal level, it will be a permanent and unforgettable experience. On the second level, I am obliged to interpret the deepest aspect of his thinking, and thus to help society through political action based on the ideas he sowed.

Frondizi was pure rationality, but he had the warmth of friendship, of tolerance and respect. He lived reading, meditating, and analyzing. He permanently sought to know why things happened and how people thought. Writer Nelly Casas, in her book Frondizi: A History of Politics and Loneliness, wrote that when he met his future wife, Elena, he told her, "My first priority is my political fight; with me you will have no security or company." She replied, "That doesn't matter. I shall always be at your side." They were married on Jan. 5, 1933. Casas continued: "For Arturo Frondizi, nothing comes before his [political] militance, and no one before the Fatherland." In his book Frondizi, Behavior and Thought, writer Cruz Mazadho wrote ". . . He led a double life: that of a politician who fights unceasingly, and that of an intellectual who gives classes, runs magazines and newspapers, studies, and writes."

#### **Destined for greatness**

In 1926, at the age of 18, Arturo Frondizi wrote a magazine article in which he said that "today's generation [remember when this was written—CGC] should know that the formidable task before it is the social question, and by all means at its disposal—justice, hygiene, science, and will—it must make effective the Christian maxim, 'Love each other.' "At about the same time, writing on the question "what is the Fatherland," he said, "the idea of Fatherland resides in, and rests its golden pedestal on, the moral and historical traditions of a people, and at the same time, the memory of the past gains greater force in the vision of the future." Arturo Frondizi's spiritual education within a Catholic home, and the positive influence of his high-school and university professors, to whom he always paid homage, consolidated in his personality the conviction that peace and the rule of law were the only paths which would lead the human being to a destiny of greatness.

In 1933, as a young lawyer, he assumed the defense of 196 political prisoners with the following idea as his central



Dr. Frondizi visited by teachers and students during his confinement to a hotel in Bariloche, after he was overthrown by a military coup in March 1962.

theme: "[Peace] cannot be won by violence or the persecution or extermination of adversaries, but by the faithful enforcement of fundamental laws, and the carrying out of each citizen's duties." Fifty years later, Frondizi was to repeat these words to [U.S. President] George Bush, because of the latter's unjust persecution of Lyndon LaRouche. There is little doubt that Frondizi's political and intellectual action was inspired by the deep spiritual, democratic, moral, and pacifist values of Hipólito Yrigoyen, the man he considered to be his teacher. This great Argentine, overthrown by the entrenched oligarchy in 1930, told President Herbert Hoover in 1930 that "reaffirming my religious beliefs that men must be sacred for men and nations for nations and that we must, in a common effort, rebuild the labor of centuries on the basis of a more ideal culture and civilization, of a more solid fraternity and in greater harmony with Divine Providence." This also explains why, after 60 years of defending prisoners, Arturo Frondizi confessed to His Holiness John Paul II in the Aug. 17, 1993 letter he wrote on LaRouche's behalf, that he had been strongly influenced by The Science of Christian Economy, the book LaRouche authored while in prison, which states that "in Christian civilization, man must use that quality of being in the image of the living God, the living image of God, alive. He must use reason. His job must be to flow from reason."

Speaking once of common and political crimes, Arturo Frondizi underscored that "it is not possible to equate either morally or legally the man who steals or kills with the man who leaves his home, his wife, and children to risk his life in defense of a political ideal." This also explains that the friendship between Lyndon LaRouche and Arturo Frondizi



Dr. Frondizi with former Gen. Juan Domingo Perón, in 1973, when Perón returned to Argentina after many years in exile to become President until his death in 1974.

was not mere coincidence, but the result of profound agreements.

#### The option

Arturo Frondizi passionately defended development policies, and during his 1958-62 government he set up indestructible landmarks in that direction which, despite being buried by traitors, will inevitably be unearthed by a people who, sooner or later, will see their real destiny above and beyond today's leadership in Argentina and in the entire continent—elites enmired in total decadence.

In his speech before the Legislative Assembly upon becoming President on May 1, 1958, he posed to his nation the option of "continuing paralyzed in our development, gradually impoverishing ourselves, stagnant in our passions and doubting our own abilities, plunging toward backwardness and national disintegration. Or, on the other hand, taking stock of reality, and with an energetic thrust, move forward with decisiveness and courage to conquer the future through the path of progress and the country's greatness."

Determined to fight tirelessly for national development, Frondizi forged a close friendship with President Kennedy in search of the necessary understanding with the United States in support of a policy of economic and cultural integration which would tend to resolve all of the problems and concerns not only of Argentines, but of all the Ibero-American people. President Frondizi excelled in Argentine political life, because at every moment he applied a policy of preserving the

constitutional order, while guaranteeing the integration of the Armed Forces and Argentine workers in defending the national interest, and eliminating false confrontations and promoting a vigorous process of industrialization.

After only three years, his policies achieved oil selfsufficiency, increasing production by 138%. Steel production tripled, and the chemical and automobile industries took off. In 1961, some 137,000 cars were produced and 20,000 tractors sold, a good reflection of the strength of the internal market. Between 1960 and 1962, the year in which he was overthrown, inflation dropped by 50%, and 250,000 workers removed from the state sector found employment in the labor market. These achievements led to a drop in the budget deficit from 7.7% in 1959 to 1.7% in 1962. Despite these advances, some labor leaders and politicians, in connivance with coup-plotters and the big importing holding companies, tried to sabotage the President's program of "national development, social peace, and legality for all." Frondizi met with several world leaders, and was praised for his actions by, among others, Charles de Gaulle, Konrad Adenauer, Indira Gandhi, Dwight D. Eisenhower, and, importantly, John F. Kennedy.

French writer André Malraux stated that Frondizi was a talented President, almost too good for Latin America's reality. On April 15, 1958, as President-elect, Frondizi gave a presentation at a conference at the University of Santiago in Chile entitled "The Transformation of Latin America's Structures." After listening to his speech, Chilean poet Pablo Neruda presented Frondizi with his own *Complete Works* with the inscription "to Arturo Frondizi, whose words in Chile will awaken our America."

#### An admonition

In 1974, on the occasion of a meeting called to discuss political alliances, Frondizi told then-President Gen. Juan Domingo Perón that his government's economic policies were wiping out the business sector's profits ". . . with the double consequence of eliminating investment, fostering scarcity, and [promoting] denationalization and penetration of the monopolies." Developments today, not only in Argentina but throughout Ibero-America, prove Frondizi right. Speaking that same year as the chairman of his party, Frondizi said: "Necessary revolutions cannot be replaced by the simple functioning of political institutions which do not operate effectively when they are not supported by a solid material base. Institutional stability and social peace are not achieved in the framework of economic strangulation."

When on July 22, 1988 at the age of 80, Arturo Frondizi left the party over which he had presided in the national arena, due to differences in analyzing the causes of great national problems and the measures needed to address them, he vowed to continue disseminating his ideas, respecting those who disagreed, but without concessions or wavering. Less than two years ago, a reporter asked him if he belonged

to some political party. He replied "to none, nor do I support any candidate. I am a pure nationalist." That was Arturo Frondizi!

EIR's readers are familiar with much of his thinking, as some of his writings have appeared in the magazine and in its Spanish-language supplement Resumen Ejecutivo. Moreover, his efforts on behalf of Lyndon H. LaRouche have also been widely reported on. The torch he took up as he began his political fight many years ago will permanently enlighten us. He never sowed hatred or grudges, but possessed a great vocation of service on behalf of all of the peoples of Ibero-America.

I know positively that two of Arturo Frondizi's dearest hopes at the end of his life were to see the definitive exoneration of Lyndon LaRouche and to visit the tomb of his intimate friend, John F. Kennedy. Out of respect for his memory, I want to make this known publicly, together with the text of the letter he sent on Jan. 27, 1995 to Sen. Edward M. Kennedy on the death of his dear mother, Rose Kennedy. In part, it read: "Allow me to request, with the boldness of an old man, that in these tragic times for Ibero-America, you take up the unceasing fight to save our people. The legacy of John F. Kennedy is intact and in full effect. The New Frontier has arisen once more." Then he added: "Your victory in the recent elections, in the midst of your party's unfavorable avatars, should perhaps be interpreted as a call or a message which, coming from Arlington [National Cemetary] flies over the pages of Profiles in Courage."

This was one of the last letters written by the departed statesman. Already in a May 14, 1993 letter to President William J. Clinton, he had said that, like John F. Kennedy, destiny had placed [Clinton] at the crossroads of "freedom and well-being or poverty and submission."

And once more, Arturo Frondizi did his duty. On Oct. 28, 1993, during a public celebration of his 85th birthday, he told his friends: "The end of my days will find me together with my people and defending their legitimate rights. . . . Were I not to do this, my life would have no meaning."

Let me take the liberty of closing here with the words of condolence which Lyndon H. LaRouche, Jr. sent to the friends and family of President Arturo Frondizi, entitled "The Torch Has Been Passed:"

"I believe that the great service done to me by our departed friend is generally known in Argentina, and in high places in other parts of the world. He was a true and generous friend to me, and a treasured collaborator on world issues on which we have shared a profound concern since our first meeting, as dinner guests of two mutual friends, nearly eleven years ago. In him, I have met a soul of rare beauty and excellence. I shall miss his presence very much, while I carry my share of the torch which his tired hands passed to us during his last days."

With great humility, a great man said goodbye to another great man.

#### Documentation

# Arturo Frondizi in his own words

#### **Speech to the U.S. Congress**

From a speech to the joint session of the U.S. Congress, Jan. 21, 1959, entitled "Argentina and the United States."

This is the first time an Argentine President has visited the United States, but we have so much in common that rather than a stranger, I feel that I am a member, together with the millions of inhabitants of this great nation, of that grand human experience which is the community of American nations. . . .

Over time, history seems to have affirmed our similarities. Not only were our two countries singled out for national independence, individual freedom, and that wonderful adventure of democratic government. They also demonstrated a similar capacity for assimilating universal culture and an equal pride in defending their sovereignty and self-determination under all circumstances. . . .

The origin of the unity of the Americas is a spiritual one. This continent rose up in history as the land of hope and freedom. Our ancestors envisioned an America in which man could be fulfilled without oppression, injustice or persecution. Thus the great American achievements were always related to freedom. That is why the military heroes of continental independence were statesmen, and history does not remember them as conquerors but as liberators.

The American ideal of democracy, justice, and freedom has been fruitful because it is based on a spiritual conception of man. . . . For us, the human being is a sacred being, and his rights and the institutions which protect his freedom are also sacred. Our concept of spirit, as the driving force of man and of history, is the fundamental reason why the sons of this continent cannot be communists. . . .

We pose the force of the spirit as driving history, and we proclaim the essential unity of the Americas. But these statements cannot cause us to ignore the real and painful fact of unequal continental development. We cannot hide the harsh reality of millions of beings in Latin America who live in backwardness and misery. Nor can we deny that under these social and economic conditions which contradict our ideals of justice and freedom, the life of the spirit becomes untenable. A poor people without hope is not free. A stagnant and impoverished country cannot protect its democratic institutions. On the contrary, it is prone to anarchy and dictatorship. . . .

Without national development, there is no well-being or progress. When there is backwardness and misery in a country, not only are freedom and democracy diminished, but national sovereignty itself is jeopardized. Latin American countries must confront that reality attacking these evils at their root. They must transform an economic structure that has become a factor of stagnation and scarcity. Our nations must therefore decide to exploit all their resources and mobilize all their available energy, and take maximum advantage of all the technological and scientific advancements of our time.

The immense natural resources which exist in Latin America must be extracted and used for the benefit of all its inhabitants. Latin America should cease to be an exclusive exporter of raw materials. It must launch its own heavy industry, its petrochemical industries, and factories for machinery. It must build hydroelectric dams and nuclear reactors. It will have to mechanize and electrify agricultural production, to multiply production and raise the living standards of peasant families. In short, it must undertake the same process of economic expansion and internal complementarity which led the United States to its current extraordinary level of development. . . .

The example of your country will serve as a powerful stimulus as we confront the task before us. The economic history of the United States proves, in effect, that a people who propose national goals and make every effort to promote their integral development, forge great nations. . . .

This is the teaching which Latin America will take up and transform into the spiritual and material goods for almost two million human beings, but the United States cannot remain apart from [this task]. You cannot be indifferent to the fact that there are millions of people who live in poverty on the American continent. The condition of these fellow human beings is not only an appeal to our common ideals of human solidarity, but also a source of danger for hemispheric security. To leave an American country in stagnation is as dangerous as an attack that might come from an extracontinental power. The fight against backwardness requires greater hemispheric solidarity than that needed for its political or military defense. The true defense of the continent consists in eliminating the causes of misery, injustice and cultural backwardness. . . .

Let us make the American continent truly one of human hope, keeping on its soil and for all its children the promise of happiness and fulfillment which America offered humanity.

#### On John F. Kennedy

From a speech delivered on June 14, 1989 at the Argentine Academy of History, on Dr. Frondizi's relationship with John F. Kennedy.

I had the privilege of knowing John F. Kennedy, with whom I had two meetings. The first took place during my second trip to the United States as President on Sept. 26, 1961....

The profound admiration and esteem I felt for him was

consolidated and strengthened as a result of the frank and lengthy dialogue we held. We exchanged ideas about hemispheric problems, and the American President discussed important aspects of the world situation as well as his thoughts about how to deal with them.

I placed special emphasis on the Latin American situation, on the seriousness of its problems, and on the urgency with which necessary solutions had to be applied. I expressed my disagreements with the Alliance for Progress's welfare focus, although I recognized the substantial contribution the program would make. We agreed on the dangers resulting from communist agitation and other extremisms, but I made no concession on the issue of repression [of Cuba], whose only outcome would be to stimulate tensions it sought to suppress. . . .

We carefully analyzed our bilateral relations. Kennedy's idea was also mine: cooperation in the economic realm and independence and respect for self-determination in the political. . . .

I was deeply moved by Kennedy's fervent support for the cause of the Argentine people. I wish to remind you of what he said at the end of our meeting: "Mr. President, I want you to clearly understand what I'm going to tell you. Argentina's triumphs and failures are the triumphs and failures of the United States. Your success is our success. In that sense, the United States is irrevocably united with Argentina. On that, Dr. Frondizi, you have the word of the President of the United States. . . ."

On March 13, 1961, in a famous speech, President Kennedy announced the launching of the "Alliance For Progress," in which he discussed the problem of continental underdevelopment in all of its dramatic dimensions. . . .

This plan reflected concern over the problems of social development. It was a political response to the political problem posed by the Cuban challenge. It denounced the evils of social injustice, translated into deficient nutrition, disease, illiteracy, lack of decent housing, and the feudal structure of rural landowning. The President of the United States called on Latin America's governments and political classes to fight these ills. I embraced Kennedy's message, and shared all of its positive aspects, but underscored the criteria by which the Argentine government was dealing with the problem of underdevelopment. . . . I always insisted that all the funds available for helping the underdeveloped countries had to concentrate on investments for the economy's structural development, and be channelled into basic sectors and infrastructure—energy, steel, communications, etc. within the framework of national integration and full expansion of every community's potential resources. . . .

On Nov. 22, 1963, along with John Fitzgerald Kennedy the world lost the possibility of advancing toward a solution to the plagues of hunger, ignorance, and servitude. He was aware of the abyss between the industrialized countries and the developing ones; he knew how to fight [against these



Three popes sought the Argentine President's counsel on issues of international importance. Above, Dec. 13, 1985, Dr. Frondizi, age 77, during his visit with His Holiness Pope John Paul II. Insets: June 16, 1960. Then-President of Argentina Arturo Frondizi and his wife Elena visit His Holiness Pope John XXIII; April 5, 1966 in Rome, during his visit with His Holiness Pope Paul VI.

plagues], and because he was the President of one of the world's great powers, he was in a position to put his plans into effect. . . .

The United States lost a great President. Latin America lost a friend; the world was deprived of a man who was determined to fight against injustice.

#### Letter to John Paul II

From a Nov. 22, 1993 letter to Pope John Paul II.

First, I want to convey to Your Holiness my prayers to the Lord for the immediate recovery of your health. This circumstantial and forced rest will not prevent you from continuing to think of the good for this "poor and tortured" human race. I am convinced that Divine Providence will ensure that you come out strengthened from this ordeal, and that the mountains will again see your footsteps as a mountain climber who wants to reach "the peak" of happiness for all people.

I am eternally grateful to Your Holiness for granting me the requested Apostolic Blessing on the occasion of replying to my letter expressing my interest in freedom for political prisoner Lyndon LaRouche and for resolving the injustices which are suffered by the international community.

Your prayers to the Lord to assist me in my modest activities on behalf of the community and for human rights, were, on my reaching 85 years of age, the best birthday present and the most sublime spiritual encouragement that a member of the Christian community brought up in a Catholic home can aspire to.

I also want to convey, with particular emphasis, my com-

plete solidarity with Your Holiness's public utterances, reiterating what you call "the germs of truth" contained in communism vis-à-vis what you described as "savage capitalism," in the intelligent search for balance between capital and labor, as well as my congratulations and welcome to your last Encyclical Letter *Veritatis Splendor*, a timely and masterful call to attention to us Christians who have chosen to serve God.

#### Peace and economic development

From an address entitled "Peace and the 21st Century," sent to the Second Conference of the Federation for World Peace, held in Seoul, South Korea in March 1994.

. . . At a moment in universal history in which poverty and chaos are close to eliminating existing political and social structures, I wish to express my points of view on the tortured state of the human race. . . .

When the encyclical Populorum Progressio warned of the coexistence in the world of an oligarchy which enjoyed refined civilization with a dispersed majority deprived of everything needed to live in dignity, it merely described the generalized situation of poverty and marginalization existing in 1967—not only in Ibero-America, but in all the world.

It is extremely worrisome, and worthy of the most profound self-criticism on the part of the planet's leadership, that almost three decades after the appearance of said encyclical, a somber reality demonstrates that the situation of humanity's misery and underdevelopment has only gotten worse. . . .

In order to work on behalf of the cause of human libera-

tion, regardless of skin color or religion, it is incumbent upon the world's statesmen to put an end to geopolitics based on balance of power and domination of the strong over the weak. International reality demands relations of economic cooperation, not usury: of cultural development and scientific and technological collaboration. This means responding positively to the spirit of *Populorum Progressio* in terms of "the integral development of man," which, the encyclical affirms, "cannot occur without the development of humanity in solidarity. . . ."

To transform the structures of dependency means to renew the fight undertaken by, among others, Alexander Hamilton in the United States, by Friedrich List, a proponent of industrialization in Germany and in the United States, and by Carlos Pellegrini in my country, who maintained that the development of national industry is the basis for wealth, power, and prosperity.

After the fall of the Berlin Wall, I am obliged to mention the proposal made by some German circles led by the president of Deutsche Bank, Alfred Herrhausen, who was subsequently assassinated, and by the American economist Lyndon LaRouche, to implement a massive industrialization plan, with its point of departure being the potential of the industrial triangle between Paris, Berlin, and Vienna, with its high concentration of technological power. . . .

A true policy of *Peace for the 21st Century* must be based on "development is the new name of peace." The problem of hunger and poverty of over half the world's population must remind us that man is made in the image and likeness of God, for which he has been blessed with the ability to grow and produce. . . .

#### Pardon for Seineldín

From an Oct. 19, 1994 letter to President Carlos Saúl Menem, requesting that he pardon jailed Army nationalist, Col. Mohamed Alí Seineldín.

In my capacity as former President of the Argentine nation, I write you to pose something I consider of vital importance for the consolidation of national unity, which would require closing the curtains on the past—something we have done each time the country sought to move on to a new phase. . . .

In March 1989, you, Mr. President, and Arturo Frondizi thought alike in terms of the negative reality experienced by our nation's military arm. I remember I said that as an inheritance for the government which followed it, the Alfonsín government had left an Armed Forces without a mission and with no operations or plans; its military and national industries were dead. . .

For the same reasons which caused me to share your views on the role of our Armed Forces . . . I justified Colonel Seineldín's denunciation of an international conspiracy to weaken national sovereignty, and his effort to "rescue the Argentine Army as the military arm of the Fatherland, as a

fundamental institution of the nation and as safeguard of the highest national interests, and to break its strategic dependency on the new international order. . . . "

Through misunderstandings and vacillation, the country continued to experience confrontation between military and civilian forces, encouraged by the lack of an effective policy of national reconciliation. Thus we arrived at Dec. 3, 1990, on which a military action was clearly defined as an act of resistance to the policy of dismantling the Armed Forces inherited by your government—an action whose meaning, in terms of strengthening sovereignty, [Army nationalists] attempted to convey to the entire nation. . . .

Mr. President, prior to taking office, you defined the national campaign to recover the Malvinas as an operation which "returned to the officer and non-commissioned officer corps of the Armed Forces that national mystique which characterized the Argentine military man from even before 1810."

