

# EIR

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

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

**In Mexico:** EIR, Río Tiber No. 87, 5o piso. Colonia  
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## From the Associate Editor

One year ago, on Nov. 30, 1994, the Schiller Institute convened a conference in Washington, D.C., on the theme "Development Is the New Name for Peace." This was just after the election that had swept Newt Gingrich's Conservative Revolution into a majority in the Congress; about 100 people, mainly from foreign embassies and U.S. constituency groups, came to hear Lyndon LaRouche's evaluation of the situation. He characterized the election results as the "temporary eruption" of a *fascist* tendency, based upon the fact that government was not providing a way out of the deepening economic crisis. LaRouche called for a mobilization to defeat the Conservative Revolution. We are reaching the end of an era, he said, and unless we change policies, our civilization will be destroyed.

Where do we stand now, one year later? The Schiller Institute's development conference in Washington on Nov. 15, 1995 (see *Economics*) took place under extraordinary conditions. The nation's capital seemed deserted, as the federal government had been shut down by the brinksmanship of "Squeaker of the House" Gingrich. One day's news reports included the declaration of a "financial emergency" by the Japanese Finance Ministry; the free fall of the peso in Mexico; the imminence of a general strike in France; and a renewed banking crisis in Italy. Addressing an audience that included some 30 current and former elected officials, mainly state legislators, LaRouche underlined that the grip of the Conservative Revolution gang can be broken, provided that Americans break with the flawed axiomatic assumptions and stupid policies that brought this crisis upon us. He called upon those present to lead a fight to lift their countrymen out of rage-filled isolationism, and to implement the economic policies which can save the nation and the world.

In this issue of *EIR*, you will find exclusive reports on the effects of the crisis: the outbreak of epidemic diseases, because of the austerity policies of the International Monetary Fund; the real story of how Japan's banking crisis came about; and a series of reports and interviews from St. Petersburg on the political and economic situation in Russia on the eve of the State Duma elections.



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## LaRouche: U.S. must rid world of British 'free trade'

by Nora Hamerman

On Nov. 16, dozens of state legislators and other elected officials from the United States descended on the nation's Capitol to give their congressmen and senators an urgent message on the need to clean out corruption in the permanent bureaucracy of the Justice Department.

The lawmakers were prepared for this mission in a day-long seminar convened in a Capitol Hill hotel on Nov. 15 under the title, "Why American Voters Are Rejecting Gingrich," where Lyndon H. LaRouche, Jr., the economist and political candidate who founded *EIR*, and members of *EIR*'s intelligence staff briefed an audience of more than 100 people in detail on the inevitability of the financial crash. LaRouche has been a principal target of the anti-American coven inside the Justice Department, precisely *because* he advances a unique diagnosis of, and solution to, the nation's economic and monetary crisis.

Stating at the outset that the present wave of terrorism is the "worst" in this century, LaRouche likened the widening global conflicts to the conditions on the eve of World War I and World War II.

Only the President of the United States has the power and authority to prevent catastrophe when the monetary and banking system comes down, LaRouche counseled, after he had showed with a series of striking charts that the infrastructure and productive sectors of the American economy have been collapsing while financial turnover is growing at a hyperbolic rate. This could occur even before the November 1996 Presidential election. President Clinton is doing fairly well, so far, at dealing with Republican Speaker of the House Gingrich and his allies—whose deliberate actions in cutting Medicare and other entitlements, LaRouche equated with the war crimes of Adolf Hitler—but he must be given the support to make the definitive break with British "free trade" policies.

LaRouche's two-hour briefing was designed to arm each of the participants with a full comprehension of what had most of them completely puzzled—why the spiral of collapse and inflation is one in which everyone loses and no sector of the economy gains.

That afternoon, *EIR*'s economics staff, in a panel chaired by Chris White, provided the analysis to back up LaRouche's contention that if the United States were a corporation, no responsible officer would hesitate for a moment in declaring the Federal Reserve System bankrupt. In the evening session, Jeffrey Steinberg showed how London's "assassins cult" killed Yitzhak Rabin, and Muriel Mirak-Weissbach presented her first-hand report from the development summit which had occurred two weeks earlier in Amman, Jordan, replicating the packet published in last week's issue of *EIR*.

The concentration of the audience was matched by the sobering circumstances in which the conference, jointly organized by *EIR* and the Schiller Institute, took place. Most of Washington, D.C.'s federal employees had been furloughed two days earlier, and the city's functions, which are subject to federal funding, were also sharply curtailed in the absurd showdown brought about when Republican insurgents in Congress decided to hold the entire government hostage to their ideological obsession with "balancing the budget in seven years" (see article, p. 60).