That is why, in the name of national unity, and on behalf of those compatriots who remain buried on Argentine soil occupied by a foreign power which made the [Navy ship] *General Belgrano* into a tomb, I ask that you make the decision to pardon all those men of the Armed Forces now imprisoned for the Dec. 3, 1990 uprising. Democracy and the future of our Fatherland demand it.

#### Letter to Clinton on LaRouche's case

From an Aug. 6, 1994 letter to President Bill Clinton requesting exoneration for statesman and economist Lyndon LaRouche. This was the second letter addressed to President Clinton regarding the political persecution of LaRouche.

... I wrote to you, in my capacity as former President of the Argentine Nation, on May 14, 1993, which I did with the great affection I have always had toward your great nation, and with the best hopes of future actions by your administration for the good of mankind. . . .

On the occasion of the aforementioned letter, I raised with you the difficulties that the underdeveloped countries of Ibero-America are undergoing, and I also reminded you that during my administration, in the search for a "common destiny of human redemption," I established a close relationship between Argentina and the United States of America.

Along with distinguished personalities from around the world, I took the liberty to request of you, with full conviction, freedom for economist Lyndon LaRouche. . . . In a first step of justice, since Jan. 26, 1994, Mr. LaRouche has been freed on parole, wherefore a definite resolution of the case is now required.

My great friend President Kennedy witnessed, during the long and fruitful relations between our countries, how I as President never assumed definitive judgments unless they were supported by exhaustive personal knowledge of the subject and indispensable legal dounsel.



On Nov. 12, 1991, at the Magdalena military prison in Buenos Aires province, Dr. Frondizi visits with jailed Army nationalist, Col. Mohamed Alí Seineldín (center) and his family members (wife, son and daughter). Inset: March 29, 1992, Dr. Frondizi (age 84) at the entrance to the prison on Martín Garcí Island where he was imprisoned in 1962. With him is Bernardo Larroude, the undersecretary for defense during his government.



Keeping that premise in force, on that opportunity I requested from you personal freedom for Lyndon LaRouche, and for the same reasons, I now request that you take such measures as may be necessary for his immediate and complete exoneration. Human rights, individual freedoms, justice, and democracy in the world so demand it.

I have always shared to a great extent the political-economic thinking of Mr. LaRouche, which I have had the opportunity to discuss personally [with him], because I find that it has particular affinities with what I have been preaching politically my whole life in the Ibero-American continent. . . .

I believe in the morality of men who preach their ideas with a vocation of service, with honesty of thought, and with incorruptible conduct, as is the case with Mr. LaRouche. It is a concrete way of strengthening the American ideal of justice, liberty, and democracy, an ideal whose fruitfulness stems from a spiritual conception of man. . . .

#### Message to Schiller Institute

From a message to the Feb. 18-19, 1995 conference of the Schiller Institute in Reston, Virginia.

As you in the Schiller Institute convene your conference, "Reason vs. the Conservative Revolution," to which I am honored to have been invited, please accept my apologies at not being able to attend, something I greatly regret.

Please accept also my affectionate greetings and wishes for great personal success, which I extend to the conference's organizers and to the distinguished personalities who have traveled here from all parts of the planet, inspired by that devout spirit of human solidarity which is the driving force of history.

I pray to God that your deliberations will yield proposals

to achieve the dignified survival of humanity and the brother-hood of the Ibero-American nations. . . .

At my 86 years of age, I cannot turn my back on this invitation, since it would betray my convictions. I shall never give up the fight I have fought my entire life against the international financial oligarchy—the same oligarchy which is annihilating nations, dismantling states, and poisoning the souls of the younger generations.

It is my special desire to highlight in this conference the presence of the man I consider my friend, Lyndon LaRouche, whose definitive exoneration must be immediately achieved—not only to protect human rights and individual freedoms, but because his active presence is urgently needed at a truly crucial moment for the human race. . . .

If my other dear friend, President John F. Kennedy, were alive today, surely Lyndon LaRouche would not have been imprisoned for his political convictions; for the martyr of Dallas had said that "Latin America is the fate of human redemption." In these times, Kennedy's March 13, 1961 statement, "hungry men and women cannot wait," takes on dramatic meaning. In order to resolve this aberration, LaRouche must be definitively exonerated. Moreover, his complete freedom will help, as I said on Feb. 10, 1992, to prevent the policies of the International Monetary Fund and the free trade agreements from becoming the new name of chaos.

Once more, and from the forum of this conference, I repeat my request to President Clinton on LaRouche's behalf; and I also reiterate to him that to defend its dignity and the future of its children, Ibero-America needs his government to again take up the policies of John F. Kennedy. . . .

It only remains for me to repeat once more that our goal must be to create a world economy which views the human being as its most important resource.

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## **FIRInternational**

# British spokesmen call for 'creative chaos' in Asia

by Kathy Wolfe

Behind the continuing terrorist attacks on Japan lies a British plan to plunge East Asia into "creative chaos," London planners and their U.S. assets say.

Japan, which President Clinton calls the partner in "America's most important bilateral relationship," has since the Kobe earthquake and the March 20 Tokyo sarin nerve gas attack, been hammered by a dozen gas and bomb hits, most recently the May 15 chlorine gassing which hospitalized 20 Yokohama subway riders, the May 16 attempted assassination of Tokyo Gov. Yukio Aoshima, the attempted assassination of National Police Agency Director Takaji Kunimatsu, and the nationally televised killing of Aum chemist Hideo Murai.

Coincidentally, this comes at a time that U.S. relations with Japan are complicated by the May 16 announcement of U.S. Trade Representative Mickey Kantor, of \$6 billion in sanctions against Japanese auto imports into the United States.

This comes when President Clinton's most pressing challenge is the need for the United States to take the lead in putting through a general bankruptcy reorganization of the world's existing money and financial system. This is unlikely to succeed without close U.S.-Japan cooperation; thus Japanese Finance Minister Masayoshi Takemura has been calling on the United States to act with Japan to "rethink" the world monetary system.

Chalmers Johnson, the head of the "revisionist" current among Asia-basher economists, insists that if the Clinton administration follows his advice, there will be a collapse in U.S.-Asia relations. "Sure, it's going to be creative chaos," he said in an interview; "But I don't see any reason we should expect and applaud creative chaos in the U.S.S.R., and believe that Japan is forever exempt from it." The Clinton administration may believe that trade war with China, Korea, and Japan will

win votes in the coming elections; Chalmers Johnson has a different view of the outcome of both Kantor's and Federal Reserve Chairman Alan Greenspan's present policies.

On the role of veteran Morgan banker and Fed chairman Greenspan's Japan policies, Chalmers Johnson protégé George Friedman, the author of *The Coming War with Japan*, said on April 21: "Greenspan doesn't give a damn how much trouble he causes Clinton. He views that as yet another benefit; he hates Clinton's guts. He wants to cause him a big problem." Friedman added, that Greenspan is trying to force a banking crash in Tokyo before the 1966 U.S. election. He stated that he believes that such a crash will not only smash Japan, but will also be blamed on Clinton.

#### **Tavistock shocks**

The immediate British objective is to undermine U.S. relations with East Asia, and create foreign policy disasters for President Bill Clinton, the first American President in years who has indicated a desire to use U.S. technology to help industrialize Asia.

Japan, South Korea, China, and the rest of Asia, should be administered a series of shocks, Chalmers Johnson said May 10—of which he implied the current terrorist wave is only the beginning—to put their too-successful "Asian authoritarian capitalism" through a complete collapse of social structure. "When they have consensus, Japan's bureaucracy is brilliant," Johnson said; that leadership in Tokyo, and similiar leaderships in other Asian capitals must be destroyed. "You are likely to see more crises, such as the inability to call out the military after the Kobe earthquake, or the inability to find out who put sarin gas in the subway system, and a half-dozen other such crises," he predicted.

Johnson warned of a "shift in the global balance of power to East Asia" with a "Sino-Japanese alliance" which threatens

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the United States. "Americans will wake up to find they're irrelevant. It is all over for us."

Japan is thus America's enemy, not Russia, he said, and "requires the kind of attention that George Kennan's whole postwar 'containment' of the U.S.S.R. required."

This is U.S. foreign policy? Nonsense. This is *British* foreign policy.

The theory of delivering massive social shocks to weaken and then control nations was pioneered in the postwar period by Britain's Tavistock Institute, which, during a 1989 conference, detailed plans to put the United States, Japan, and other nations through a series of shocks termed "global events." (See *EIR*, April 14, 1995, p. 37).

The Bush Presidency's launching of economic warfare against Japan, South Korea, and other nations, was launched publicly in a September 1989 Los Angeles address by William Webster, the FBI director whom President George Bush had appointed as director of the CIA. In that speech, Bush's spokesman Webster stated, that successful economies such as Japan, South Korea, and Germany are no longer American allies, but, with the fall of the U.S.S.R., "now represent, in effect, a new enemy image." "The national security implications of a competitor's ability to create, capture, or control markets of the future are very significant," Webster said, inaugurating a Fifth CIA Directorate to run economic warfare against them.

Johnson, now at the University of California San Diego, and his "revisionist" protégés such as George Friedman, head of the Center on Geopolitics at Louisiana State University; Clyde Prestowitz, head of the Economic Strategy Institute; National Economic Adviser Laura Tyson; and Mickey Kantor, are the current expressions of the Bush-era "Webster Doctrine," many in the Democratic Party. Most participated in Webster's 1991 Rochester Institute of Technology study, "Japan 2000," which so harshly attacked Japan that even George Bush ultimately had to repudiate it in public.

Johnson called for Japan, South Korea, and China to be administered further shocks, including:

- A "serious" U.S. trade war. "Forget negotiating," which Clinton wants to do, he said. "If we don't actually apply full sanctions, we lose; it will be the 30th year of Americans being conned by MITI," Japan's Ministry of International Trade and Industry.
  - Deliberate action to further collapse the dollar;
- Action to bring down the current Japanese government, a coalition of Socialist Tomiichi Murayama and the nationalist Liberal Democratic Party, which works closely with President Clinton in Asia, according to personal friends of the President. We must "do everything we can, to smash the LDP-Socialist coalition right now," he said. "Stop negotiating with them. Put the pressure on them very hard. Pull the rug out from under them."
- Pull American troops out of Japan and South Korea, and remove Japan and South Korea from the U.S. nuclear umbrella. "The thing to do is immediately renegotiate the

U.S.-Japan Security Treaty, a Cold War instrument written in 1951, to put pressure on Japan to deliver," Johnson said. "South Korea can defend itself."

#### Laughter in London

Relevant British sources are presently gloating over their confidence, that those parts of Bush's "Webster Doctrine" already in motion could bring down U.S. President Clinton. The indications are, that London seeks to force U.S. forward military presence out of Asia, leaving the continent prey to British colonial designs.

Under this scenario, London does not rule out the desirability of regional nuclear wars, in which Asian nations decimate each other, to the cheers of the British royal family, which desires to reduce Asian populations.

Former London *Economist* deputy editor Norman Macrae wrote in the May 14 *Sunday Times* of London: "Some time in 1995-97, I expect a Wall Street crash" as a result of Washington imposing "huge anti-Japan tariffs to 'protect' America." The "ham-handed" Clinton will be blamed, Macrae crowed, and "America will choose a Republican President." This is precisely the scenario which London's boy Alan Greenspan is running at the Fed, as revisionist George Friedman pointed out on April 25.

The London gameplan was corroborated on May 16 in interviews with British Asia strategists Peter Ferdinand, recently retired Asia director of the British Royal Institute of International Affairs in London (RIIA), and Michael Williams, Japan expert at the London Institute for International and Strategic Studies (IISS). "Certainly foreign policy is hardly one of President Clinton's great successes," Williams scoffed; in Britain "there's not a great deal of sympathy for the American position" on trade sanctions against Japan. "If the relationship between Washington and Tokyo is seriously harmed, that's going to pursuade the Japanese that they're better off going their own way. . . . . The U.S. is clearly not providing the sort of international leadership it used to."

Ferdinand, now director of the Center for Studies in Democratization at the University of Warwick, was in 1992 the first British Asia hand to attack China as a major military threat to the West, and to call for the breakup of China. A racist like Johnson, he raises the "threat" to the West of a Sino-Japanese alliance, as though cooperation were sinister.

He now predicts that the Bush Webster Doctrine revisionists will go wild with trade war against Asia. This, he laughs, will lead Japan, South Korea, and Taiwan to decide, that the United States is more of a strategic threat to them than China—and to reach trade and security arrangements with Beijing.

Eventually, he says, the Asians will get together to kick the U.S. "cowboys" and U.S. troops out of Asia. This will lead to the collapse of China, followed by regional conflicts including even nuclear wars. At some point, he notes, it also leaves the British to come in with as yet undefined "new arrangements."

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#### Interview: Chalmers Johnson

# We need 'creative chaos' in East Asia

A founder of the revisionist school of economists, Chalmers Johnson is currently at the University of California in San Diego. He was interviewed on May 10.

EIR: What is your prognosis for Japan?

**Johnson:** This is "karaoke democracy": The bureaucracy rules. Any damn fool off the streets can be prime minister, so long as he's got the bureaucracy behind him. The LPD-Socialist coalition is meaningless. Our Defense Department has published a report saying, "We're going to keep 100,000 troops in Asia for 20 years." This is irresponsible; it smells of France in 1939.

**EIR:** And Japan is like Germany?

Johnson: It's conceivable. This is inertia left over from the Cold War. The problem is, Japan has no history of real parliamentary democracy. When they have a consensus, Japan's bureaucracy is brilliant. But what's being revealed today: A range of issues has arisen on which the bureaucracy is incompetent. Therefore you are likely to see more crises, such as the inability to call out the military after the Kobe earthquake, or the inability to find out who put sarin gas in the subway system, and a half-dozen other such crises. Then, finally, reform will get on the agenda in Japan. But "reform" will mean the return of the Naimusho, the prewar Ministry of the Interior.

**EIR:** You've said for years we should not pay Japan's defense bill. But if you think the old police state is coming back, why would you want Japan to rearm?

Johnson: The only conceivable solution is the development of responsible democracy in Japan. This means you must give the government responsibilities. . . . That requires we do everything that we can to smash the LDP-Socialist coalition right now. That means: Stop negotiating with them. Put the pressure on them very hard. Pull the rug out from under them! No one in Washington understands this.

**EIR:** What about your protégé Laura Tyson?

**Johnson:** Now that she does have direct access to the President, we may actually get the sanctions against Japan. If we don't apply sanctions, we lose. It will be the 30th year of

Americans once again being donned by smart officials at MITI. . . .

The thing to do is to immediately renegotiate the U.S.-Japan Security Treaty; it's a Cold War instrument written in 1951, to put pressure on Japan to deliver. To make it clear that we're not going to deal with unelected bureaucrats on this. . . . There is no justification for that many troops in Japan. Nobody knows what 37,000 first-line U.S. troops are doing in South Korea, either.

EIR: We should pull the troops out of Korea, also?

Johnson: The Defense Department wrote in 1989 that South Korea can defend itself [under Bush].

EIR: Won't governments in Tokyo and Seoul collapse? Johnson: Sure. It's going to be creative chaos. But I don't see any reason why we should expect and applaud creative chaos in the U.S.S.R., and believe Japan is forever exempt. I do believe that we know the end-result. Ten to 15 years from now, Japan will be a fully independent nation-state, defending itself, and there will not be a U.S. Japan Security Treaty. The issue is: How do we get there? U.S. strategy on this requires the kind of care and attention which George Kennan's whole postwar containment of the U.S.S.R. strategy required. . . .

The problem is that we are drifting and waiting for an incident, which will make the intrinsic situation, extrinsic, i.e., obvious. The intrinsic situation is the shift in the balance of power from the U.S. to Japan and Asia. The American public will then be alarmed to discover that the problem of "Who lost Japan?" is worse than the old problem "Who lost China?" . . . From an Asian point of view, the Sino-Japanese relationship is more important than anything the Americans do. The issue now is the empowerment of East Asia. Is it led by Japan allied with the U.S.? Or does it occur by Japan and China allied together? In that case it is all over for us. . . .

For now, Japan's policy is to buy time to further consolidate ascendancy in East Asia, before their real problems develop: How do we live with China? And what [about] when the Americans wake up to find they're irrelevant?

EIR: The Yomiuri Research Institute has a study out on the need to strengthen police controls in Japan—

**Johnson:** Yes, the director is a very good friend of mine.

EIR: Is it just a sociological phenomenon, the Japanese joining their Aum groups? Or are you saying there is a faction using terrorism to accelerate its power?

Johnson: That's possible, we don't know; it's certainly possible that much of Aum is infiltrated by the police. . . . The Aum are a bit like Japan's gangsters; they've existed with the toleration of the police, the police have known about this for a very long time. It's very hard to imagine that the Japanese

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police, given their surveillance of this society, haven't known about what was going on. That is to say that Aum, rather than being a new religion, represents an ultra-nationalist organization, the type of organization which existed in the 1930s. . . .

From a Japanese point of view, so long as the Americans wish to continue to play a rat's-ass Cold War role, there is a huge vested interest in Japan in it.

**EIR:** All the terrorism in the world won't change that?

**Johnson:** Well, you would think it would, that's why I said the pressures are very intense! That's why I said Washington is deluding itself with the DOD report. Who could believe the status quo could possibly last till the year 2015? We're lucky if it lasts another year. . . .

Revolutionary situations are hard things to predict. It does begin to lead to the utter de-legitimization of the system. The Asian answer is authoritarian capitalism. I'm afraid that if pushed that hard, it will lead to more authoritarian government, and that the people who'd profit from that are precisely the current police system.

This is what I meant earlier in saying 10-15 years from now Japan will be defending itself as an independent state. It's going to happen, one way or the other. We can either bring it about in a controlled way, or we can ignore the issue until it explodes in our faces. . . .

You either get change in a processional, policymaking way, in which the U.S. tries to control these events, or you drift until some big incident, maybe Aum or terrorism would be it, some people thought the earthquake—brings home to the Japanese, that they finally need a government! This will set the Yomiuri off and all these new proposals to amend the Constitution and come up with a new crisis-management government. All of which are good. Our strategy is to encourage these things, because we can't continue to provide the defense of Japan.

Our job is to frame a world with a balance of power, a world which is very complex for them, not simple. . . .

EIR: This idea of creating a new framework to control the global system reminds me of the 1940s debate in the British Foreign Office between the "Keep the Empire" group, and those who realized you have to coopt the naive Americans, to control the future.

**Johnson:** It is very similar to that; this is precisely the type of dilemma posed by current circumstances.

**EIR:** So we need to get away from the old imperial attempt to simply keep the old Cold War system?

**Johnson:** Whatever you may think of [Henry] Kissinger and [Zbigniew] Brzezinski, they were at least grand strategists. There isn't anyone even slightly comparable to either of them in the government now. We need a kind of containment policy for the next 40 years.

#### Interview: Peter Ferdinand

# Regional nuclear wars are possible in Asia

Peter Ferdinand, former Asia director of the Royal Institute of International Affairs in London, was interviewed May 16.

EIR: There's a severe crisis in Japan, yet the U.S. is pressuring Japan, and I'm wondering if the Cold War security relations in Asia might not unravel?

Ferdinand: You're right, that's a possibility.... The U.S. seems to be treating Japan in an aggressive way as far as trade relations, and I find it difficult to believe that won't have impact on security relations. America's old cowboy image entering the saloon has certainly come to the fore, and it certainly is having a counterproductive effect in South Korea, as well as Japan.

Taiwan's another thing. There are people in Taiwan and South Korea who feel that the U.S. is not a reliable partner, that the U.S. is prepared to sacrifice the interests of Taiwan and South Korea. . . . There is no U.S. commitment to force on behalf of Taiwan, because there is no longer any treaty between the two. So there are two countries which have been very pro-American, which now can see gaps opening up between themselves and the U.S.

I do think we have reached a turning point in U.S.-East Asian relations, especially Japan relations, over the past year, when leaders of various parties are going to say "enough is enough, we've had enough of being kicked around and it's time that Japan was treated as an equal by the U.S." That's an attractive messsage for Japanese politicians when the party system is in such chaos. . . .

**EIR:** If the U.S. keeps on the cowboy routine, will this kick down the Murayama government?

Ferdinand: There's no long-term future for the Murayama government, anyway. . . . If you think the terrorism is going to continue, then clearly you're going to have a population more occupied with security than it was before, and that means domestic as well as international security. Then you have a kind of mood which is more sympathetic to a stronger line internationally, one which says Japan should be allowed to play the place in the world to which their economic might entitles them. . . . There have been a lot of articles in the Japanese press recently about the need for Japan to weigh carefully the extent to which it is an Asiatic state, the extent to which its interests conform to those of other Asian powers, rather than to those of the U.S.

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**EIR:** What do you think of the U.S. revisionists who say, "Fine, we'll pull our troops out"?

Ferdinand: The pressures which the West has been trying to exert on economies of East Asia to conform to free trade norms, to make it easier for foreigners to invest in their economics, are going to evoke a lot more resistance than before from East Asia. They're going to be asking, "Why do we have to conform to primarily U.S.-determined rules?"

This obviously could contribute to a sense that East Asia should stick together more than it has in the past, that it should set itself against the U.S., rather than see itself as a partner. . . . It would probably have the effect of enhancing the need for good relations with mainland China. If they think relations with the U.S. are going to cause a lot of pain and suffering, and that China is not threatening, then states in East Asia would look toward improving their relations with China.

**EIR:** You're warning of a Sino-Japanese alliance? **Ferdinand:** Yes, an alliance in the future. . .

**EIR:** What do the Japanese and Chinese then say to the Americans, about U.S. troop presence there?

Ferdinand: They say: "We don't need you, because we haven't got a problem anyway. We think that the danger or threat of mainland Chinese expansionism simply is being exaggerated by the U.S. for its own interests."

I'm not sure the Chinese have a strategy over the next 10 years to expand territory. But the *real* problems will come in the year 2010, not the year 2000, when, assuming there has been a smooth succession with no civil war in China, that the Chinese economy has continued to grow, and you have a government in Beijing which is more sympathetic to military national concerns. *Then*, you have China as a power which other states in the region would have reason to fear more than at the moment.

But the trouble is that between now and 2010, the counterbalance that the U.S. offered may have been eroded, because the U.S. has undermined its acceptibility.

**EIR:** Then you think the revisionists will prevail? **Ferdinand:** Yes.

**EIR:** The Asians then say: Yankee Go Home! **Ferdinand:** Yes.

EIR: And after Yankee's gone home—

Ferdinand: Then they're all dependent upon China, because it will be the biggest power in the region, with a spreading of Chinese "influence," to put it mildly. By 2010 China will have the means of dominating its neighbors, and that is simply numbers of people, and military might. But by then, it will be difficult for the U.S. to come back in from the cold! Unless something catastrophic happens. . . .

EIR: What about your strategy of breaking up China?

Ferdinand: I think it will happen, but not as a result of anything the outside world does. . . . It may happen as a result of events in the coastal provinces such as Guangdong, those are the ones with a lot of friction with Beijing, but not great movement for full independence. But I could conceive of the minority areas around the periphery to the west and the north remaining a serious problem for Beijing, serious enough that Beijing decides the costs were not worth it, and waves them goodbye. If China did become embroiled in some confrontation with other states in Asia, then its hold over the western and Northern areas would become weaker, and you might find them declaring independence and getting away with it. Tibet, Xinjiang, and so on. You might find Mongols, too, begin to set up their own Mongol state community.

Now China for the next 20-30 years won't be anything other than a regional power. So China can continue to increase its influence in Asia for 20 years. But the impact on Africa will be relatively slight. . . China may, as it expands, find that it runs into India again to the south—and maybe Russia to the northwest, too.

EIR: If the U.S. removes its nuclear umbrella from East Asia, isn't there the possibility of regional nuclear war? Ferdinand: Obviously that's the potential. I think that even if the U.S. pulled out troops from East Asia, it would try to maintain some kind of nuclear guarantee to Japan . . . unless the U.S. pullout leads to Japan developing nuclear weapons, and the Chinese intervene to prevent that.

EIR: Is there any divergence of U.K. and U.S. policy in Asia? Ferdinand: The British government at present is happy to see the U.S. presence in Asia as a stabilizing influence. They perhaps don't want to say so quite as overtly as the U.S., to openly say things about Chinese expansionism, because they have too much to worry about in Hongkong.

EIR: That's for between now and 1997, but what are the British elites thinking in the back room?

Ferdinand: Some are developing an alternative policy to the present, of encouraging regional security arrangements. . . . It's at a low level now, but it will get to be more important in the future. We Europeans do tend to feel the U.S. is insufficiently diplomatic, and that more diplomacy and less cowboy tactics might be more successful.

At the moment, there are more forums for cross-Pacific talks about security issues than there were five years ago, and there are now institutions being developed to discuss these things. These do involve the U.S. at the moment, but they do involve European states. If relations between the U.S. and East Asia become more polarized, then, these forums might provide the opportunity for the states in East Asia to talk more fully amongst themselves as to what should be done—and to other partners as well.

# The Balkans: 'Bring us poison,' cry the citzens of Bihac

#### by Katharine Kanter

The events of the week of May 15 in the Balkans—the shelling, the bombing, the strafing of civilians by the Serbian insurgents—might seem to a frightened outsider "incomprehensible madness." No: There is a responsible cause. Those British and French diplomats, those U.N. officials, who have coolly put into place this killing machine, should keep well in mind that every one of the dead is not a thing, but a human being; every one of the dead has a name, and for every crime by the Serbians, for which these ice-cold diplomats are the instigators and the chief accomplices, they will one day be brought personally to account.

#### 'U.N. Safe Haven' Bihac

Between August and October-November of last year, the Bosnian Army launched a major operation to retake the Bihac pocket and the Grmusko-Srbljanski Plateau; in the course of their counteroffensive in November, the Serbians tore up every clause of the Geneva Convention, raining fragmentation bombs and napalm down upon Bihac. Surging to the Serbians' rescue, the United Nations declared the Bihac pocket off-limits to western journalists, particularly photoreporters, exactly as they did at Gorazde; however, shortwave broadcasts by the city's mayor got through, though garbled, and unleashed an outcry in western Europe. So the U.N.—i.e., the British and the French—declared Bihac a "U.N. Safe Haven." How utterly absurd this is, becomes plain when one realizes that the entire Serbian offensive against Bihac had been mounted out of the zone of the Unprofor (U.N. "peacekeeping" forces), i.e., the Serbian-occupied Croatian Krajina.

Since early May, the Serbians have been shelling "Safe Haven" Bihac from Mt. Grmec, the Lohovska Hills, and Mt. Pljesevica. They have mounted artillery, tank, and infantry attacks, which aim to break through the Bosnian Army Fifth Corps defense line to the city of Bihac itself.

A recent report by the London *Times* defense correspondent indicates that the Serbians are now throwing fuel air bombs onto Bihac, like those used in the Persian Gulf war to "clear out" trenches and detonate minefields. These are "home-made" weapons, cast from a rail launcher on a huge, specially built gantry; four 128 mm Russian BM21 rockets are bracketed together and attached to 500-pound aircraft bombs or to a standard fuel-air bomb, the FAB 250, the

whole kept on trajectory by a Sagger anti-tank guided weapon. These weapons are so powerful that they have demolished entire apartment blocks inside the city of Bihac.

Doubtless feeling that these violations of the Geneva Convention are not exciting enough, the U.N. has been allowing the Krajina Serbians to halt all convoys which attempt to cross over into Bosnia with food supplies for the Bihac pocket.

According to Mans Nyberg of the U.N. High Commission for Refugees, as reported in the Madrid daily *El Mundo*, food supplies in the pocket have dropped so far, that the trapped civilians have implored the U.N. to supply them with *poison* "to put us out of our misery."

#### 'U.N. Safe Haven' Tuzla

The center of Tuzla, strategically the most important city in Bosnia and the capital of Tuzla province, has been shelled almost constantly since early May. On May 8, the market-place was shelled and 13 civilians were wounded; on May 9, the city was taken under artillery fire; on May 15, the town center came under heavy shelling again as five projectiles were fired from Mt. Ozren onto the dapital's thronged streets. A great number of people were wounded. These Serbian attacks on unarmed civilians, so habitual as to go unnoticed in the western press, were "provoked" by their having to relinquish their grip on the dominant peak on Mt. Majevica to the Bosnian Army Second Corps.

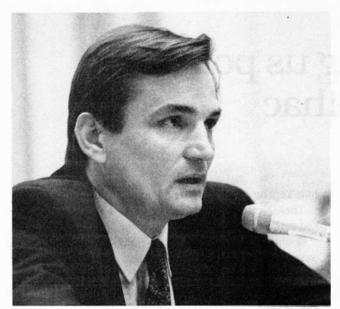
Unprofor has done nothing to stop this.

#### U.N. travel agency for Serbian insurgents

Next on our agenda of the week's fresh crimes of the U.N., whatever happened to the Serbian militiamen fleeing the Croatian offensive to re-take Western Slavonia (U.N. Zone North, in U.N. Newspeak) on May 1-2? These people should have been made prisoners of war and sent back to Serbia. Instead, Unprofor ushered them over the border—into the province of Banja Luka, which is Serbian-occupied Bosnia!

On May 13, Bosnian Prime Minister Haris Silajdzic told a press conference that his government has "firm proof that members of U.N. Military Observers (UNMO) and U.N. civil police (Uncivpol) *encourage* the Serbians from Croatia to leave Western Slavonia for occupied Bosnia. It is being done without permission of the legal Bosnian authorities who are

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Bosnian Prime Minister Haris Silajdzic: U.N. observers are taking "an active part in committing genocide."

not even consulted. The Serb population is transported by UNCRO; by permission of the self-proclaimed local authorities subordinated to Karadzic, they are accommodated in the houses of the killed or expelled Bosniaks and Croats and other non-Serbs.

"In this way 9,945 Serbians from Slavonia have arrived in Bosnia. If it is the implementing of the scenario, to deliberately change the demographic picture in Bosnia, it represents an active part in committing genocide. That is another proof charging the international community of maintaining the war within Bosnian borders as their primary task" (emphasis added).

#### 'U.N. Save Haven' Sarajevo

Bosnian General Bilajac has been trying to cut off the two main enemy supply routes ringing the capital city, one of which links the Serbian stronghold Pale to their military base at Lukavica, the other leading to the Serbian suburb of Vogosca. Immediately, according to U.N. spokesmen themselves, the Serbians "took over" (read: were allowed to take over) a U.N. heavy weapons collection site, sealed it off with mines, and trained the guns on the capital.

On May 16, in the most violent combats since 1993, cannon, tank fire, mortars, heavy machine guns, and antiair flak, weapons supposedly the object of a 20 km U.N. exclusion zone, were fired into the center of the city from the hills southeast. French Gen. Hervé Gobillard, Unprofor head for Sarajevo, said: "We will not involve ourselves, under any pretext, in activities which might favor one or another faction, and thereby put the lives of our soldiers into danger," and British Gen. Rupert Smith, commanding U.N. forces in Bosnia, spoke to Serbian General Mladic, who "promised"

that he would "try to avoid" civilians and Unprofor soldiers. NATO planes waited two hours before even making overflights over Sarajevo as the bombardments began.

#### Croatia: accomplice or ally?

What will Croatia do next? In Bonn, President Franjo Tudiman of Croatia told Chancellor Helmut Kohl that he would withdraw all Croatian troops from Western Slavonia, the U.N. buffer zone occupied by the Croatian Army, by 8:00 p.m. on May 16; this was also the tenor of his conversation with British Foreign Secretary Douglas Hurd the week before. Kohl and German Foreign Minister Klaus Kinkel are believed to have stressed to Tudjman, that economic aid and Croatia's "partnership" with the European Union depend on Tudjman "keeping his promises" to the Serbian occupiers. However, according to the London Independent, only a "few hundred" Croatian soldiers have actually left Slavonia, 1,200 remaining in what is called "U.N. Sector North." An unknown number of Serbian soldiers are still in the zone. It is also reported that Croatian troops are within 20 km of Knin, the capital of Serbian-occupied Krajina.

On May 13-14, from occupied Eastern Slavonia, the Serbians fired 3,000 tank, howitzer, and mortar missiles upon the Orasje area, the key to the Brcko corridor, and, as the Croatians are now giving logistical support from over the Sava to the Bosnians, the Serbs have been shelling the Croatian town of Zupanja just over the river. Were the Croatians to defy the U.N. and cut the vulnerable Brcko corridor, the Serbians would lose the supply line linking their occupied territories. But will they?

#### **Enemy diplomacy**

As the Bosnian Army is increasingly successful and wellarmed, and the Croatian Army increasingly restive, enemy diplomacy has been scuttling from pillar to post, demanding a "thorough review" of United Nations policy in the Balkans. Translated from Newspeak, this means the British and the French have a problem: how to keep the war festering indefinitely, so as to tie down Germany and Central Europe, all the while juggling to avoid any decisive move in favor of Bosnia by the United States, and the U.S.-NATO air forces. U.N. Secretary General Boutros Boutros-Ghali was in Paris, meeting with high U.N. officials and assorted diplomats, and proposing that the "Safe Havens" be "demilitarized" (!); Alain Juppé, the new French prime minister, met with British Foreign Secretary Hurd, to declare that "things cannot remain as they are"; and it is now rumored that the Devon and Dorset Regiments based at Vitez in central Bosnia will replace the French Unprofor troops around Sarajevo, which are deemed "problematic."

Meanwhile, out of gratitude perhaps to their travel agents in the United Nations, Serbian militiamen in the province of Banja Luka blew up two Catholic churches and a convent, killing an elderly monk and a nun.

# LaRouche in Halle pays tribute to mathematician Georg Cantor

by Wolfgang Lillge, M.D.

"For my works I ask for partisanship—not partisanship for my ephemeral person, but rather partisanship for the truth, which is eternal." This dictum of Georg Cantor (1845-1918) was the theme of a seminar on May 6 in the German city of Halle, at which the Schiller Institute honored the great German mathematician. The keynote speaker was American economist Lyndon H. LaRouche, Jr., who frequently emphasizes his debt to Cantor.

The fact that the name Cantor is now known almost exclusively by specialists, can be attributed to the fact that even during his lifetime, he was massively attacked by his opponents, and his work was, to some extent, deliberately misrepresented and mangled. True enough, George Cantor is considered to be the founder of the theory of aggregates; but what is today understood by "the theory of aggregates" or "group theory" has little to do with the pioneering concepts that Cantor developed.

The chairman of the Schiller Institute, Helga Zepp-LaRouche, opened the seminar, which was attended by 50 people, by pointing out that Cantor can only be properly honored by further developing his ideas. A member of the City Council of Halle conveyed a message of greeting from the city administration, and pointed out that Halle, Cantor's "second home," is now the "cultural capital" of the state of Saxony-Anhalt, and that Halle's Georg Cantor Gymnasium is carrying out the education of gifted students.

#### De Paoli: Cantor's life

In the first presentation, titled "The Meaning and the Work of Georg Cantor for the Arts and Sciences Today," Dino De Paoli sketched out the most important points in the life of the great mathematician, who worked for many years at Halle University, and also died there.

Born in St. Petersburg on March 3, 1845, Georg Cantor came from a family that was very musical, as was he himself: "I belong, on my mother's side, to a family of violin virtuosi. My grandfather and my grandmother... as imperial violin virtuosi in St. Petersburg, delighted musical circles there; and my great uncle Joseph Boehm headed a conservatory in Vienna, and is the founder of a famous school for violinists."

As a matter of fact, this great uncle had direct contact with Beethoven; Cantor's mother was a very talented singer. Cantor himself originally wanted to be an artist. He wrote in 1899: "I myself began to learn to play the fiddle at the age of six, and I got a good way along; only the strange idea that came to me in my 16th year—I no longer know how—of making my living from mathematics, steered me away from pursuing that happy career as an artist, and my violin has now lain for 30 years, abandoned and pining away in its dusty case, only now and then to awaken within me fleeting doubts, as to whether I might not have been happier, had I continued to be faithful to it."

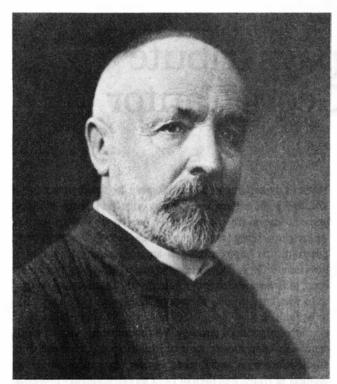
After his school years in Wiesbaden and Darmstadt (his family in 1856 moved to near Frankfurt am Main), Cantor studied in Berlin and Zurich, in 1869 became a university lecturer in Halle, and then in 1872 an extraordinary professor of mathematics. Becoming the Ordinarius for Mathematics in 1879, he then experienced the most creative period of his life, during which he published his Grundlagen einer allgemeinen Mannigfaltigkeitslehre (Foundations of a General Theory of Manifolds).

De Paoli reported how directly after that, a sharp counterreaction occurred, involving particularly the mathematicians around Leopold Kronecker, who launched a veritable witchhunt against Cantor and his new mathematical conceptions. And unfortunately, these reproaches and accusations had a tragic effect upon Cantor. For the first time in 1884, and more and more strongly from that time on, he suffered from emotional crises which, together with disappointments, outside pressure, and animosity, periodically brought him to complete collapse. Increasingly he turned away from pure mathematics and concerned himself with philosophy, theology, and other questions. In 1887, his Mitteilungen zur Lehre des Transfinitum (Communications on the Theory of the Transfinite) was published.

De Paoli gave a detailed description of how, at that time, the whole cultural environment in Germany was becoming increasingly degenerate, as Romantic, Nietzschean, and jingoistic pan-Germanic ideas began to spread. As examples, he mentioned the strange theses of the writer Julius Langbehn (Rembrandt as Educator of the German People), the increasingly crude anti-Semitism, and the hyped-up debate at that time, over whether the British Aristotelian philosopher Francis Bacon was "the real Shakespeare."

Cantor, who was oriented toward a Classical, Christian worldview, intuitively opposed this cultural brew of Nietz-

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Georg Cantor: His importance can be gauged by the viciousness of his Aristotelian opponents' attacks against him.

sche, Bismarck, and Haeckel's nature religion and philosophy of life, which, in the final analysis, sought to simply banish the paradox between human creativity and the relation of man to God. In a letter to Friedrich Loofs, Cantor wrote in 1900: "By the way, I have recently for the first time had the opportunity to form a precise picture of the so-called Nietzschean philosophy (an appendage of Haeckel's monistic development philosophy). Because of its stylistic appeal, it meets with an uncritical appreciation among us, which, considering its perverse content and the herostratic, anti-Christian motifs, seems to me to be most highly questionable."

It was no accident, that Cantor felt repulsed by these anti-Christian "innovators," since his whole thought was aimed, with direct reference to Plato and Leibniz, toward defining a new unity in the seemingly infinite. He wrote about his most important scientific discovery: "By manifold or aggregate, I generally understand every Many which can be conceived of as One, i.e., that totality of determinate elements which by some law can be bound into a whole; and with this, I believe I am defining something which is related to the Platonic eidos or idea, and to what Plato, in one of his dialogues—Philebos—called mixton."

Just as for Plato, so, too, for Cantor, the antithesis between the infinite and the finite is not an absolute, but the point of departure for a new process of generation. Cantor's famous Aleph series was the best expression of this. Behind it lies his fundamental conviction, that the Absolute cannot be defined in mathematical terms—the same conception, which later led to the theory of relativity. Furthermore, he wrote: "Every mathematical entity which describes the Absolute, is a contradiction in itself." Consequently, for Cantor there is also no "largest cardinal number," which includes all the numbers imaginable—as, for example, Bertrand Russell asserted at the turn of the century. The totality of the universe cannot be expressed in formal terms. In entirely Leibnizian terms, Cantor wrote: "In my view, time is a supplementary or correlative concept, through which the relation between various movements arising out of nature and perceived by us, are identified. Such a thing as objective or absolute time, occurs nowhere in nature."

The "power" of the Absolute is in no way absolute, if one concedes the existence of an unbridgeable gap in the succession from  $\aleph_0$  to  $\aleph_1$ . This puts the question of causality in a different light, and in this connection De Paoli referenced Leibniz's conception of continuity, and Bernhard Riemann's "continuity in discontinuous space." Cantor's answer to this paradox was that something Absolute is required, namely God, in order to have causality in discontinuous space.

De Paoli illustrated Cantor's conception of "bounded infinity" with the image that the infinite universe is bounded by the inner kind of measurement of creative human thought.

#### LaRouche: There are no limits to growth

Both of the other speakers at the seminar, Lyndon LaRouche and Dr. Jonathan Tennenbaum, developed various aspects of Cantor's central concepts further. LaRouche explained that he had come to Halle in order to show how much he has to thank Cantor for, in his own scientific development. His presentation, "There Are No Limits to Growth: Cantor's Concept of Infinity in Economic Science," outlined the scientific tradition from Plato through Nicolaus of Cusa to Leibniz, Riemann, and Cantor. One can only understand Cantor, if one sees him in this scientific historical tradition, which was diametrically opposed to that of Aristotle, as transmitted, via the Venetian Paolo Sarpi, to Galileo and to Newton.

LaRouche discussed the breakthrough of Gottfried Leibniz in economic science, "the revolution in cameralism through the idea of power, in the sense of energy and new forms of technology increasing the power of labor." This concept was opposed to the three other principal currents of economic thought: the Physiocrats, Adam Smith, and Karl Marx.

Already during the 1950s, LaRouche explained, he came across Cantor as he was analyzing the concept of infinity in Riemann's "habilitation" paper, at the end of which Riemann explains that he now had to leave the domain of mathematics and enter the domain of physics. Through his own scientific discoveries—especially on the problem of measuring economic processes—Cantor had played a decisive role for him,



Lyndon LaRouche addresses the seminar: "Economic science is the ordering of discontinuities in the sense of Cantor's concept of powers."