### Not 'Republicans versus Democrats'

The myth that the political struggle in the United States is between the Republican and Democratic parties, is going to end, explained Mr. LaRouche, who is running for the Democratic Party's 1996 Presidential nomination. "I think we're going to find, coming out of this period, a realignment of political forces. So people like Gingrich in the Republican

Party will go one way (preferably to obscurity), and decent Republicans and decent Democrats will sort of reassert themselves, as political formations.

“But we’ve had a policymaking in this country, which is based on a ‘balance of power’ of two tendencies within the United States, in this century. One tendency, was a tendency which came out of the Confederacy. . . . Teddy Roosevelt was, by political pedigree, a Confederate. And he asserted that. He was trained by Bulloch, his uncle, who was one of the key agents of the Confederacy, who trained Teddy in politics and in strategy. Woodrow Wilson was a Klan fanatic. Both totally pro-British.

“So we’ve had, in this century in this country, two polarities, one which is the American interest, looking back to our constitutional tradition, and the other is the *pro-British interest*, which talks about the ‘special relationship’ with London, and tries to mimic British manners in American politics.

“It’s a division, philosophically, between the heritage of Locke and Hobbes, which was the British tradition, or the empiricist tradition, and the tradition of Leibniz, Hamilton, and Presidents such as George Washington, John Adams, John Quincy Adams, Monroe, Lincoln, and so forth.

“So as a result of this conflict, we have made many decisions, particularly coming out of World War II, after the death of Franklin Roosevelt, which we should not have made. We have slid, half-unwittingly, into policies which have become our undoing, policies which are contrary to our most vital interests internationally and domestically.”

London still has an empire, he said—just look at the strategic metals, food supplies, fuel, and populations the British Crown controls through institutions like the Commonwealth and metals exchange.

“We should make no apology for European civilization, for European *Christian* civilization,” he went on, pointing to the fact that the Council of Florence, and the nation-state shaped by France’s King Louis XI, in the 15th century, established the first form of government capable of realizing the creative potentials of each human being and uplifting the 95% of the population who, everywhere in the world, were previously forced to subsist like beasts. The Venetian financial oligarchy, the model for today’s City of London and “Wall Street,” was determined to block the nation-state. France, the first such nation-state, led the world until 1815, when the United States took its place.

Demographic history shows that man is totally unlike even the highest form of ape, because of his ability to create, thus exerting dominion over nature. LaRouche demonstrated this with a graph and table comparing human and animal populations, and the known phases of human history. (These charts are reproduced in the new pamphlet produced by the Committee to Reverse the Accelerating Global Economic and Strategic Crisis: A LaRouche Exploratory Committee, “The Blunder in U.S. National Security Policy.”)

Then, with a series of graphs depicting U.S. trends over

three decades, he showed that the productive labor force, manufacturing, and agriculture, as well as construction and transportation, have declined as ratios of the economy, while such ratios as teacher-to-student and working physicians to population have also declined dangerously. What has ballooned, is financial turnover. This hyperbolic growth in financial turnover, stemming from “betting” (not investing) activities, like derivatives speculation, is causing runaway inflation—not the growth in the money supply, he said. Since 1970, U.S. infrastructure has fallen apart and every category of production declined, he showed.

As for Gingrich and his Conservative Revolutionaries, LaRouche said those who claim government has no role in the economy are either ignorant of American history, or liars. “Free trade” is a lie that goes back to the Englishman Thomas Hobbes, who actually asserted that virtue can come out of vice!—the origin of the idea common to many libertarians on Capitol Hill, that interaction of “market forces” motivated by greed, can lead to good.

### **Re-dedicate the nation**

Because of the European heritage of the nation-state transplanted to American soil, the people of the United States had twice the literacy and productivity of those of Britain in the late 1700s, LaRouche recalled. and because of that, “we were able to form a Constitution, which, if understood, especially its Preamble, is *the finest instrument of self-government ever designed*. And, as a part of this accomplishment, we became, for a long period of time, the cynosure of people who aspired to freedom throughout the world.

“And if you know the authors of the Constitution the way I’ve learned to know them intimately, partly from their writings and partly from knowing other things, the most wonderful words in the Constitution are: ‘to secure these for ourselves and our posterity.’

“What is posterity? Is it the people next year, is it the people 10,000 years from now? ‘The blessings of liberty, and to promote the general welfare. . . . To secure these blessings for our posterity.’ Posterity is *all humanity*; our people, all humanity.

“We are on Earth with a mission to perform, like a soldier in war. If we fulfill that mission, we have done well. Like a soldier in war, we can not win the war alone. We must commit ourselves to a *mission* of winning that war. We must mobilize ourselves to achieve that. That’s in our Constitution.

“We have a great nation; or what’s left of it. And we have to recognize that and use that. And we have to re-dedicate this nation to its purpose.

“If we do that, the aching nations of the world in our own hemisphere, in Africa, in Asia, Eurasia, will join us. They will work with us. We need the power of the United States to bring about that change. We need the power of the United States to mobilize the world to get rid of the British monarchy,” he concluded.

# Mexico's financial 'fix' comes unglued

by Valerie Rush

The Mexican peso continued to be slammed by speculators for the third straight week, as the multibillion-dollar patch pasted on Mexico's financial system earlier this year by the Clinton administration and the International Monetary Fund has come unglued. Government implementation of a variety of "orthodox" monetary measures recommended by the Fund, including hiking interest rates and buying up large quantities of pesos to staunch the hemorrhage, have not only failed to "restore confidence," but appear to have had the opposite effect. The peso has lost nearly 25% of its value since Oct. 25, when it went into free-fall, triggered by London-based rumors of a military coup.

The result has been to destroy, virtually overnight, all the carefully crafted schemes that were designed to keep the country's financial system from blowing out. The government's tenuous "stability pacts" with the country's labor and business sectors, the banking system, and millions of desperate debtors, are now dead. An already unpayable foreign debt swelled as the value of the peso slumped, knocking all the debt repayment plans worked out in coordination with Washington, into a cocked hat. And, not least, the 1996 Mexican budget was turned into a laughingstock even before Finance Minister Guillermo Ortiz unveiled it to the public on Nov. 15.

Mexico's economy today is best described by U.S. economist Lyndon LaRouche's ironic image: It's like the broken-down jalopy—when you slam on the brakes, the hood pops open, and if you try to accelerate, it goes into reverse without warning. Nothing works any more, because IMF policies have destroyed Mexico's physical economy to the point where an uncontrolled financial disintegration has set in.

## Who wants a 'train wreck'?

Despite the Zedillo government's continued foolish commitment to monetarist methods of dealing with a disintegrating economy, including a privatization program that now includes the country's social security system, its petrochemicals, and its railroads, there are still those pushing for a "train wreck" south of the border, the better to ram through untrammelled looting schemes. As the *Wall Street Journal* editorialized on Nov. 15, "There is even a school of thought that Mexico would be better off if it had defaulted on its *tesobonos* [dollar-denominated bonds] because this would have speeded reform, including taking up the inevitable pri-

vatzation of the oil industry sooner rather than later."

Where that "school of thought" might be located, was suggested by U.S. Ambassador to Mexico James Jones, who told the Mexican daily *Excelsior* that the source of rumors of a military coup in Mexico "was London." Given the U.S.-sponsored \$50 billion bailout of Mexico earlier this year, another Mexican meltdown could be laid at President Clinton's door in this volatile election period. Knocking Clinton out of the picture would eliminate a major problem for the British. Unless and until the deeper causes of the Mexican—and international—financial crises are addressed, that threat will remain.

On Nov. 10, the Mexican branch of the Ibero-American Solidarity Movement (MSIA) issued a statement on the latest assault on the peso: "While it is true that there are those who hope to thrive from the instability of the financial markets, fishing in troubled waters," the real cause of the latest Mexico crisis is to be found in the world financial crisis, in the breaking debt crisis in the United States, in the huge fiscal deficit of "orthodox" Argentina, in Brazil, Russia, Ukraine, Japan, and elsewhere. In other words, with a global monetary system in its death throes.

London and Wall Street have a different explanation, of course, blaming the false rumors that triggered the Oct. 25 peso crash on an "inexperienced" AP-Dow Jones correspondent. Although those rumors served to start the stampede, they certainly were not the work of a single "loan assassin." For example, it escaped no one's attention that former Mexican President Carlos Salinas de Gortari now sits on Dow Jones's board of directors, or that he refused to issue a denial that he was behind the coup rumor when he was accused of precisely that by the Mexican media.

Further, it was revealed by *El Economista* magazine of Nov. 8 that the same day the rumors broke in Mexico, the offices of Dow Jones in New York were visited by Manuel Camacho Solís, a former Mexico City mayor and frustrated would-be President, who, as the government's negotiator with the Zapatista narco-guerrillas in 1994, blatantly sided with the terrorists against his own government. Camacho was recently forced to resign from the ruling PRI party when his attempted sabotage of that party's Presidential campaign was revealed. Camacho's ambition for power remains so great that he is easily capable of trying to topple the Zedillo government, in order to step into the breach as a "national savior."