#### LaRouche said.

Every new idea exists first in the form of a metaphor, and not as an assemblage of digital information. The question is thus posed: How do we measure progress? "Every time you have scientific progress, you have a discontinuity. . . . And in that sense, economic science is the ordering of discontinuities in the sense of Cantor's concept of powers." To organize a society on the basis of scientific progress, you have to look for anomalies, although you do not know the result of your search in terms of measurement. "If you are in a swamp," he said, "you have to find the stones to walk on. You don't have to count them; you don't have to know how many there are; you only have to find them."

#### Tennenbaum: Looking to the future

Dr. Jonathan Tennenbaum's concluding presentation, "Can Georg Cantor's Work Be a Contribution to the Necessary Scientific and Technological Revolution of the Future?" elaborated the scientific theoretical and moral implications of Cantor's work. Using examples from history, he showed how creative ideas have changed the material world in often unforeseeable ways—mentioning Plato, Leonardo da Vinci, Dmitri Mendeleyev, Max Planck, and others. One of the most essential domains in which mankind today can expand its horizons, is in the colonization of space. Here the line of creative discontinuities can be continued into the future, he said.

### Peoples War Group terrorizes India

by Ramtanu Maitra and Susan Maitra

The shocking demonstration of firepower by the Liberation Tigers of Tamil Eelam (LTTE), when LTTE troops shot down a Sri Lankan Air Force plane in early May using surface-to-air missiles, has proven beyond doubt the growing military capability of the Tigers, which is now a major branch of international terrorist organizations.

The Tigers' challenge to the Sri Lankan military is no longer a problem for Sri Lanka alone, as the hushed voices in the relevant corridors of New Delhi's South Block (government offices, including the Foreign Ministry and prime minister's offices) attest. It is evident that the Tigers have developed strong links with India's Peoples War Group (PWG), otherwise labelled "Naxalites." The linkup between the two is the kind of natural arrangement that often exists between terrorist groups, which interact and overlap in handling drugs and guns. Despite public bravado, it is evident that terrorist threats are hanging over India, and, unless India urgently deals with the situation and in a much sterner manner than it has so far dealt with either the Tigers or the Naxalites, the drug-gun nexus will grow.

How powerful the terrorists have become in South Asia is evident from recent reports, which categorically state that the Tigers now have a better-equipped Navy than the Sri Lankan government. And with the discovery of an airstrip in the Jaffna peninsula in northern Sri Lanka, the Tigers' stronghold, there is a growing fear that the Tigers may now deploy their aircraft in strikes against the Sri Lankan population and military installations.

#### Indian paralysis must end

India has little choice but to accept certain unsavory realities. First, the Tigers are capable of downing civilian aircraft. And, second, these weapons will sooner or later find their way into the hands of India-based terrorist groups such as the PWG, located in Andhra Pradesh. As of yet, the Indian reaction to these terrorists has shown little imagination and even less concern. One of the reasons for such paralysis, is the vested-interest politics of individuals who continue to play all possible sides in this dangerous situation.

In India, the Unlawful Activities (Prevention) Act has been routinely used to ban a number of organizations. The Jammu and Kashmir Liberation Front (JKLF), a terrorist group seeking an independent Kashmir and a major contribu-

tor to the Kashmir turmoil, has been banned for years under the act. The United Liberation Front of Asom (ULFA) and the National Socialist Council of Nagaland (NSCN), based in northeast India, are also banned.

The only organization not banned under the act is the PWG. While other organizations are banned under a central law which applies nationwide, the PWG is banned only under the state law of Andhra Pradesh. This has left the PWG free to operate throughout the region, including the contiguous tribal areas of Maharashtra, Mandhya Pradesh, and Orissa. From time to time, intelligence leaks matter-of-factly point out that the PWG has established contacts with the Tamil Tigers, ULFA, and the Indian People's Front, a Bihar-based Naxalite outfit.

The Naxalite movement in Andhra Pradesh, more than three decades old, has grown increasingly violent and apolitical. Controlling the tribal areas deep inside the forest areas bordering four states, the PWG has terrorized the region, making the state kneel before it. In the late 1980s and early 1990s, the PWG was involved in a spate of kidnappings of Andhra Pradesh state legislators, government employees, and policemen. These incidents and killings had made the government scramble in search of a solution.

#### Preachers of nihilism

The PWG has succeeded mostly in the tribal areas where abject poverty and deprivation has left residents little hope. To these forgotten Indians, the PWG, with an outright fascist and terrorist outlook, poses as the Messiah, while exploiting them to build up its capabilities. Meanwhile, the poor get more enmeshed in poverty, sometimes becoming outlaws. Outside of the tribal areas, the PWG has deepened its roots in areas where land reform has not been carried out to any significant extent and the success of the Green Revolution has brought prosperity only to a handful of landowners. To these unfortunates, whose families have lived in this milieu for generations, the PWG advice is not how to become part of the Green Revolution, but how to destroy it, while making promises that only through terrorism can one acquire wealth. The process has created killers out of ordinary folks who the PWG then use to run their guns and drugs.

About two years ago, Ash Narain Roy, an observer of the Naxalite movement, described in the *Hindustan Times* how electoral politics is played by the Naxalites. As the hardcore killers, like the PWG leaders, continue to preach the "ultimate revolution" as the vehicle for social change, Naxalites have been allowed to take part in parliamentary politics in Bihar, Andhra Pradesh, and West Bengal. In Andhra Pradesh, where the PWG calls the shots in most of the tribal areas, the Unity Center for Communist Revolution of India, an umbrella group of the PWG, has participated in elections. In addition, the PWG has set up a string of front organizations in the tribal area of Bastar in Madhya Pradesh, where it is king. These front organizations include the Radi-

cal Youth League, Radical Students Union, Rayat Coolie Union, Jana Natya Mandali, and Dandakaranya Adivasi Kisan Mazdoor Union, which facilitate intense activities at every level.

For years, the government treated the Naxalites, including the PWG, as law and order problems, without looking into the objectives of the organizations. Whenever the Naxalites escalated killings, kidnappings, and other crimes, police and paramilitary forces were rushed to the scene. As the newsworthiness of the Naxalite-led attacks subsided and the interest in the event petered out, the government invariably reverted to business-as-usual. This is a pattern which has been followed for years, giving the impression that either the government is incapable of resolving the problem, or the problem just vanished. Both impressions, however, are false.

#### **International connections**

In fact, such deliberate indecisiveness has allowed the PWG and other Naxalite groups to expand and set up channels with other secessionist forces inside and outside of India. Its links with such far-flung groups as the NSCN and ULFA also raise questions about the efficacy of Indian intelligence and its priorities. PWG's links with the Tigers, in particular, pose a serious threat to India's security. Considering the Tigers' capabilities, the PWG can be activated by the Tigers to subvert the Indian polity from within in case of an Indian intervention in Sri Lanka to tame or wipe out the terrorists there. If that happens, the bomb blast in Oklahoma City may begin to look like a minor incident. Already it has been reported, but intelligence officials have refused to acknowledge, that the two prime suspects in the Rajiv Gandhi assassination, who were finally cornered near Bangalore, were heading toward the PWG-dominated area for safe-housing and eventual safe passage out of India.

In addition to the Tigers, the PWG has nurtured other friends abroad. In 1992, Asia Watch, a U.S.-based division of Human Rights Watch, released a report charging the Andhra Pradesh police with killing innocent tribals, i.e., Naxalites. "State police and federal forces collude with politically influential landowners to assault and murder peasants and tribal villagers in the name of fighting terrorism," the 49-page report asserted.

There is no question that in the absence of a state policy to contain and abolish such organizations as the PWG, police actions amount to kneejerk reactions which usually end with violence and assault. However, Asia Watch was more considerate of PWG. Admitting that the PWG has "pursued a campaign of violence that has involved grave violations, including assassinations and kidnappings of political figures and civil servants, and bombing of and arson at bus depots, government offices and railway crossings," the report pointed out that in trying to curb the militants, "the government has actually encouraged wanton lawlessness by the security forces."

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## Nigeria's fight for development: the experience of Sokoto state

Colonel Mu'azu is the military administrator of Nigeria's Sokoto state. He was interviewed by Lawrence Freeman on April 29 in Sokoto.

EIR: The state of Sokoto is very important in history and culture in Nigeria, especially for northern Nigeria. Could you fill our readers in on some of the significance of Sokoto? Mu'azu: As you have rightly mentioned, Sokoto really forms the necklace of what used to be northern Nigeria, the modern northern Nigeria. It is the base from which the renowned Jihadist Usman Bin Fodio established, over 100 years ago, an administration, jurisdiction, and learning— Islamic learning—that captured not only the whole of northern Nigeria, but a great part of West Africa, cutting across Nigeria to what is now known as Mali. Therefore, it was a quite wide influence. It was an excellent administration that was established, so much so that when the British came in, they decided to continue with that form of administration, or indirect rule, because there was an excellent system of administration, an excellent system of judiciary, tax collection, and the like. Sokoto became the center of learning, the center of administration, and the power base. That has influenced happenings in Nigeria for some time.

We have two great leaders of Nigeria who came out of what is now Sokoto state: the late Sir Ahmadu Bello and the former President, the first and only Executive President, President Shagari.

We have been contributing to the development of our country, to ensure its political viability and economic wellbeing, as well as social well-being.

**EIR:** Could you say something about the history of the Fulani coming into Hausa and how this shaped the culture here, that was considered different than the southern culture of Nigeria?

Mu'azu: Usman Bin Fodio was a Fulani man. He brought with him his culture. Anybody who is learned in the history of West Africa and the history of the Fulani knows that the Fulani people, even when they conquer a place, adopt the culture of the people they conquer, rather than imposing their own culture. Therefore, I sincerely believe it was an

adaptation of the culture of the people who are here, mostly growers and so forth. I am not very good in the history of how the whole thing happened, so I do not want to make serious mistakes. Nevertheless, what Sheikh Bin Fodio brought was Islam, and Islam has its own system of jurisdiction, of administration, concerning believers and non-believers, which I believe shaped the destiny and the way the people think, up till now.

There is nothing wrong now between the north and the south per se. When you look at Nigeria, differences in religion abound. There are many Muslims in the south, as there are many in the north; there are Christians in the north, as there are Christians in the south. The only thing you can say is, perhaps, that some parts of Nigeria are more dominated by certain religions than others. The differences have been blended over the years, either because of people accepting other people's faith, or because of the unity and destiny of the country, Nigeria, itself. I believe that is unifying Nigeria, rather than bringing a difference.

**EIR:** Could you tell us about Sokoto state—what are the industries, the major occupations, the areas that you have targeted for development, as the military administrator of the state?

Mu'azu: That is one of the ironies of Sokoto state. Having been the center of administration, power, and learning, today Sokoto is without basic infrastructure, as far as industries are concerned. A few were started, a few are still going on, but definitely a lot still needs to be done. Sokoto state is agrarian; it lives mostly on the land. It is that way because of the river that crosses the state—the Sokoto River. We have two big dams, the Goranyo and the Bakalori dams. They are excellent reservoirs, with which you can carry out irrigation throughout the year. There are also other dams, like Kamalo, Kware, and of course the Wurno dam, just to name a few. There are some smaller ones scattered around the state.

The state is very arable, very fertile. In fact, we have some parts of the state, where it is believed that if you just put your finger in the ground, and you can tolerate leaving it there for long enough, it will grow. I think we have the second-largest number of livestock in Nigeria—cows,

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The other democracies need to see beyond the ordinary problems that Nigeria has, and see what sacrifices have been made, what peace has been established, what viable programs are coming up to develop the economy . . . to be able to do things for Nigeria and by Nigerians.

camels, goats. We have the famous red-skinned goats that give the Moroccan leather that people talk about. One of the areas we are heavily into is livestock. Leatherwork is one of our day-to-day activities: handbags, shoes, and the like. We have some tanneries associated with that, and a few individuals who do some milking, yogurt manufacture, and meat production.

The other industries that are still surviving include the Sokoto Furniture Factory, the various tanneries, the Zamfara textile mill. We are trying very hard to resuscitate the Gusau oil mill. About three weeks ago, we went to see it tested, in order to start production, because this is something that was left unused. We have gotten it some money, and it has started production—at least, a test run is going on.

It is a very viable industry, because this state is one of the largest producers of cotton and ground nuts, and those are the basic raw materials for that industry to produce both cotton linen, as well as various oils, vegetable oils or oil for cooking. A byproduct is animal feed, which we are working hard on. I believe that factory, when it is revived, will be able to increase the industrial and commercial activities of the state.

The other industry we are trying to resuscitate is the brick industry. We have large deposits of clay and limestone and the like. This industry had been working very hard, but packed up all of a sudden, because of the economic recession. That will go along with what we call the Wu Comat; it produces brick for construction. Connected with that is the one we want to establish at Talata Mafara, which is also a brick and ceramic company.

There is also the phosphate industry, because we have large deposits of phosphates. We believe this will help in our dream to produce fertilizer and water treatment chemicals. We have a large deposit of lime, and you will find that Sokoto cement is also produced here. We believe we have gypsum in commercial quantities; all we need is to start the construction of that, which will help in our production of cement and allied products.

In the agricultural sector, we have normal subsistence farming, as well as cash crops, including gum arabic. We have the fishery industry, which we are trying to develop in order to get enough fish within the state—and I am sure

we can supply fish to the whole country.

One of the other areas of basic commercial activity, or industrialization actually, is in day-to-day interaction within our market. We have to develop the market system, in order to see that we go back to the traditional way of trade and interaction, because the market of Sokoto state, being on the border, goes beyond the borders of the country; you can spread out to the other parts of West Africa, and good trade relations can go a long way to promote industrial development and commercial activities.

As to private individuals, there are very few that have developed their own industries, apart from the manufacture of some consumer items or furniture or other things for day-to-day living. But this is still in its infancy, and we are doing our best to promote large-scale industries that can use most of the basic raw materials that we have, especially as they are agro-allied. We have a few big flour companies, tomato companies, corned beef companies, and the like—agro-allied industries; we would also like to develop them. And textiles later, to become much bigger than what we have now, so that we can produce fabrics that can be sold to various organizations within the country and outside.

The land is there for development. I believe there is a lot of room for industrial development. We have carved out a lot of industrial areas, fully electrified and with the provision of water; labor is cheap, and the rent is cheap, so it is a very attractive place for industrial development. Generally there is calm and peace within the state, which are all elements of an excellent industrial and commerical basis for the state. We are hoping to cash in on these advantages, in order to make the state more viable.

EIR: Moving back to the political situation: Next month will be the conclusion of the Constitutional Conference that was given the task by General Abacha to come up with a Constitution. That is a big item in the news here, and also in the West. How do you assess the accomplishments of this conference, after nearly one year?

Mu'azu: I believe that one of the greatest things that will have happened to Nigeria is the Constitutional Conference. I could not believe that in my lifetime, I would see the type of development I saw: Nigerians sitting together, at a time

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when the country was at the point that it looked like it was disintegrating, to rationalize, to analyze issues, to tell each other the truth, and to forget about where you come from, what religion you belong to. When that stabilization was achieved, some other issues came in, because people fall back to their little closets—"I belong to this section," "I belong to this religion," and so forth. It shows the Nigerian people at work, and there is nothing as good and as powerful as when people—experienced individuals, who have been governing a place—put their minds to solving Nigeria's problems.

I believe they have done excellent work; we have been able to work on the question of what should be, and the issue of who is dominating whom, who is holding economic power, who is holding political power. A lot of understanding was brought to bear, and people expressed their minds freely. I believe there is nothing that could be better. They came at a time when Nigeria was in need of people who are very committed, who are thoughtful, who have followers, and who have experience. And I can assure you that those people were an excellent selection, by their various communities, and they are the cream of Nigerian society, and they came to bare their demands. Regardless of what other individuals will have here and there. They were able to objectively look at the areas of contention within the Constitution, and make recommendations. They have debated it; now they will make the recommendation to the Armed Forces' Ruling Council, which will look at it, debate it, and pass it out, so that the country can go back to a viable democracy.

The Provisional Revolutionary Ruling Council will determine and see exactly that what we have done was quite good.

But what is important is the interaction, the ability for people to bare their minds, to come out with possible solutions to Nigeria's problems.

What is now left is the implementation of those viable programs, so that Nigeria can move forward and be able to build the much-needed democracy, so that we can go about doing our business in the manner that most people know.

EIR: Speaking of the question of democracy, you may know that the West has been escalating its attacks on Nigeria. There has now been, for several weeks, increased activity by this group TransAfrica, headed by Randall Robinson. Their basic demand is that the country must be turned over to democracy now; military rule must be ended now; until that is done, nothing else matters. How do you address those attacks?

**Mu'azu:** That is rather unfortunate, because what is important, is the ability to understand what the nation is all about, what constitutes the nation, what are the problems of that nation, what efforts have the leadership, before and now,

been making, in order to create a viable and ever-lasting democracy.

What assistance have the democracies of the world, the so-called democracies of the world, given, in order to ensure viable democracy? You will discover that democracies are of different shades and colors. The type of democracy in Britain is slightly different than the type of democracy in France, so also in Germany, so also in the United States, or anywhere else. Therefore, Nigeria has to systematically fashion out a more viable democracy for itself. What I believe the other parts of the world can do, is to see how best they can assist in institutionalizing democracy, getting a viable economy, and so on. The other democracies need to see beyond the ordinary problems that Nigeria has, and see what sacrifices have been made, what peace has been established, what viable programs are coming up in Nigeria to develop the economy, to develop political well-being, and to give our people education, take care of our hospitals, and basic communications, and to be able to do things for Nigeria and by Nigerians. I believe that is the basic issue, and that is where the outside world should be able to look at Nigeria and give it every possible assistance, in order to develop itself.

It doesn't matter what government you have, as long as the government has people who have moral backing, who articulate good programs that stabilize a nation, that give peace to a nation, and give it prosperity. I believe the current administration is doing that. Most importantly, the current administration is highly committed to democracy, and definitely this administration will not stay a day longer than necessary to ensure the democratic process.

For example, the major issue is to see that this conference that is going on, completes its work. As soon as it does, the government will look at the various issues at stake, and come out with a viable program that will eventually turn the country to democracy. Anybody who cares about democracy and human development in Nigeria, should do everything humanly possible to develop that democratic process and programs. No matter what, whatever you do, you must be sure that you have the moral courage and the moral attitude with which to rule a nation. Democracy is there all right, but then, with what morality is it being run? Even in the developed world, what obligation is being run with the democracy, to ensure that the whole world is at peace and free? And that democracy is viable, to reduce hunger, to reduce suffering, to reduce terrorism, in whatever form it comes? What has democracy done to do that, and what has it done to escalate it?

In this particular administration, if Nigerians are ready tomorrow to come out with a viable political program, this administration, this military government, will leave the scene tomorrow, and leave Nigeria to continue its processes of development of the nation.

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## Menem sweeps Argentine elections; what next?

by Cynthia R. Rush

In the May 14 presidential elections, incumbent President Carlos Saúl Menem won a solid victory with 49.5% of the vote, against 30% for his closest contender, José Octavio Bordón of the leftist Frepaso coalition, while Horacio Massaccesi of the Radical Civic Union (UCR) garnered a humiliating 17%. Menem's sweeping win gives his Justicialista Party an absolute majority in Congress, which he is expected to use to ram through further International Monetary Fund-dictated structural reforms to the Argentine economy, which had been delayed by political opposition.

Finance Minister Domingo Cavallo, who will stay on in the cabinet, is crowing that the election results prove the validity of his convertibility program, which pegs the peso one-to-one to the dollar, and that it was the key to the government's having rescued the country from hyperinflation in 1991.

In the final days leading into the elections, several pro-British analysts predicted that Bordón had gained sufficient ground to force Menem into a second round, possibly resulting in a win for the former Peronist governor of Mendoza province. Bordón, a member of the Inter-American Dialogue, a Wall Street-linked think-tank, didn't distinguish himself from Menem on programmatic questions; he fully backed the government's speculation-based, free-market policies. Instead, he launched broadside attacks against Menem, charging him with corruption.

Bordón otherwise acted as an outright agent of the Castroite São Paulo Forum, whose witchhunt against the Armed Forces and charges that the government is covering up files relating to the 1970s war against subversion were used to scandalize Menem in the period leading up to the election. Bordón joined the chorus of human rights lobbyists demanding that military personnel be tried and punished for past human rights abuses, and even called for a "truth commission" similar to what the United Nations set up in El Salvador to destroy that nation's military.

In the end, however, people opted for Menem—not because, as the President and Cavallo claim, they think the government's economic model "works" and have reaped benefits from it. On the contrary, having suffered severe austerity in recent months and the fallout from the crisis

triggered by the Mexican peso devaluation last December, Argentines are extremely fearful about the future; but they saw no other alternative to Menem and weren't prepared to hand the government over to the leftist Bordón. The offensive against the Armed Forces has also started to backfire.

#### Kissinger weighed in

In the period leading up to the elections, Menem and Cavallo performed a complicated ballet to prevent the country's crisis-ridden financial and banking system from following the Mexican route. Over \$8.5 billion fled the banking system between December and April, and oligarchical concerns over the fragility of the Argentine situation were such that heavyweight Henry Kissinger was deployed in early April straight from London to lobby on behalf of the "Argentine model" and Menem's reelection. Cavallo managed to cajole multilateral lending agencies into providing \$9 billion to help prop up the banking system.

Claims that "Argentina is not Mexico" got the duo through the elections—barely. But the harsh austerity policies they are expected to apply, as demanded by the international banking community, will only hasten the explosion which is brewing.

As the London Financial Times argued editorially on May 16, Menem may have performed satisfactorily so far, "but Argentina has a long way to go" before it complies with the standards of a "competitive market economy" desired by the City of London. With an unemployment rate of 12.2%, which could go up to 14% by year's end, Menem is promising to create 330,000 jobs a year. But, the paper warned, "fiscal laxity will be severely punished by the financial markets, so the government will be limited in its ability to create jobs directly." Instead, the London daily demanded, the government must ram through social security and labor reforms, measures which will eliminate job security and collective bargaining, and target the elderly for destruction.

The planned privatization of the provincial banking system, which will eliminate smaller state and cooperative banks, will deny small and medium-sized businesses access to credit, causing shutdowns and layoffs in regions already convulsed by popular anger over the inability of provincial governments to pay their workers' wages. Demonstrations and strikes in several provinces erupted in the months preceding the election and will escalate as austerity deepens.

Of course, Menem has the option of turning his back on this agenda, and there are some indications that nationalist forces are pressuring him to do so. Even the remote possibility that he might decide to follow the route of Peruvian President Alberto Fujimori, and wield personal power to defend national institutions, has London extremely nervous. This is why the *Financial Times* insisted that Menem's priority should be to "rebuild the institutions of state to provide enduring confidence in the economy. . . Stability hangs on too narrow a thread if it depends on one individual."

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#### Dateline Mexico by Valerie Rush

#### **EZLN** financing under investigation

Foreign financing of the Zapatista terrorists is coming under scrutiny as demands for a probe grow.

German auxiliary bishop Franz Grave, also the president of the German Roman Catholic charity Adveniat, deployed himself to the 10-day meeting of the Latin American Bishops Council (CELAM) held in Mexico in early May, where he attempted to quash reports that his organization and its sister German charity Misereor had funnelled millions of dollars of "donations" into the hands of Bishop Samuel Ruiz, who in turn used the money to finance the narco-terrorist insurgency in the Mexican state of Chiapas known as the Zapatista National Liberation Army, or EZLN.

Msgr. Dieter Spelthahn, a director of Adveniat also attending the CELAM conference, issued a statement to the press early in the conference denying that his organization had given funds to the EZLN, but nonetheless defending both Bishop Ruiz and the narco-terrorists. "What is happening in Chiapas is something that came about logically, because the ethnic groups have lived there in misery for a long time," he said.

Reports of foreign financing of the EZLN have been growing for some time. As early as mid-January 1994 (less than two weeks after their uprising began), EIR denounced the EZLN as a "foreign invasion, using nationals as part of the operation." More recently, Misereor officially admitted that it had given \$7.5 million to the diocese of San Cristóbal de las Casas over the period of a decade. Since then, Adveniat acknowledged that it, too, had given the diocese \$1.5 million over 20 years, \$200,000 of that in 1994. That diocese is the base of

operations of Bishop Ruiz, otherwise known as the EZLN's "Commander Numero Uno."

According to a note by the German wire service DPA published in the Mexican daily Excélsior on May 3. the Adveniat mission to Mexico was designed not only to gather information and consider granting new contributions to the Mexican Catholic Church, but also to "protect its investments" in Chiapas. In an Aug. 19, 1994 advertisement placed by Misereor in Germany's Süddeutsche Zeitung, the charity declared, "Your Misereor contribution is in good hands with Samuel Ruiz. With it he pays for . . . justice for the indigenous in Mexico. . . . They see him as one of theirs and can rely on him, such that Misereor can imagine no one better in Chiapas for using donations from Germany in the way the donors want."

As EIR has documented. Samuel Ruiz has used his longstanding influence as a bishop and his advocacy of "liberation theology" to organize for the creation of an "autochthonous church" in Chiapas. He has relied on funding over the years from a variety of "charitable" sources to build up a network of so-called catechists, which has served as a training ground for insurrection. The impoverished Indian communities which make up a significant portion of the population in Chiapas, and which have been extensively profiled by the likes of the Harvard anthropology department's "Chiapas Project," provide the cannon fodder for Ruiz's insurgency. (For more on this, see EIR's January

1994 Special Report, "Shining Path North Explodes in Mexico.")

After Adveniat's Bishop Grave left the CELAM conference, he headed straight for San Cristóbal, where he met with Ruiz and reportedly audited the diocese's accounts. He then told the press that "no diversion of funds has been detected, as was speculated in Mexico." Maybe, and maybe not. But Grave's endorsement of Ruiz's work with the Indians of the region, i.e., his support for the EZLN, is a de facto endorsement of that violent uprising.

Bishop Grave's denials do not appear to have calmed the waters. On May 11, Mexico's bishop of Zacatecas, Msgr. Javier Lozano Barragán, told the press that there had been discussion in the CELAM conference regarding foreign financing of the EZLN. "Unspeakable interests have been financing the guerrillas, seeking openly to harm Mexico and thus its national sovereignty," said Monsignor Lozano. He concluded, urging, "Only the government can investigate and determine if there are foreign funds going to Chiapas to finance from abroad uprisings and instability."

The call for such an investigation has also been picked up inside the Mexican Congress. On May 8, PRI senator from the state of Nayarit and president of the Senate Defense Committee Gen. Alvaro Vallarta Ceceña urged that "there be an investigation of CELAM's charges regarding financing the EZLN is receiving from foreign groups that seek to destabilize Mexico." Although hard evidence to that effect has yet to be presented, Senator Vallarta noted, "there are forces interested in dividing Mexicans, to take advantage of our natural resources, and unfortunately the Zapatistas are lending themselves to this."

## International Intelligence

## SPD loses majority in German state election

The Social Democratic Party (SPD) lost its absolute majority in the May 14 state elections in Germany's most industrial state, North Rhine Westphalia, and the liberal Free Democratic Party fell below the threshold required to be in the state parliament. But even more dramatic than this change in the political landscape was the massive abstention rate: More than 35% of the electorate didn't go to the polls, the second lowest turnout in postwar German history.

A similar result occurred in the northern city-state of Bremen, where a split-off from the SPD, "Work for Bremen," took 10% of the vote in its campaign against green policies which had closed off a large portion of the area to development.

The short-term big winner in both these elections was the Green Party. In North Rhine Westphalia, the Green vote doubled from 5% to 10%, and SPD chief Johannes Rau may be forced to form a ruling coalition with them. Much of the Green vote came from middle-class professionals; the industrial workers, the SPD's base, just stayed home.

## Heidegger exposé to be published in Brazil

The Rio de Janeiro paper *Tribuna da Im*prensa published a full-page review on May 9 of Victor Farias's book *Heidegger and* Nazism, which is to be published soon in Brazil. The book and Heidegger's ongoing pernicious influence were discussed by Helga Zepp-LaRouche in depth in *EIR*'s Sept. 16, 1994 issue.

The Brazilian reviewer, João Antonio, provides a detailed account of Heidegger's role and thinking as a Nazi, as revealed by Farias. He notes that Farias's book "exploded like a neutron bomb within European intellectual circles," because Heidegger, the Nazi, had inspired such postwar western "thinkers" as Jean-Paul Sartre, Jacques Lecan, Michel Foucault, and Jacques Derrida.

Antonio reports Farias told him that he was led to investigate the origin of Heidegger's thought when Heidegger told him in 1967 that it is impossible to conceive of the nature of things in the Romance languages. "To exclude the possibility of the act of thought from the group of Romance languages," struck him as "very grave," Farias told João Antonio.

#### Patriarch Aleksei urges Russia to mobilize anew

In his May 9 Victory Day message to the Russian people, covered in the West only by the German daily Süddeutsche Zeitung on May 10, Russian Orthodox Church Patriarch Aleksei II called for a new mobilization of the Russian people today, analogous to the way they rose to meet the challenge of the war.

He said that to achieve victory in the war, the people came together "into a single organism to defend life and peace, despite the ruling ideology of atheism and totalitarianism." He then declared: "The Church hopes that the people again today can become one organism, if they strive to revive the power of the people." The model of how people responded to the war must be recreated, "to liberate ourselves from the threatening disaster," adding that Russia is now beset by "military conflicts, economic collapse, rising criminality, and a crisis of State power."

Patriarch Aleksei II was seated prominently in the front row at the victory commemoration, near Defense Minister Pavel Grachov.

## Hu Yaoban privately rehabilitated in China

In an unpublicized move, China's party chief and President Jiang Zemin visited the hometown of former leader Hu Yaoban, who was ousted by Deng Xiaoping in 1987. To fulfill a longtime request by the late Hu's family, Jiang Zemin inscribed a plate placed by Hu's remains.

According to an article by C. Raja Mohan in the Indian daily *The Hindu* on May 10, the inscription, actually signed as from the Central Committee of the Communist Party, praises Hu as a selfish-less, incorruptible, open-minded leader—an extremely high evaluation, considering Hu had been stripped from his post by Deng Xiaoping.

Hu was seen as friendly to Chinese intellectuals, and his death had in part triggered the 1989 Tiananmen Square Movement. Hu's political opponent is Deng's protégé Zhao Ziyang, China's known advocate of the "Third Wave." The policy differences between Hu and Zhao were detailed in a Feb. 14, 1992 article in EIR by Michael Billington, "Zhao Ziyang and How Kissinger Destroyed China's Reform."

## Major provocation staged in Kashmir

Mercenaries allegedly under the control of Pakistani intelligence services, holed up in the 500-year-old shrine of Sheikh Nooruddin Noorani at Chrar-e-Sharif in Jammu and Kashmir, set the shrine ablaze at 2:30 a.m. on May 11. The shrine, the adjoining mosque, and a khanqab (shelter for pilgrims) were completely burnt down, according to reports monitored by *EIR* in New Delhi.

After setting the shrine afire, the militants had planned to escape. When security forces moved in to foil this plan, gun battles erupted in which at least 42 militants were killed. Large-scale violence has broken out in the wake of the incident in many towns of Jammu and Kashmir.

EIR's correspondents in New Delhi say the incident clearly indicates the complete failure of the Indian government's hardnosed Kashmir policy. The two culprits behind this policy failure are Governor General K.V. Krishna Rao and Home Minister S.B. Chavan. The reason that the Army did not move in Chrar-e-Sharif, EIR was told, was that the Army was simply unsure of entering the town because of the intense animosity exuded by the locals. This provided the militants four months to work out a gameplan for how to maximize the impact.

## Colombian daily: Patriots must fill power vacuum

Reflecting the desperation setting in among Colombia's political elites as the institutions of power crumble under the impact of President Ernesto Samper Pizano's narco-corruption, the daily *El Espectador* issued an editorial call on May 14 to the country's "illustrious" citizens, to "impose a change of direction in the country" that goes beyond choosing new party leaders or debating new constitutional reforms. Such activities, the editorial argues, are no longer "the proper antidotes to revive the national spirit."

"This is not exclusively a crisis of a party, nor of those who in one way or another have the responsibility to govern. Something much deeper is boring a hole in the national conscience and leading us to the edge of the abyss. Apart from the adverse factors that stagger the country, what is certain is that there is a generalized sense of a vacuum of power."

The daily ends by appealing to individuals "who can serve the country disinterestedly" and "in whom the country believes and respects," to step forward and bring about "a change in the composition of the government" while there is yet time.

## Pope names anti-theolib archbishop in Salvador

Continuing his offensive against the Theology of Liberation movement behind the São Paulo Forum in Ibero-America, Pope John Paul II has named as San Salvador's next archbishop Bishop Fernando Saenz Lacalle. Monsignor Saenz Lacalle, a member of the Opus Dei movement and head of the corps of military chaplains in El Salvador, has labeled Theology of Liberation "a re-reading of the Gospel with a Marxist leaning, with a tendency toward violence" which "now has no place in El Salvador."

The impact on El Salvador will be dramatic, as the Catholic Church in that country has long been under the thumb of the proterrorist Theology of Liberation, starting with Archbishop Oscar Arnulfo Romero and followed by Arturo Rivera Damas. Both openly mediated on the terrorists' side throughout a dozen years of warfare against the State.

Rev. Rodolfo Cardenal, the vice-rector of the Jesuit-run Central American University of San Salvador—long a breeding ground for the FMLN narco-terrorists—decried the new archbishop's insistence that politics be kept out of religion: "To me it seems just as political for an archbishop to keep silent about a massacre as to pronounce on it. If the archbishop keeps his silence, he leaves his parishioners unprotected."

## Western nations could have avoided Holocaust

The Holocaust could have been avoided had the western states not closed their doors to the Jews, wrote Pinchas Lapide, the Frankfurt-based Jewish-German historian and philosopher, in an essay on the occasion of the 50th anniversary of the end of World War II which was published in Germany on May 10.

Without diminishing the direct guilt of the Nazis, Lapide wrote, the "painful question remains posed: Why didn't the nations of the free West open their doors in time and less halfheartedly to let in the stream of the banned Jewish refugees?"

Lapide recalled that Israel's President Ben Gurion in 1965—when German-Israeli relations were established—declared: "Yes, there is a new Germany in which we can trust." Since German reunification five years ago, the Jewish community has increased from 22,000 to now about 50,000, with 60,000 more enlisted to immigrate from Russia, Lapide wrote, underlining that Ben Gurion's trust is shared by many Jews.

One of the biggest contemporary threats to Jewish identity is that the sympathy for the state of Israel and the remembrance of the Holocaust might "turn into a pseudoreligion for the Jews in the long-term perspective. This would be a tragedy," Lapide warned.

## Briefly

- BELARUS VOTERS voted 82.4% for an economic union with Russia, according to the official results of a May 14 referendum. The vote also grants President Aleksander Lukashenko the power to dissolve parliament at any time and rule solely by executive decree.
- ISRAEL'S Interior Ministry on May 15 deposed Baruch Merzel, a former leader of the outlawed terrorist Kach movement, from the town council of Kiryat Arba in the occupied West Bank, Reuters reported on May 16. Kiryat Arba was home to Baruch Goldstein, who in 1994 massacred 29 worshippers at a mosque in Hebron.
- FRANCE, SPAIN and Italy will form a joint intervention force against "threats from the South," (North Africa). The three governments are pursuing formation of a naval component, Euromarfor, and of an airborne component, Euroforce.
- BENENGELI, the cultural quarterly of Lyndon LaRouche's cothinkers in Ibero-America, will hold a joint seminar on June 1-2 in Argentina with the Catholic magazine Nueva Lectura on; A Renaissance, or the Twilight of Civilization? Benengeli's first issue of 1995 contains articles by LaRouche, Helga Zepp-LaRouche, and Nora Hamerman.
- THE GULF WAR is "the cause of all the problems we suffer today," the President of Turkey, Suleyman Demiril, is quoted in the Arabic daily Al-Arab on May 11. "The United States solved the Kuwait problem but created a more difficult and more complicated problem, which is the problem of Iraq's present situation."
- THE ALGERIAN Islamic Armed Group (GIA) threatened the leaders of the political faction of the Islamic Salvation Front (FIS) and their families, giving them one month in which to submit to the GIA command, and vowing to act "on European soil," reported Al-Hayat on May 11.

### **PIRNational**

# Defining the alternatives to global collapse

by Nancy Spannaus

In the midst of the British-led assault on the Clinton Presidency being waged through terrorism, economic warfare, and scandal, a series of economic development conferences being sponsored by the Schiller Institute in the United States provides one of the unique voices of sanity on the political scene. The latest event, held on May 17 in Washington, D.C., put into sharp focus not only the depth of the financial crisis, but also the tasks for policymakers who wish to replace the collapse with economic revival, defeating the British gameplan for the destruction of the United States, and human civilization as a whole.

Approximately 125 political leaders, diplomats, and state legislators from around the country attended this event, which was keynoted by economist Lyndon LaRouche, and addressed by Schiller Institute founder Helga Zepp-LaRouche and members of the EIR staff. The LaRouches addressed the misperception by policymakers, especially here and in Europe, of the nature of the financial crisis, while the EIR researchers presented in-depth pictures on the way in which the International Monetary Fund (IMF) financial system is destroying the world food supply, the first phases of the collapse of the speculative derivatives markets, and the strategy of tension against the United States.

A special feature of the conference was a memorial concert dedicated to the recently deceased Arturo Frondizi, who had been a friend and collaborator of LaRouche. Frondizi was President of Argentina in 1958-62, and was a close collaborator of President John F. Kennedy. The tribute of three musical pieces was sung by the Schiller Institute Youth Chorus, and featured selections from the "Stabat Mater" by composer Giovanni Battista Pergolesi.

In his keynote, LaRouche identified the upcoming Group of Seven Heads of State summit in Halifax, Nova Scotia as

an important inflection point (see p. 4). Noting that he will be presenting a more technical discussion of the economic and financial problem in an article specifically written for *EIR*, LaRouche concentrated his remarks on the political problems involved in getting political leaders, in particular President Clinton, to take leadership in developing the new monetary system which is required.

#### Winning the war against public opinion

Granted that most of the media and the policy-shapers in the United States refuse to face the systemic nature of the financial crisis, LaRouche said, the question is this: "Do we have statesmen who have the courage to change public opinion rather than follow it? This is especially difficult in an election period in the United States." In an election period, such as that which has already begun, most politicians orient themselves primarily to those who control the money they need for their reelection, LaRouche explained. The President finds himself in a similar situation: He has two agendas—one to get reelected, and the other to fight for his policy objectives.

"The difficulty is that we must go against what is apparently prevailing public opinion to make creative decisions which are demanded by the circumstances, but which are not yet fully understood at this time by the general public. That's real leadership," LaRouche said.

Real leaders, he went on, have to *shape* public opinion in order to do what's necessary to help people who are suffering. The FBI and other institutions have targeted many such leaders, as House Speaker Newt Gingrich (R-Ga.) is doing today. But we have to convince the President, and many others, to stick their necks out.

"And therefore, it behooves us to think about our responsibilities in this connection, to see to it that the President is

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suitably advised and supported in these matters, as the need may be. Because we can't blame him. We have to blame ourselves. He is our officer, we elected him, or at least he was elected. And he has to do the job. He needs the advice, he needs the support, to carry it through, even over the opposition of what is perceived as public opinion."

#### The City of London against the U.S.

LaRouche then elaborated the fundamental strategic reality, without which it is impossible to understand what is going on, from the bombing in Oklahoma City, to the financial crisis itself. The essential conflict is this, he said. "The British represent a tradition of usury. The issues of our war with Britain in the American War of Independence, in the War of 1812, the Civil War, which was a British orchestration; our differences with them during the time of McKinley during the 1890s, our differences with them in the time of Roosevelt's Presidency, the fight against Churchill; our differences with them in the time of Kennedy's Presidency. These differences are not accidental, personalized differences between members of governments. These are differences between two organically incompatible, opposed systems of government; and these are breaking out now."

The British system is behind the IMF monetary system, which oppresses every government in the world today, including that of the United States. This system is going bust, and the British are fighting to preserve it, through terrorism and destroying the United States. "This is the kind of world we live in. We're living in a world where we're fighting for the rights of humanity, we're fighting to avoid a plunge into a Dark Age, not just a Depression, but a Dark Age."

#### The view from Europe

In her remarks, Helga Zepp-LaRouche reported on the perception of the financial breakdown from Europe, noting that there are an increasing number of people who agree with her husband, but most of them are stuck with the delusion that the crisis can be dealt with by "administrative" means. During her recent three-week visit in Europe with her husband, she even found some signs of the reemergence of the idea of "industrial banking," which would subordinate bankers to the needs for industrial development.

But for the most part, even those who understand the systemic nature of the crisis are not willing to act now, she said. This means that we have to take on the problem of cultural pessimism. To combat pessimism, we can point to the methods the Americans used after World War II, to rebuild Germany from a rubble field into one of the world's strongest economies. Such methods could be used to revive the devastated nations of the East and South today.

#### The implications of the world food crisis

The afternoon panel concentrated on one area where the cancerous activity of the financial system has consumed the

real, productive activity of the economy—food production. Marcia Merry Baker, *EIR*'s agriculture editor, and Carlos Méndez, associate editor of *EIR*'s Spanish-language affiliate *Resumen Ejecutivo*, developed a shocking picture of the collapse of the food supply as a result of decades of looting of the agricultural sector.

Baker described the way in which the much-vaunted food surplus has been eliminated, leaving the "U.S. government—for the first time since World War II—[with] no surplus food stocks of any kind. None. There is nothing now at hand for emergencies here or abroad for food relief or for 'discretionary' donation." She then showed how world food production is not meeting the basic requirements of the world population, not to mention the holocaust being deliberately created in nations like Iraq. Cuts in food rations in African countries, she noted, will lead to a population so weakened that it will be easy prey to diseases like the Ebola virus.

Baker then described the infrastructure projects that are on the drawing boards for solving the food shortages—from Africa to the western United States. She was followed by Méndez, who described the Africa-like conditions which have been created in Mexico (see p. 9).

#### The time is short

The evening panel, which followed the short, beautiful concert, further underscored the urgency of the requirement to replace the British IMF system with what LaRouche has specified as Chapter 11 bankruptcy measures in the tradition of the American System of economics of first U.S. Treasury Secretary Alexander Hamilton.

EIR economics correspondent John Hoefle first presented the evidence from the public domain which shows that the rate of growth of derivatives speculation is dramatically shrinking, putting on the agenda the exponential contraction of the speculative bubble. The system is near blowout, he explained, and more big bankruptcies are on the horizon, such as Lloyd's of London. There is also a recurring rumor that one major Wall Street Bank is already insolvent and simply being held together by the Federal Reserve, he said. But that can't last forever.

Hoefle was followed by *EIR* Counterintelligence Director Jeffrey Steinberg, who gave an analysis of the current assault on the Presidency through the deployment of terrorism at home and abroad. This is a short-term gambit, Steinberg stressed. The object of the British gamemasters, like Lord William Rees-Mogg, is to create a political climate similar to that before the assassination of President Kennedy, in which a "credible" pretext for knocking out President Clinton can be manufactured.

To destroy this gameplan, as to break the control of the IMF, means freeing the minds of the population from British-dominated economic ideas and other such evil. As LaRouche emphasized, in that sense the "enemy lies within us," and must there be destroyed.

# 'Seeking reconciliation through atonement'



The following excerpts are from an interview with the Hon. Minister Louis Farrakhan, leader of the Nation of Islam, conducted on May 9 by Dennis Speed. Minister Farrakhan has called for a "March for Atonement" in Washington, D.C. on Oct. 16. Subheads have been added.

**EIR:** I'd like to thank you for allowing us to be here today and to interview you, Mr. Farrakhan. What is your view of what has been accomplished by the reconciliation that occurred with Dr. Betty Shabazz at the Apollo Theater on Saturday, May 6?

Farrakhan: As we said at the Apollo, the loss of sacred human life can be compared in the Chinese proverb to the thousand-mile journey, and what our first meeting, and the whole Qubilah Shabazz incident produced, was a first step in the long journey toward reconciliation. But the deepest aspect of this, I would believe, is that the assassination of Malcolm X, and the split between Malcolm X and the Hon. Elijah Muhammad, have been used by the enemies of our unity to ferment and foment discord and trouble, dissension, suspicion, slander, false charges, that have kept this controversy alive for 30 years.

So, our meeting, and the promise of subsequent one-onone meetings, God willing, may ultimately take this stick out of the hands of our enemies, and our constant move for reconciliation will begin healing not only the wounds in the Shabazz family, and in our family, and in the Nation of Islam, but this wound which the assassination of Malcolm X has created in the entire nation of Black people.

#### The tragedy's setting: Hoover as 'Iago'

EIR: In the comments that you made at the Apollo, you indicated that unscrupulous forces in the government had sought to manipulate members of the Nation of Islam, as well as the entire Nation of Islam, around this Qubilah Shabazz incident, to seek retributive justice, for example, against the Shabazz family. You also indicated that perhaps that had happened in the 1960s, that is, in the way in which the whole Malcolm X matter had come about. I'd like you to clarify what you said.

**Farrakhan:** I think it's common knowledge now that J. Edgar Hoover wanted to prevent the rise of a Black messiah who could electrify and unify the Black nationalist element in the Black community. They listed persons such as Stokely

Carmichael (now known as Kwame Touré), Dr. Martin Luther King, Jr., Malcolm X, Elijah Muhammad, and maybe one or two more. They sort of cancelled Elijah Muhammad out, due to age and their feeling that he might not be with us much longer, and therefore the focus narrowed to the younger men: King, Malcolm, and Kwame. And with King assassinated (shortly after a meeting with the Hon. Elijah Muhammad), and Malcolm being the real target—because Malcolm's philosophy, or the philosophy and teachings of the Hon. Elijah Muhammad, had a more nationalistic tenor to it than Dr. King's—the FBI admitted that they worked night and day to separate Malcolm from his teacher. Their aim was to create a movement around Malcolm in opposition to a movement around Elijah Muhammad, that perhaps these two could cancel each other out.

So, I said in my speech that they manipulated our love and our hatred, and they manipulated other bad organizational characteristics—enmity, strife, contentions—that are natural within an organizational framework. They sought to use these things to create an internal dynamic that might ultimately lead to the destruction of the Nation of Islam.

How did they manipulate our love? When you believe that a man is a messenger of God, and our love for God, the Sovereign of the universe, is so great that when that love is tapped, and a man, a human being, is given, or the name is given as a messenger of God, that he is from that mighty and loving Creator, and this human being is, by God's command, to correct our false reformers and put us on the road to true independence, there is a sort of love that we give this person, a trust and a devotion that we give this person that is unlike any devotion that you give to even your mother or your father, your sister or your brother. That is the kind of love we had for Elijah Muhammad.

#### The tragedy's dynamic

So Malcolm X, as he represented the teachings of the Hon. Elijah Muhammad, as his lead minister and spokesperson, the press, because of Elijah Muhammad's impediment of speech, exalted Malcolm *above his teacher*. And this provoked, on the inside of the movement, that positive jealousy and love for Elijah Muhammad. They would even say in the newspapers, "Malcolm X and his Muslims," or they tried to project Malcolm as *the leader*, *the inspiration* of the movement, while in fact we knew that Elijah Muhammad was the

real inspiration of the movement. So this excited jealousy in the love that we had for Elijah Muhammad, that they were trying to move Elijah Muhammad out and put Malcolm X in his place. That was manipulated.

Then you have the tensions inside the movement created by a man who was so dynamic as Malcolm, so progressive as Malcolm, so profound as Malcolm, so charismatic as Malcolm. You have his peers now envious—not even jealous. (Jealousy is a little different from envy.) So there are those who say, "Well, Malcolm is not our leader, Elijah Muhammad is our leader." So they manipulated that dynamic.

Then you have those who said, "He's getting all the press and he's taking the limelight from the leader." So that *envy*, which is a vicious, ugly, demonic characteristic, existed in the higher echelons of leadership. Now you manipulate that.

And then there was another dynamic that I came to discover, that is not readily seen. That is the dynamic of Elijah Muhammad himself, who recognizes age, and time, and that somebody is going to have to accept the seat of leadership, and they have to be trained and qualified to accept that seat. We thought, in our ignorance (I'm speaking personally now), that training meant that you study your Bible, you study your Koran, you study administration, etc., so that you can be progressive and successful.

But there was a deeper dynamic, because if you're going to sit in the seat of leadership, you're going to be evilly spoken of, you're going to have envy, enmity, strife, people shooting at you. So you have to have the strength of character to be long-suffering. So on the *inside*, the Hon. Elijah Muhammad, like a *sensei*, had to take those persons who were slated to sit in that seat to the threshold of pain. And then take them beyond. And then keep increasing their threshold of pain. So sometimes it would look like he was persecuting, when in fact, he was training.

And so Malcolm, who was the lead minister and the one that we would look to if anything happened to the Hon. Elijah Muhammad, was in that awful position to be envied on the inside, envied by people right around Elijah Muhammad, envied because he had the love and the attention of Elijah Muhammad, the positive love of the believer for the Hon. Elijah Muhammad, manipulated by the press, creating a jeal-ousy over the position of Elijah Muhammad. Then the dynamic of bringing Malcolm to the threshold of pain, to prepare him for the possibility of sitting in the seat of Elijah Muhammad after he was no longer here.

Malcolm didn't see that dynamic, I don't believe, nor did I see it, but I came to experience it. That's why I said, after walking a ways in Malcolm's shoes, I understood what was happening to Malcolm.

Now, I'm saying that, to say that the FBI understood these dynamics. When they questioned Malcolm, they listened to his voice, they took the recordings, they put a voice stress analyzer on it. They had psychologists reading Malcolm to determine weaknesses and strengths, in terms of character, to see how he could be turned away from the Hon.

Elijah Muhammad.

About six or seven weeks ago, a letter came into my hands, a letter written by Malcolm X to the Hon. Elijah Muhammad. I believe it was in the year 1959. When I read this letter, it was one of the most touching things I have ever read, of a man's love, devotion, commitment, trust, loyalty, and faith in a human being. I've never received a letter like that from anyone who follows me, nor have I ever read a letter like that. That's how touching the letter was. And then I asked myself: What turned this beautiful demonstration of exquisite faith, loyalty, love, commitment, in a three-year span, that he would then attack his teacher in public?

So on Saturday, I mentioned betrayal, as that turns love to hate. Malcolm felt betrayed by the movement that he helped to build. Malcolm felt betrayed by the leader that he had so much confidence in, and since I was a student of Malcolm and was so very, very, very close to Malcolm, when I opted to stand with Elijah Muhammad, and defend Elijah Muhammad against the charges of Malcolm, then he felt betrayed by me. On the other side of that, we felt betrayed by Malcolm. So this betrayal turned the fervor of love into the fervor of hate, and turned the creative motion into a destructive motion on both sides.

Then you had agents on both sides manipulating these dynamics, which led, of course, to the assassination of Malcolm X [in 1965], and the subtle and then overt charge that Elijah Muhammad had ordered Malcolm X to be assassinated. And now we bring that dynamic to recent years.

If you notice, in the last 10 or 12 years, with the breakup of the Nation after Elijah Muhammad's departure from us and his son's assumption of his mantle, there was no more Nation of Islam. And all of the things that Elijah Muhammad had built, and that Malcolm had helped him to build, were wiped out, gone. So not only was the legacy of Malcolm trashed, the legacy of Elijah Muhammad was trashed. The government had done its job.

Now, we had gone toward orthodox Islam, we no longer had a desire to build an independent nation. Our focus was on self-improvement without a nationalistic tenor to the philosophy. And so the government, if you study its files, had accomplished its aim. For all intents and purposes, the Nation was done for; "we don't have to worry about these people or persons anymore."

#### Learning tragedy's lessons

So Elijah Muhammad died in the minds of the public, and Malcolm died, except for those persons like Haki Madhabuti and the nationalist community, who held Malcolm up as their patron saint. But this community has no tie into the Washington Post, the New York Times, the Atlanta Journal, the Chicago Tribune, or the Los Angeles Times. So after my rise, which startled the law-enforcement community, they said, "Now the Nation is back, and what we thought we had killed, doggone it, it's alive! And this guy, Farrakhan, whom we didn't think too much of, is now electrifying the masses

Our meeting, and the promise of subsequent one-on-one meetings, God willing, may ultimately take this stick out of the hands of our enemies, and begin healing this wound which the assassination of Malcolm X has created in the entire nation of Black people.

of black people!"

Now, if you notice, then the mass media began to start writing about Malcolm. Several books came out after Malcolm's assassination, but then that quieted. Now, you have the establishment media beginning to write articles on the life and legacy of Malcolm X, which then led to Warner Brothers giving \$30 million to Spike Lee to make the movie on Malcolm. And you must remember that 30 years ago, Malcolm was, according to the ADL [Anti-Defamation League], the leading black anti-Semite of that day, as I am considered that today. So I question: Why would Warner Brothers, who I believe are Jewish, expend \$30 million on a movie that lionizes Malcolm, when Malcolm never recanted or repented for his statements that exposed the Jewish liberals and their machinations to guide and control the civil rights movement?

And so we have believed all along, that the resurrection of Malcolm X, not from the standpoint of the nationalists and other Black intellectuals who love him, but from the establishment side, was for a sinister purpose. And so when the movie came out, their hope was that I would attack the movie as I had attacked the man.

Then I told all in our movement to just be quiet for three months. We made no public appearances, and none of us answered any questions, spoke to the press, or did anything that would show us as opposite. Since they couldn't raise a *living* person, they raised Malcolm.

And now, instead of Elijah Muhammad being charged with calling the shots on the hit on Malcolm, they just moved it to Louis Farrakhan. They really know better. But if they could paint me with a brush as having something to do with the assassination of Malcolm, with betraying Malcolm, in an opportunistic way to feather my own nest and cause my own rise within the movement, having guns in the community among the young; then making sure that our young people visited the theater to see the movie "Malcolm X"; and then playing it over and over again; then sending agents in among the gangs to focus their energy and dislike toward the Nation and toward this guy Farrakhan, who now is really the one who opportunistically betrayed Malcolm and has now stepped into the shoes that only belong to our beloved Black shining prince; and we should assassinate Louis Farrakhan.

And since the movie did not produce [that result], then Michael Summers Fitzpatrick was paid \$45,000, which is

an awful lot of money, to entrap Qubilah. The government waited until the very morning that the indictment was coming down, to inform us of her so-called murder-for-hire plot. They expected from me an emotional response to Qubilah. So they camped around my home, and I sent Leonard out to say to them that our sympathies are with Sister Betty Shabazz, Qubilah, and the family. We believe that there's some entrapment here.

Then I made a press statement, which I believe you attended. The effect of this—what they hoped to achieve, was that if I attacked Qubilah, then the nationalist community would have to coalesce around Betty to protect Betty and her children, allegedly from some hit coming from the Muslims.

So the press zeroed in on where Qubilah lived and her apartment and all of that. If we had lambasted Qubilah, we would have, in effect, created the same atmosphere that was created 30 years ago, and then somebody else could have shot Qubilah and blamed it on the Nation of Islam.

When the opposite took place, and we closed ranks around Qubilah, and then we met with Sister Shabazz, this had a tendency not only to heal our wounds, but—we don't know how much money has been already placed in the Muslim community and in the nationalist community to take care of Farrakhan and our sitting together, and our possibility of reconciliation—it may have stayed the ugly hand of death.

The only reason that I can say what I know now from this angle, is because after Malcolm's untimely death, I was promoted from the mosque in Boston to be the minister in New York. And you know, the New York mosque was bombed and destroyed. Since Malcolm was so loved in Harlem and in New York, we had a very difficult row to hoe in order to bring the Nation again to a level of respect and honor in our own Black community. God blessed me, not only to rebuild, but in New York City I was the minister over four universities of Islam, 21 businesses, 18 mosques within the New York City area, and the Muslims were raised to a level of great honor and respect.

#### Reflections on tragedy

But then that caused me to suffer the same things within the movement that Malcolm suffered. In truth, Brother Dennis, it was a pain that I have not fully recovered from, to see your own brothers turn on you because you seem to be favored by the leader. In my last conversation with Malcolm, in 1964, he said, "Brother, my enemies are going to be yours." And he named them. Then he said, "I wish it were you being an example for me, rather than me being an example for you."

He knew what I didn't know, that I was going to assume the mantle that he held within the movement. He knew that the same forces that operated against him, when I assumed that position, would also operate against me. I lived to see every word that he spoke come true.

The thing that I didn't see, was the role of Elijah Muhammad. Because, at a certain point, I began to suspect that Elijah Muhammad was behind some of the feeding of the fire of envy and enmity that was in my peers. So one day, I decided I was going to Chicago and throw the gauntlet down, right at the table with the Hon. Elijah Muhammad sitting there. And when I threw it down, and challenged everybody who were national ministers and laborers at the table, and was ready to fight, Elijah Muhammad hit the table and said, "Brother, seek refuge in Allah from the envires," and he got up and walked out. I felt that my willingness to argue my case was seriously dampened.

Then he came back in the room and he said these words. He said, "Brother, when you're going to take a piece of board and put it in the corner of the building to uphold the weight of the building, you have to put a lot of stress on that board. And if that board breaks, then you know that's not the board you were looking for. You throw it away and get you another one."

I did not fully understand that parable. I understood it to the degree that I understood it at that moment. But long after Elijah Muhammad was gone, and I was attempting to rebuild his work, and I had to suffer the slings and the arrows of my own brothers, then the government, then the ADL, and then others, then I understood why I had to go through that kind of rigorous training on the *inside* of the movement.

If I had become vindictive, angry with him, angry with my brothers, and sought retributive action, then that would have shown that I was not qualified then to sit in his seat, to bring about redemption, restoration, reformation, reconciliation. And so, by weathering those storms, here I am. I have weathered 11 years of a withering attack in the media, and for nearly 40 years I have wrestled with internal dynamics, and now external in other groups and organizations and their leadership.

If Allah blesses me to draw a huge crowd, and this one is not able to do that, that envy comes up and then the arrows and the slings and the things that are said. But, watch me, you never have heard me publicly beat down on those who beat down on me. Because that's not my role. I am to take that, and that's why Paul said love is long-suffering.

And so I thank Allah for the Hon. Elijah Muhammad and for the training that he gave me, by focusing the envy of my brothers against me to see if I could take the heat within, that I might be qualified to take heat from within and without. And, so far, God has blessed me to survive.

## ADL's Murray Janus and partner indicted

by EIR Staff

Anti-Defamation League National Commissioner Murray Janus was indicted on May 8 by a Richmond, Virginia grand jury on felony bribery charges. His law partner, James A. Baber III, was also indicted, on attempted sodomy charges. According to press accounts and to independent sources with knowledge of the case, the charges were brought when Janus paid a woman \$10,000, allegedly to keep her from pressing criminal sexual assault charges against Baber.

Janus had gained notoriety in 1990 for his role in the "railroad" prosecution of associates of Lyndon LaRouche in Virginia, on trumped-up charges of securities violations (see below).

The recent incident occurred on Feb. 27, 1995, when the woman tried to hire Baber to represent her in a domestic dispute, and reportedly offered to pay his fee in monthly installments. The woman later told police that as she left the office, Baber asked her to perform a sexual act as a sign of good faith in paying the fee.

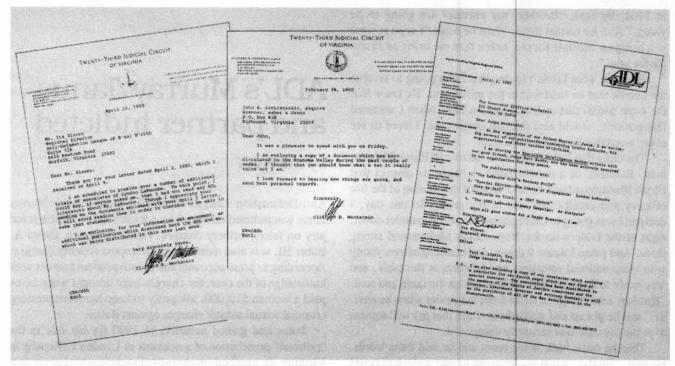
After being exposed to Baber's alleged sexual advances, the woman reported the incident to police, who in turn reported it to the office of Richmond Commonwealth Attorney David Hicks. Since Hicks had previously worked for Janus, he disqualified himself, but not after first speaking with Janus on the phone to inquire as to which prosecutors Janus thought might be out to get him.

The matter was then referred to Hanover Commonwealth Attorney Eddie Vaughn, Jr.

The woman hired another attorney to pursue a civil complaint against Baber, while still pressing criminal charges. Janus offered her \$10,000 to settle the civil complaint. When Vaughn learned of Janus's offer, he warned Janus not to cross the line between making a civil settlement and offering to pay the woman not to press the criminal charges—which is bribery.

The woman had two conversations with Janus, both of which were taped. Janus paid the woman the money in a check drawn on the law firm's trust account.

Vaughn and Hicks have disqualified themselves as prosecutors, and the case is being prosecuted by Virginia Beach Commonwealth Attorney Robert J. Humphreys. One Richmond Circuit Court judge has already recused himself, and all others in that Circuit are expected to do likewise.



Murray Janus and the railroad against LaRouche associates in Virginia: Here are some of the letters exchanged among officials of the Anti-Defamation League, Judge Clifford Weckstein, and ADL National Commissioner Janus's law partner, demonstrating the ADL's obstruction of justice.

#### Janus and the LaRouche cases

In May 1990, Janus was caught redhanded in the middle of a scheme to bribe Virginia Circuit Court Judge Clifford Weckstein, who was at the time presiding over state cases involving associates of LaRouche. Five of those defendants are now serving draconian prison sentences as a result of the flagrant abuse of justice carried out in Weckstein's court: Michael Billington (77 years), Anita Gallagher (39 years), Paul Gallagher (34 years), Laurence Hecht (33 years), and Donald Phau (25 years). The charges of "securities fraud" on which the defendants were convicted were brought to bear after the state of Virginia determined retroactively that political loans were "securities," making it a felony to solicit such loans without a broker's license. This definition of "securities" has never been applied to anyone outside the LaRouche political movement, either before or since.

On April 12, 1990, Judge Weckstein revealed during a hearing in one of the LaRouche cases, that he had received a packet of slanderous material about LaRouche and his movement from the Virginia director of the ADL, Ira Gissen, at the request of ADL National Commissioner Murray Janus. The ADL letter and accompanying documents, in thinly veiled language, offered Judge Weckstein ADL backing for a promotion to the Virginia Supreme Court, in return for his continued efforts to destroy the LaRouche political movement. "There has never been a Jewish member of the Virginia Supreme Court," was the headline of a resolution circulated

by the ADL and sent to Weckstein, who is Jewish.

When defense attorneys issued a subpoena for Janus to appear and testify under oath about his efforts to tamper with the ongoing trial, Weckstein was forced to disclose more letters between himself and John Lichtenstein, a law partner of Janus, andthe son of Weckstein's mentor and former partner, Barry Lichtenstein. The letters reveal that it was Weckstein who initiated the communication with the ADL, revealing himself to be even more tainted than he had previously admitted. Weckstein sent to Lichtensteincopies of leaflets that were distributed by associates of LaRouche, exposing Weckstein's connection to the ADL. Lichtenstein, at Weckstein's request, forwarded the leaflets to Murray Janus.

Because of the extensive evidence of impropriety, Weckstein was forced to issue a subpoena to Janus, who testified that he had indeed urged Gissen to send the hate literature to Weckstein, but, incredibly, claimed that he had no knowledge that there were ongong trials of LaRouche associates before Weckstein. Seeing the pressure his friend Janus was under, Weckstein tried to cut off the testimony by questioning its relevance. The defense attorney replied that Janus is a high-ranking official of the ADL, and that the ADL had gone so far as to illegally obstruct justice by contacting the judge. Weckstein bristled, ruled Janus's testimony irrelevant, and slapped a \$2,000 sanction on the defense attorneys (it was later revoked). The judge refused to recuse himself (withdraw from the trial) because of bias.

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## Unexpected blow to Constitution-wreckers

by Leo F. Scanlon

The Conservative Revolution was dealt a significant setback when organizers of a proposed "Conference of the States" cancelled the long-planned event, and admitted that popular opposition has stonewalled all efforts to tamper with the U.S. Constitution. As opposition to budget austerity measures grows, state legislatures have begun rescinding support for the conference, which was designed to showcase the signature issues of the Conservative Revolutionaries: balanced budget amendments, privatization schemes, and tax cuts for financial speculators.

"It clearly has run into difficulty in a number of the states," said Bill Pound, head of the National Conference of State Legislatures. "We were surprised. We expected some opposition, but not one as well-organized as it was."

Two elements of the opposition shocked conference organizers. The first was the depth and vehemence of opposition from the populist movement, primarily the Liberty Lobby. Even more damaging to the scheme was the fact that the AFL-CIO (whose membership includes the growing number of working Americans who smell something rotten in the anti-government rhetoric of the "Contract on America"), joined in the lobbying to halt approval for the conference.

#### Origins of the conference proposal

The conference proposal is the brainchild of a network of organizations which oppose the U.S. Constitutional system, foremost among them, the American Legislative Exchange Council (ALEC) and the National Taxpayers Union (NTU). These organizations, which speak for the financial interests of the international cartels that provide their funding, have been aggressive in advocating a Constitutional convention, because they see that as the only way to break resistance to fascistic budget cutting and austerity.

The target of such a convention would be the General Welfare clause of the Constitution, which allows the federal government to address large-scale social and economic matters which are beyond the power of state and local economies. ALEC and its allies argue that the source of various incompetent or abusive federal programs is the government itself, and are working to eviscerate that government's powers, not to reform its policies.

A lead article in the magazine of the American Enterprise

Institute spelled out the strategy only weeks before the conference was cancelled. Russell Hittinger, a philosophy professor at the Catholic University of America, explained that "tinkering with the status quo will not work. . . . The reason these repair efforts have failed is because the real problem in many cases is not policy but jurisdiction." Hittinger warned against an open call for a Constitutional convention, and advocated the proposed "'Conference of the States,' where local leaders from across the country would gather to develop a political legal, and Constitutional plan, and consolidate sufficient power to challenge federal domination." In other words, attack the Constitution, but don't get caught.

#### A 'one-world Confederacy?'

It is most instructive to examine Hittinger's argument against the structure of the federal government, by asking, "Who benefits, if his advice is followed?" *EIR* has established that there is not a single evil policy or program being enacted by the government today, which cannot be traced to the "Club of the Isles": the complex of financial and political organizations which created the United Nations, its environmentalist apparatus, and the International Monetary Fund.

The enabling legislation which would have called the Conference of the States into existence was written and popularized by a group of organizations including the National Council of State Legislatures (NCSL), the Council of State Governments (CSG), and the National Governors' Association. These taxpayer-supported groups were originally founded to advance the "reform" agenda which the U.N. attempts to impose on all sovereign governments.

Headquartered at the "1313 Building" at the University of Chicago, and backed by the resources of the Ford and Rockefeller Foundations, the NCSL, CSG, and NGA quickly became a tax-supported, quasi-official lobbying apparatus for all manner of legislative and parliamentary reforms. Today they are the center of efforts to pit state governments against the Congress and citizen against citizen in a fight for diminishing tax resources.

Gov. Mike Leavitt of Utah, a leader of the NCSL conference plan, made clear in a recent speech that the agenda items proposed for the conference would include proposals for Constitutional reform. Other supporters of the conference argue that since the delegates to the conference would be elected officials, formally delegated to the conference under the auspices of enabling legislation drawn up by the NCSL, the conference would have the authority to operate as a bona fide Constitutional convention.

Pouring fuel onto this inflammatory mix, the conference was scheduled to begin with a May pre-meeting in Richmond Virginia, the former capital of the Confederacy, to be followed by a July meeting in Annapolis and a national convention in Philadelphia, in mock repetition of the conventions which produced the U.S. Constitution.

# New threat to U.S. health care: hospitals without nurses

by Linda Everett

Conservative revolutionaries are reeling from a national backlash to their proposed draconian cuts in Medicare and Medicaid—a backlash mounted by such organizations as the American Association of Retired Persons (AARP) and the American Hospital Association (AHA), whose members will be directly affected by the Republican leadership's proposals. Less publicized, but no less alarmed at the cuts, are America's 2 million-plus registered nurses (RNs). Nurses, who form the backbone of the country's health care system, are already waging war against hospital cuts whenever they hit the front lines—namely, at the patient's bedside. For more than a year, nursing organizations have been warning that the "demands of the marketplace" to drive down hospital costs, is forcing 70% of U.S. hospitals to undergo massive restructuring, to eliminate hospital beds, to drastically and dangerously shorten hospital stays, and to cut 40-50% of their registered nursing staff. The newly proposed massive cuts in Medicare and Medicaid will compound those horrors.

Responding to the Republicans' proposals, Geri Marulli, executive director of the American Nurses Association, said, "The effect of over a quarter of a trillion dollars of cuts in Medicare will be nothing short of disastrous. The impact... will affect every patient who is served by America's health care system, because the cuts in funding will hit the entire health care system, all health care institutions." Marullo explained that U.S. hospitals are already experiencing a "rapidly declining level of safety and quality," because of the growing problem that ever-fewer RNs are being used to care for a growing and increasingly acute patient care population.

It was exactly that issue of safety, that brought an unprecedented 35,000 RNs from across the country to Washington, D.C. on March 31, to protest against these policies. As Joan Swirsky, editor-in-chief of *Revolution*, the Journal of Nurse Empowerment, which organized the march, told EIR, "Cutbacks in Medicare and Medicaid are only part of the larger picture of depriving patients of true 'quality' health care." There isn't a hospital in the country not under enormous pressure to cut the cost of delivering hospital care—pressure from the health insurance industry, HMOs (health maintenance organizations), and managed care companies—which are all accruing billions in profits by refusing or limiting medical treatment. In such states as Massachusetts or California, where insurers are permitted to negotiate virtually unlimited discounts with hospitals, a hospital's survival depends

on its willingness and ability to continually undercut its own costs of delivering care—at huge risks to patients and its own staff—to underbid its competitor. Their only alternative is to lose their contracts and their patient base. Either way, patients lose. And the nation loses, too, as public hospitals hustle to shed "unprofitable" services, while attempting to serve as the safety net for the poorest populations.

At the same time, as Ann Twomey, vice president of the Federation of Nurses and Health Professionals, explained, "The hospital industry is being taken over by for-profit medical companies whose main concern is bottom-line care, not quality care." Forbes magazine reported in January 1994 that health care was the most profitable industry in the nation for the last five years. Hospital cartels and hospital mergers also force deep cost cuts, in order to maximize profits and increase their market share as competition intensifies.

Thus we have witnessed the proliferation of management consultants such as American Practice Management (APM), Booz-Allen, the Hunter Group, Ernst-Young, or any of the 30 accounting and consulting firms who specialize in "scorchedearth" hospital makeovers. These profiteers siphon billions in health-care dollars out of health-care delivery to redesign hospital delivery systems, in order to cut operating costs. Their first and main target is the allegedly "high labor costs" associated with a hospital's most highly skilled and experienced RNs. The "experts" then cut the hospital's licensed nursing staff, and substitute "aides" or "techs" with a few days or weeks of training to carry out patient care usually done by nurses with at least two to four years of training.

This dangerous prescription comes at a time when hospitals are increasingly coming to resemble huge intensive care wards, with patients far sicker today than ever before, and needing more skilled care than ever before.

#### High skills save lives

Study after study finds that nurses have a direct impact on hospital mortality and morbidity levels. Not only do hospitals with a higher percentage of RNs, and hospitals with a higher staffing level (higher nurse-to-patient ratio), have lower mortality rates, but also, the higher the hospital's level of nurses' qualifications (registered nurses versus lesser-trained licensed practical nurses), the better the outcomes and quality of care of surgical patients. Other studies indicate that hospitals with favorable nurse staffing levels and high RN skill

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Registered nurses march on Washington on March 31 to protest congressional cuts in hospital care.

mix, had a lower ratio of actual to predicted mortality rate. In 13 studies, a higher percentage of RNs to total nursing personnel is associated with lower than expected mortality rates. Other studies demonstrate that the higher the ratio of experienced RNs to patients, the quicker a patient's recovery with fewer complications, and the quicker the patient's discharge, with fewer readmissions.

Conversely, a study published in the November 1993 *Modern Healthcare* reports that a cut of just 7.75% of a hospital's registered nursing staff has been shown to increase morbidity rates by up to 400%.

Yet, hospitals are increasingly employing redesign plans that de-skill their staff. These schemes, promoted under such names as "Patient Focused Care," "Operation Excellence," and "Operation Improvement," allegedly shift "routine" nursing tasks to a team of "patient care assistants," "clinical technicians," or "multiskilled workers," so as to free registered nurses to give more time to patients. But invariably, the schemes never add more trained staff; instead, they radically reduce the number of registered nurses and other licensed specialized personnel, such as radiologists and respiratory therapists, replacing them with unlicensed generic, crosstrained employees, who are expected to provide hands-on patient care after a little "orientation."

For instance, under California law, even Certified Nurse Assistants who complete the 50 hours of classroom preparation, and the 100 hours of supervised clinical education which the state requires for certification, are still not allowed to carry out invasive procedures. But, restructuring plans for

California hospitals use unlicensed, unregulated, and noncertified "care associates" to perform invasive procedures that require substantial scientific knowledge and/or technical skill, including nutritional support, measuring and recording vital signs, bedside lab tests, and respiratory functions. Nationwide, hospital housekeeping staffs, wearing nurses' white uniforms, are recruited to dispense medicine, insert intravenous tubes, or draw blood. In one instance, a hospital assigned aides with some cardio-pulmonary resuscitation training to staple head wounds of emergency room patients. One APM restructuring project for Massachusetts hospitals has unlicensed aides carry out more than 100 duties usually done by nurses, including performing sterile techniques, insertion of catheters, EKG testing, phlebotomies, and changing feeding tubes. A comparative study in Boston hospitals attributed 15 patient deaths to such policies.

#### Janitors treat patients

As hospitals' "savings" increase with what can only be called assembly-line medicine, so does the loss of patient lives and catastrophic injuries, such as those which occurred at Tampa's University Community Hospital, where surgeons removed the wrong leg of one patient; a technician mistakenly removed a ventilator from the wrong patient, causing him to die; a woman was mistakenly partially sterilized; and surgery was performed on the wrong knee of one patient. The Health Care Financing Administration (a federal body that oversees Medicare and Medicaid) found among that hospital's major problems, exactly the inadequate staffing and

poor training of technicians that the hospital consultants push in their cost-cutting schemes.

Such schemes are beginning to backfire, as hospitals begin to face massive legal settlements because of such blunders. In Massachusetts, a critically ill patient who was to have his vital signs checked every 15 minutes, died after an aide neglected to check on him for several hours. In Indiana, State Attorney General Pamela Carter warned consumers that some hospitals in the state allegedly allowed unlicensed persons (in one case, a hospital janitor) to treat patients. In California, an unlicensed substitute for a nurse dislodged a hospital patient's feeding tube. When the aide replaced it—into the patient's lung—the patient died.

Similarly, when managed care plans obsessed with the bottom line force laboratories into "artificially low price" deals, patients die. Last year, a Wisconsin woman with advanced cervical cancer who underwent nine surgeries, told Congress about it. Her overworked HMO's lab technician, forced to read five times the federally recommended number of slides, misread all but the last of her six PAP smears and tissue biopsies taken over three years. Others, too, died as a direct result of HMO lab misdiagnosis.

In California, where hospital reorganization is the most advanced in the nation, complaints and patient deaths caused by such policies have led to state hearings and new legislation requiring hospitals to publicly disclose the impact of their costcutting plans on patient care and on the community as a whole. Nurses report that Kaiser Permanente's 16 HMO hospitals in northern California are considering slashing their nursing staff to as low as 30% of the inpatient workforce. The Alta Bates Medical Center in Berkeley is aggressively pursuing its plan for one nurse to care for up to 9-14 acutely ill patients—thereby violating a dozen state laws, including the Department of Health Services regulations. The California Nurses Association (CNA) brought a class action lawsuit against Alta Bates and its parent corporation, California Healthcare System, for defrauding the public with its untested plan to cut skilled nursing staff by 50%. In the first decision of its kind in the nation, a U.S. District Court in April upheld the right of nurses, in this case, CNA, to challenge a hospital's restructuring plans that dangerously cut nursing staff.

Similar cases are being brought all over the country, as noted by the American Nurses Association in February, when it released its survey of U.S. nurses. The ANA warned that 79% of nurses report that hospital cutbacks are causing a severe reduction in the quality of patient care. Some 20% of nurses report an increase in the numbers of errors, involving patient falls, fractures, and deaths due to staff reductions and subsequent overloading on remaining nurses. At the same time, hospitals that chronically understaff shifts are forcing nurses who are trained in pediatrics or obstetrics to "float" and cover critically ill cardiac patients or emergency patients—regardless of whether the nurse protests that he or she has little training or experience with such patients. But it is the floaters, and not the hospital, who are then held liable

for the lives of patients to whom they are assigned.

Other surveys show that HMOs and hospitals have dangerously shortened hospital stays in order to cut costs, or, as some New York hospitals describe it, to increase the "turnaround" or "throughput" of their "customers." California's Kaiser Permanente HMO, which routes most of its emergency patients to their own clinics, has now replaced its registered clinic nurses with "aides" who are unable to recognize those patients who desperately need immediate hospital care. At the same time, the HMO makes it virtually impossible for any but the very sickest of enrollees to receive inpatient care. But even when they do get into the hospital, patients must still survive the HMO's planners, who aim to establish a ward in which one registered nurse oversees 30 to 40 acutely ill patients, with the help of a few unlicensed aides.

Most rational individuals would see such de-skilling of the U.S. health care delivery system to the backward levels imposed on Third World nations, as comparable to the "dumbing down" of today's schools by the Conservative Revolution's privatization schemes. They're right. What is under attack is the federal republic's Constitutionally-mandated, dirigist mission to assure every community and every citizen of adequate hospital care, as set forth in the 1946 Hill-Burton hospital building program. Instead, we see hospitals today skirting even the most minimal federal requirement for patient care. For instance, one nurse is required for every two intensive care unit (ICU) patients, usually among a hospital's most critically ill patients.

#### Catch-22

As a way of cutting costs, hospitals are now downgrading intensive care patients to *general* care, and are then assigning one nurse and one aide to care for seven patients. The consequences are predictable: Patients who do not die, are often readmitted to ICU again, because they had declined so precipitously. But, some hospitals are even balking at providing any ICU services whatsoever. Several courts rulings have endorsed hospitals which have refused to provide what they facetiously claim would have been "futile" life-saving treatment.

In other words, the hospital's cost-cutting policy actually hastens a patient's decline, thereby necessitating the costliest of hospital treatment in ICU; yet the hospital can refuse such treatment, saying such care is ethically inappropriate or a waste of medical resources, given the patient's likely outcome.

It is certainly true, that advanced technologies and methodologies have allowed a shift of inpatient procedures to be safely performed on an outpatient basis. However, pressure by managed care groups to keep patients out of the hospital at all costs is also creating a patient safety crisis. Outpatient surgeries, with the promise of home care nurses to follow up surgical procedures, are plagued with the same ruthless policies: Nurses are assigned an impossible 18 home-care visits a day—15 minutes per patient, not including travel time—to change dressings, adjust medications, and to edu-

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cate diabetic patients after amputations.

The same crisis confronts acutely ill hospital patients who have been shipped out of hospitals into understaffed sub-acute care nursing home programs. Similarly with those who are promised follow-up home care by such insurers as Blue Cross-Blue Shield, who instruct hospitals to dump patients with amputations below the knee out of the hospital within 48 hours of their surgery, or to force women to leave within 18 hours of their Caesarian.

Insurers' demands for "dumping" patients have become so barbaric, with no provision of home care, that some states are being forced to propose legislation to restrain the trend. Responding to the policy of ordering women with normal deliveries out of the hospital within 24 hours of giving birth—even if her infant's well-being requires her to stay—legislators in Maryland, New Jersey, and Arkansas have passed bills to require insurers and HMOs to pay for hospital care for mothers and their newborn infants for at least 48 hours of inpatient hospital care after childbirth when necessary, or else to provide the appropriate nursing follow-up. As Maryland leaders said, human life is precious, and so the extra stay is warranted.

#### Nurses won't be scapegoated

When the 35,000 nurses marched in the nation's capital in March, they went to Congress as patient advocates—people who provide 24-hour care to all patients at the most vulnerable moments in their lives. They asked that Congress pass

basic protections for Americans, by having hospitals disclose how many RNs they employ, along with their nurse-to-patient ratios. They also asked for protection for nurses. Nurses currently lose their jobs and their licenses, and face hospital recriminations, when they protest dangerous hospital conditions. They need legal protections under the National Labor Relations Act.

One chilling example substantiates that need: A nurse with only an aide in an understaffed intensive care unit worked desperately to save her critically ill patient who went into cardiac arrest, while she simultaneously tried to guide the untrained aide in saving the life of the patient in the next ICU bed who also "arrested." Both patients died. Shaken, she complained to her administration about the unsafe staffing level, and was dismissed from her job. The hospital then threatened to have her charged with the murder of both patients, should she try to appeal their decision or go public with her claim.

As this new nursing crisis indicates, the aims of such free-market medicine—what Newt Gingrich promotes as Walmart-style health care—are treasonous, just as is the privatization of the nation's education system. This nation cannot sustain, and cannot afford to try to absorb, the Conservative Revolution's proposed Medicare and Medicaid cuts. To do so, would be comparable to hooking up the country's health care delivery infrastructure, including our highly skilled medical staff and scientists, to one of Dr. Kevorkian's suicide machines.

#### Who's kidding whom?

Hospital and nursing home administrators insist that clinical restructuring and nursing layoffs are necessary because of "excess" hospital beds and lost revenues from falling occupancy rates; yet, they claim that such layoffs have not affected patient care. Patients, however, and their families, do not agree, and have found the trend so dangerous that Congress has commissioned the National Institute of Medicine, a private, non-profit research arm of the National Academy of Sciences, to undertake a two-year national study to determine the adequacy of nurse staffing in hospitals and nursing homes.

In its California hearings, the commission heard firsthand why the California Nurses Association, alarmed at the escalating "near-miss" incidents caused by work-redesign plans, instituted their Patient Watch campaign. Patients, relatives, and providers have sent CNA copious letters and documentation of the plummeting levels of care occurring under downsizing of nursing staffs. In one letter, a nurse describes the nightmare caused when her

hospital combined the pediatrics department with an adult cardiac step-down unit. With this mixed assignment, hospital management uniformly ignores the higher staff requirements for pediatric patients, so hurses are expected to care for as many as eight patients-babies as well as adults—at the same time. "What's a pediatric nurse supposed to do," she asks, "in the event of a cardiac arrest of one of our adult patients?" While she is tied up caring for the seriously ill adult, who will watch over the infants assigned to her? The same hospital repeatedly wants nurses to accept an assignment that is split between two floors, where it is impossible to watch over either floor of patients adequately. Management is then expected to close the pediatric unit, "but leave a dying child over there and have the nurses run back to the cardiac unit to care for an additional three pediatric patients plus the rest of her adult assignment." When a nurse objected, hospital management asked, "What did she care when the patient in the closed ward was a 'no code,' anyway?" Finally, the nurse was allowed to move the three pediatric patients back with the fourth child in pediatrics—so long as she was willing to travel back and forth to the cardiac unit to care for two more adult patients.—Linda Everett

#### Congressional Closeup by William Jones

## Bipartisanship on space, victim of budget-gouging

House Science Committee Chairman Robert Walker (R-Pa.) withdrew his bill for multi-year authorization of Space Station Freedom, after the House Budget Committee, chaired by John Kasich (R-Ohio), in mid-May proposed a \$2 billion cut in the NASA budget over the next seven years, on top of the \$5 billion cut outlined by the Clinton administration.

The purpose of the multi-year authorization was to end the yearly fight against attempts to cancel the station, and authorize it to completion in the year 2002. For years, congressmen from both parties on the committee have wanted a multi-year authorization bill for NASA's space budget to prevent the Appropriations Committee from canceling programs deemed necessary by the authorizing committee.

But, in the context of the Kasich budget, committee Democrats balked. If the Space Station were to be protected for the next seven years while NASA's total budget is declining, the authorizing committee would have no choice but to eliminate other NASA programs and would have no ability to change priorities.

Rather than attack the budget-cutting lunacy, when asked what good the space station would be, for example, if the Space Shuttle weren't fully funded, Walker's press spokesman told 21 st Century Science & Technology magazine that their budget took care of that, because the Shuttle would be privatized! (Plans in the Reagan-Bush administration to privatize the Shuttle failed badly.)

In a statement after Walker withdrew his bill, George Brown (Calif.), the ranking Democrat on the committee, stated, "The Republican budget calls into question the possibility of achieving any reasonable balance among NASA programs," and "in light of the Republican budgetary plan . . . I do not believe that, at this point, there will be strong bipartisan support for a station-only authorization bill."

## Firewall' between banks, speculators would end

In a 29-8 vote on May 9, the House Banking Committee approved a bill that would relax current legislation restricting commercial banks to activities that are "closely related to banking," and would instead allow banks to offer a wider range of services that are "financial in nature." The bill would effectively repeal the 1933 Glass-Steagall Act, which maintained a strict separation between commercial banks and the more risky activities of investment banks and other financial institutions, and prohibited mixing the two activities in a single corporate entity.

If the new legislation becomes law, commercial banks will be allowed to underwrite corporate and municipal securities; provide data services; conduct management consulting; and provide leasing, real estate, and even travel services. In order to allay the many fears engendered by the bill, the legislation claims to provide "firewalls" within a bank in order to protect deposits that are federally insured, by requiring that a separate subsidiary be established to undertake the other business.

The bill, fashioned by House Banking Committee Chairman Jim Leach (R-Iowa), would also transfer many of the bank regulatory powers now held by the Federal Deposit Insurance Corp. and the Comptroller of the Currency, to the Federal Reserve Board, significantly enhancing the powers of that body.

Even more sweeping legislation has been prepared in the Senate Banking Committee, although hearings have not yet been scheduled. Senate Banking Chairman Alfonse D'Amato (R-N. Y.) is reportedly waiting to see the fate of the legislation in the House before moving forward. A spate of amendments is expected to be offered when it reaches the floor.

## Ethics panel stalled on charges against Newt

The House Committee on Standards of Official Conduct has stalled over the multiple charges against House Speaker Newt Gingrich (R-Ga.). Nancy J. Johnson (R-Conn.) raised the possibility of a deadlock between the five Democrats and five Republicans on the committee. "It's been tough going," Johnson said. The committee plans to accelerate its schedule to two meetings a week, but still will not have decided whether to appoint a special counsel or take other options by the Memorial Day recess.

Meanwhile, Gingrich snubbed the committee by announcing that he would submit an 80,000-word manuscript to his publisher, even though the committee had not yet acted on his request for approval of his book deal. The deal was the matter that led to charges of undue royalties because of Gingrich's position as Speaker of the House. Amid the furor, Gingrich resigned in May as chairman of GOPAC.

On May 15, House Minority Whip David Bonior (D-Mich.) raised another complaint over Gingrich's attempt to create publicity for GOPAC from the floor of the House, including repeating the group's telephone number. "It's part of the interlinking of Mr. Gingrich's empire, the commingling

of taxpayers' funds for his own political purposes," Bonior said on May 15.

## Waco hearings spark bickering among GOPers

Two key Republican members of the Senate Judiciary Committee traded barbs over the "feasibility" of holding hearings on the actions of federal law enforcement agencies in the attack on the Branch Davidian compound in Waco, Texas, and the killing of the wife of separatist Randy Weaver in an attack on Weaver's home in Ruby Ridge, Idaho.

Arlen Specter (R-Pa.), chairman of a Senate Judiciary subcommittee, who also served on the Warren Commission which covered up the assassination of President John Kennedy, had recently announced that he would soon hold hearings to investigate the activities of the government agencies in the two cases.

Senate Judiciary Committee Chairman Orrin Hatch (R-Utah) sent a sharply worded letter to Specter on May 9, insisting that any hearings on the incidents should be delayed because of the bombing of the federal building in Oklahoma City. Hatch also insisted that the full Judiciary Committee, not Specter's subcommittee, had jurisdiction over the matter. When Specter then took his case to the floor of the Senate, Hatch accused Specter of a "hurried plan" to hold hearings, claiming that to do it so soon after Oklahoma City "will only further erode public confidence in government by reinforcing the stereotype that members of Congress are merely short-sighted political opportunists."

On May 11, Specter succeeded in getting passed a sense of the Senate resolution that called for hearings by Aug. 4 to investigate the conduct of

the FBI and Bureau of Alcohol, Tobacco, and Firearms in the two cases. "If there is any causal connection, however slight or however tenuous, between the incident at Waco and the Oklahoma City bombing," Specter said, "I suggest it is our duty to proceed to clear the air to the maximum extent possible and to demonstrate that ranking public officials at whatever level will be held accountable." Hatch attempted to have the vote reconsidered. Failing that, Hatch then agreed to the hearings, saying that he would proceed with them "as expeditiously as we can."

On the House side, Speaker Newt Gingrich (R-Ga.) has said that he intends to hold hearings on Waco and Ruby Ridge by August.

## Democrats warn against cuts in Medicaid

Medicaid cuts will double the number of Americans without health insurance, if the Republican budget proposal is adopted, Rep. Henry Waxman (D-Calif.) told a forum sponsored by the Members Coalition on Medicare and Medicaid on May 15 on Capitol Hill. "In addition to the 30 million Americans who will lose their coverage under Medicaid cuts," Waxman said, "10 million elderly will lose coverage for long-term care if Medicare is cut."

Waxman said that the Republicans are limiting the rate at which federal spending in Medicare and Medicaid programs can grow, but "they are not limiting the growth of the numbers of poor and elderly who need care."

Rep. Pete Stark (D-Calif.) claimed that the difference between the Republican budget plan and the Democratic plan is that "we took our \$168 billion in cuts and reinvested it

in the health care system. If you don't do this, you close down medical schools and disproportionate care hospitals," i.e., those that handle the poorest patients. "If you give system cuts to the richest taxpayers," he said, "you threaten the entire health care system." Instead of cuts, the health care system "needs to become better. It needs to provide health care to every single American."

## Gingrich's confederates irate over snub to Brits

Rep. Doug Bereuter (R-Neb.) popped his top on May 15, in remarks inserted into the *Congressional Record*, over "two actions" of President Clinton that, Bereuter lamented, have "frayed the strong ties binding the United States with Great Britain, our staunchest ally in western Europe."

First, he said, the Clinton administration granted visas to members of the Irish Republican Army, and then invited IRA leader Gerry Adams to the White House, a move that disturbed the British—who had to be dragged to the negotiating table after their decades-long martial law rule in Northern Ireland.

The most recent slight, Bereuter said, "occurred during the 50th anniversary of the Allied Victory in Europe,"referring to President Clinton's trip to Moscow. "President Clinton's decision not to participate in the English and French V-E Day ceremonies was a shabby way to acknowledge those allies that did so much not only to halt Nazi aggression but to protect the free world during the Cold War era," Bereuter whined. President Clinton and most of the other world leaders participated in the V-E Day celebrations together with Russian President Boris Yeltsin.

#### **National News**

## Vatican envoy says pope opposes 'war on poor'

Raymond Flynn, the U.S. ambassador to the Vatican, recently sent a letter to American bishops and lay Catholics, stating that Pope John Paul II's October visit here will back President Clinton's opposition to congressional cutbacks in anti-poverty programs, according to the May 12 Washington Times.

Flynn's letter recalled the visit of Pope Paul VI to the United States in 1965, when he found the country engaged in a War on Poverty, and "pressed" President Lyndon Johnson to aid the poor.

"Pope John Paul II will find a greatly different political climate," Flynn wrote. "In 1995, the U.S. Congress is tragically dismantling many of those anti-poverty programs that we have spent 30 years creating. Are we now fighting a war on the poor instead of a war on poverty?"

To counter Flynn, the *Times* trotted out Heritage Foundation board member Frank Shakespeare, President Reagan's ambassador to the Vatican from 1987 to 1989. "As a general proposition," Shakespeare intoned, "an ambassador has to be extremely careful not to use the position for partisan politics back in the United States. With the Vatican post, the normal caution should be heightened because of the religious and moral aspects attached to the Vatican as a state. The ambassador's job is state matters, not anything to do with the church as the church."

The Heritage Foundation has saturated Congress with blueprints for vicious austerity measures against the poor, the sick, and the elderly. Ambassador Flynn says he circulated his two-page, brief statement "in expectation of Pope John Paul II's trip."

## Buchanan seeks immigration halt

Republican Presidential pre-candidate and neo-Confederate Patrick Buchanan called for a five-year moratorium on legal immigration into the United States, at a Washington, D.C., press conference on May 8. Buchanan also proposed federal legislation, similar to California's infamous Proposition 187, to deny social services to families of illegal immigrants. He urged that children of illegal immigrants be stripped of their rights to automatically become citizens.

Coverage of the event in the May 9 Washington Times featured Buchanan being photographed with a copy of Peter Brimelow's anti-immigrant book, Alien Nation. Brimelow, an immigrant from Britain, is a senior editor of the British-controlled Forbes magazine. Buchanan is a member of the advisory board of the Southern Partisan, a pro-British, pro-Ku Klux Klan secessionist magazine. Accompanying Buchanan at the press conference were representatives of the Immigration Reform group, a branch of the British "race-science" eugenics movement, which sponsored California's Proposition 187.

## Mich. prosecutor slams protection for 'Dr. Death'

In an interview with EIR, Oakland County Prosecutor Richard Thompson denounced "the conspiracy of silence" protecting Jack "Dr. Death" Kevorkian, following the deaths by "assisted suicide" of two more people within the space of five days. The fact that "even the relatives [of the victims] involved have refused to talk with the police," Thompson declared, makes it almost impossible to prosecute Kevorkian.

Kevorkian, an out-of-work pathologist who has lost his medical license in both Michigan and California, is responsible for killing at least 23 people using his various "suicide" machines. "We know someone is dead of carbon monoxide poisoning, but we have no evidence about who was administering it," Thompson said.

In the case of the last two victims, who were gassed to death on May 8 and May 12, one relative told police that the homicide was a natural death; and both families hid evidence of Kevorkian's involvement from police. In all 23 cases, relatives have refused

to allow authorities to review the medical records of Kevorkian's victims.

"Once you privatize killing," Thompson said, "once you legalize private killing, there is no way any law enforcement or regulatory agency can investigate to ensure there is no abuse going on. . . If society ever legalizes this, how is anyone going to regulate what the 30,000 doctors in the state of Michigan, are doing?"

The U.S. Supreme Court recently upheld a Michigan Supreme Court ruling that a person can be prosecuted under common law for "assisting in suicide." Kevorkian faces trial on two murder charges, and several violations of Michigan's now-defunct ban on "assisted-suicide."

## Expert on Greenpeace briefs U.S. Congress

Icelandic filmmaker Magnus Gudmundsson, during a private briefing on Capitol Hill on May 11, drew considerable attention from members of Congress to evidence he has amassed, that the radical environmentalist organization Greenpeace is a treacherous, though well-protected, little beast. Gudmundsson has also incurred the wrath of Prince Philip's World Wide Fund for Nature (WWF), which has long counted Greenpeace among its global assets.

During his hour-long presentation, Gudmundsson included film clips from three of his documentary exposés of the criminal fraud behind Greenpeace's public posturings about "defending the environment." His most controversial charge was that Greenpeace had bribed foreign government officials in its drive to obtain a "one-world" ban on whaling. The bribery scheme, as laid out in Gudmundsson's latest documentary, was organized by the WWF.

Several congressmen requested that Gudmundsson return to Washington soon to provide more information on the bribery charges—which would implicate Britain's Prince Philip directly. Philip reportedly oversaw the entire operation, and wrote the letters to officials targeted for bribes, telling them to collaborate with Greenpeace.

Over 80 people attended the briefing, including more than a dozen congressmen. one senator, and a number of congressional aides. Gudmundsson was introduced by Rep. Don Young (R-Alaska), head of the House Committee on Natural Resources.

#### Packwood says, reform **Endangered Species Act**

Sen. Robert Packwood (R-Ore.) took to the floor of the Senate on May 10 to challenge the absurd premises of the Endangered Species Act, recalling that when the bill was originally passed, no one was thinking about an entire section of the country being shut down for one species.

"Yet this act," he said, "is now being used as a tool by the environmental groups, to further their agenda of locking up not only all public land but much private land, as well. . . . If 100 years ago, 150 years ago, we had on the books, only two laws, the Endangered Species Act and the Wetlands legislation, we would not have developed the west," Packwood noted.

"Every railroad you see, once you get across the Great Plains, is built on rivers and fill. We never would have cleared the valleys, never would have cut the trees and pried out rocks and farmed the land. You would have been prohibited by just those two acts."

#### Arizona second state to revive chain gangs

Following the lead of Alabama, the state of Arizona became the second in the nation to reintroduce prison chain gangs on May 15, according to the May 16 Richmond Times-Dispatch. An Arizona prison crew of 26 minimum- and medium-security prisoners wielded hoes, sickles, and rakes along U.S. Highway 191, shackled by two-foot-long, lightweight steel chains, padlocked to leather ankle restraints. The men were not chained together, as they are in Alabama,

which began to use chain gangs to clean state highways on May 3.

The use of prison slave-labor is also spreading. Virginia's Gov. George Allen signed a bill on May 5 approving the use of prisoners as laborers in the construction of their own prisons. Allen also vetoed a bill which would have prevented private companies from profiting off the use of prison

The prison construction bill signed by Allen simply states that 30 days notice will be given to a locality before a prison is built there. It adds, "The [Bureau of Prisons] director may, if he finds it practical and economical, use persons sentenced to the department as laborers in the construction of such structures."

#### Morgan Library to hold Aesop exhibit

Aesop, the 6th-century B.C. Greek slave known as the father of the fable, will be honored by a summer exhibition at New York City's Morgan Library, to open on May 24. Sly foxes and proud peacocks will demonstrate the origin of the familiar phrases, such as "sour grapes," "the lion's share," and "borrowed plumage."

Manuscripts and books ranging from the 3rd to the 20th century—including the earliest texts of Phaedrus and Babrius and the Aesop printed at Ulm about 1476—the only copy in America-will be shown. Lazy frogs, powerful lions, plodding tortoises, and frightened rabbits revealing the foibles of daily life should provide a note of whimsy and humor for the hot days of summer.

Publications for the exhibitions include an illustrated checklist (\$4.95) and a coloring book (\$3.95) by Dr. Anna Lou Ashby.

On Father's Day, June 18, there will be "Aesop Family Day," an afternoon of stories, music, dance, and refreshments, all in the spirit of Aesop, available free with suggested admission, which is \$5 for adults, and \$3 for children, students, and seniors. The exhibit overlaps with a show entitled "Animals as Symbol in Medieval Illuminated Manuscripts," on view April 6-Sept. 6.

## Briefly

- NEW YORK CITY'S programs for preserving families at risk are being scrapped, the New York Times reported on May 12. The city currently provides 27,000 troubled families with counseling, parent training, housing assistance, day care, and drug treatment. The services will be eliminated by budget cuts ordered by Mayor Rudolph Giuliani, anticipating further loss of federal funds as well.
- ECOLOGY freaks, Conservative Revolutionists, and populationcontrol lunatics jointly called for drastic reductions in U.S. immigration levels, in a two-thirds-page ad in the May 10 Washington Times. Groups ranging from the International Ecology Council, to Californians for Population Stabilization, demanded that the current federal quota of 1 million legal immigrants per year, be slashed by 90%.
- GREENPEACE handed out a five-page blurb on Capitol Hill on May 11, claiming that Lyndon LaRouche is behind Magnus Gudmundsson and a much broader international campaign to discredit the environmental movement. Almost onethird of the document recycled previous Greenpeace slanders against both Lyndon and Helga LaRouche, as well as 21st Century Science & Technology magazine.
- THE AMERICAN Physical Society has taken a position on the supposed controversy surrounding electric power transmission lines, according to the May 14 New York Times. The society issued a statement, reporting that it can find no evidence that electromagnetic fields radiating from power lines cause
- HENRY SIEGMAN, former chairman of the American Jewish Congress, denounced Sen. Robert Dole's (R-Kani) proposed legislation to move the U.S. embassy in Israel to Jerusalem. "It seems that presidential candidates think that the closer they get to Israel, the more support they get from American Jews. But . Jewish voters are smarter than this."

#### **Editorial**

### Forget Sherlock Holmes

There is no question but that President Clinton, with the support of the FBI, acted rapidly and effectively in response to the Oklahoma bombing. The role of the mass media is another thing entirely. They consistently treat every news story, tragic or otherwise, as if it were a soap opera. But this is only one aspect of the way they act to brainwash the population; the other problem is the tendency to treat a crime like the bombing as a "whodunit," a situation in which Sherlock Holmes might have intervened.

This obscures consideration of what really happened on April 19 in Oklahoma City. A terrible crime was committed, and as a result of that crime, almost 200 people were killed and others were mutilated. A great deal of suffering was imposed on innocent people.

What exactly was the nature of this crime? Was it an unprovoked killing spree by one or more nuts who believed they had grievances against the U.S. government or the Clinton administration in particular, or was something else involved?

To make the point clear, let us suppose that an armed robber holds up a 7-11 store, and in the course of the robbery becomes frightened and shoots one or more innocent bystanders. To understand the nature of the crime, it is important to recognize that the principal motive was robbery, and the murder was a byproduct of this

Similarly in the case of the Oklahoma bombings, we must seek to understand the real nature of the crime itself. Was the bombing the expression of populist outrage? Or was it not, in fact, an act of irregular warfare, whose target was the United States itself; an act of an internationalist terrorist apparatus organized from London?

To answer those questions, we must recognize that the Oklahoma bombing occurred as part of a pattern of terrorism, an outbreak of terrorism in the same period which includes events such as the Tokyo poison gas attack, and other less dramatic terrorist incidents in the Mideast and in Europe. Furthermore, it occurred in the context of open hostility by the British Crown against the American President.

More specifically, the Oklahoma bombing should be seen in the context of the intervention into U.S. rightwing circles—in particular the militia groups—by the very high-level British intelligence operative Lord William Rees-Mogg, who publishes a newsletter, Strategic Investment, widely read in these circles. In its March 22 issue, there was a feature article with the title "Waco²," which laid out the scenario for a confrontation between the militias and what the author termed "government storm troopers." According to the scenario presented, an incident would be staged by the Justice Department which would serve as a pretext for "Field Marshal Reno" to declare martial law. Included in the article is the characterization, "the Democratic Party has been converted into a close cousin of fascism."

After the bombing, on April 21, the London Guardian reported that Tory Members of the British Parliament, "still resentful at the U.S. administration's red carpet welcome for Gerry Adams, the Sinn Fein President, in Washington last month, responded to the Oklahoma bomb outrage by claiming that it had taught the Americans a lesson."

Thus we can say that before the act itself, the crime had begun, with the newsletter's provocation to violence. After the event, Rees-Mogg and his associates continued their efforts to generate hysteria among the militias and other right-wing circles, and British political leaders gloated about the bombing.

Now if we look at the circumstances of the event itself, another aspect of the case suggests itself for investigation: the sophistication of the design of the explosives to cause such extensive damage. Was suspect Timothy McVeigh perhaps a scapegoat, covering for the activities of highly professional terrorists? Whatever the role of McVeigh and any possible associates, the important question to be investigated is to what extent those British operatives who are in fact politically culpable for deliberating creating the climate in which the attack took place, may also have been criminally culpable.

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