Camacho was accompanied in New York by Juan Enríquez Cabot Lodge, of the Mexican branch of the famous Boston Brahmin banking family. He worked under Camacho during the latter's mayoral term, and held the specific responsibility of negotiating substantial "investment" deals with world-class currency speculator George Soros. Also visiting Dow Jones's New York office at the same time was Jorge Castañeda, a mouthpiece for the narco-terrorist São Paulo Forum and an ally—like Camacho—of the Zapatistas.

# Argentina reaching the breaking point

by Cynthia Rush and Gonzalo Huertas

Over the past few months, Argentine Finance Minister Domingo Cavallo, a free-market fanatic, has been scurrying around the world begging for funds to prevent a debt default, and maintain the myth of his country's economic stability. But, as an economist at Wall Street's Morgan Stanley Inc. told the *Wall Street Journal* recently, this rash of borrowing is making foreign bankers nervous. "There are limits to the thickness of the welcome mat," the economist said. "If they keep up this pace of borrowing, next year they'll have a tough time." This year alone, Cavallo has increased foreign public debt by \$5.7 billion—some say the figure is closer to \$10 billion—and issued another \$6.5 billion in public bonds.

In August, the International Monetary Fund had to revise downward conditionalities in the letter of intent it had signed with the Menem government only five months earlier, to allow for a \$2.4 billion deficit for this year rather than the \$2 billion surplus originally demanded. And even this figure is wildly off. According to recent estimates, the deficit is expected to reach a whopping \$8.3 billion by year's end! If the 1995 growth rate is, as expected, 1% (at best), the government will have to double its 1996 borrowing needs, now estimated at \$5.1 billion.

A dramatic slowdown in all sectors of the economy is also affecting the banking sector which, since the December 1994 devaluation of the Mexican peso, has lost \$8 billion in deposits. "Irregular" or bad debt, now equals 22.6% of total deposits, up from 19% in January. The highest rate of defaults is occurring in credit card debt where annual interest rates are an astronomical 45-46%.

## Blood from a stone?

One of the reasons for the growing deficit, and Cavallo's reliance on foreign loans, is that there is not much left inside the country to loot. The government had anticipated at least \$2.4 billion in income from privatizations this year, but this has now been reduced to \$400 million. To offset shrinking tax revenues, Cavallo has offered "tax moratorium" schemes, allowing delinquent taxpayers to pay what they owe without interest or penalties. But an unenthusiastic popular response has forced the minister to make up the shortfall: Repressive attempts to enforce tax collection, such as closing businesses which haven't paid, have only incited rebellion among taxpayers. In at least three cities, inspectors from the

federal tax agency were literally run out of town by merchants enraged at these strongarm tactics.

Unemployment now stands officially at 18.6%, and unofficially is closer to 25%. According to a report prepared by the Bahí Blanca branch of the Catholic agency, Caritas, 60% of the people who seek its assistance daily "used to belong to the middle class." Between December 1994 and June 1995, the number of people eating at the agency's soup kitchen increased from 12,000 to 16,000.

In the provinces, many governments are unable to pay employees wages and are offering provincial bonds instead. Demonstrations and marches to protest non-payment or reduction of wages, and shorter work weeks, occur almost weekly, and in some cases have turned violent. Cavallo, nonetheless, has insanely stated that the only way to address the growing deficit is to force the provinces to "deepen" free-market reforms, by privatizing provincial banks and utility companies, among other things. Resistance is widespread, and the minister has withheld federal revenue-sharing funds to blackmail provinces into accepting these measures. Moreover, Labor Minister Armando Caro Figueroa announced on Nov. 2 that the government will appeal to the Supreme Court to reverse a lower court ruling that President Carlos Menem's plan to reduce federal employees' wages is unconstitutional. Caro Figueroa said that if the appeal fails, the government will reduce wages by fiat.

On Nov. 11, Pope John Paul II addressed the ethical implications of these brutal policies, as he spoke to 50 Argentine bishops at the Vatican. Pointing to Argentina's "grave economic situation . . . which has as one of its manifestations . . . the increase of unemployment," the Pontiff argued that "it is useful to remember that the social situation doesn't improve only through application of technical measures, but also promoting reforms with a human and moral basis, which take into account an ethical consideration of people, of the family and society." Only "a new proposal of the fundamental moral values . . . in a land such as yours which Providence has created fertile and fruitful, can secure a better integral development for all the members of the national community."

Carlos Menem seems not to have heard the pontiff. On Nov. 14, he requested authority from Congress to "deepen the adjustment [i.e., IMF austerity] program." Specifically, he asked for the insertion into the 1996 budget of an article which, for 18 months, would allow the Finance Ministry to "fuse, suppress, dissolve or extinguish agencies of the State." All of the remaining 58 State companies will be privatized, and promotions at all levels of public administration, suspended. Congress has also agreed to support additional austerity measures requested by Menem. Finance Secretary Ricardo Gutiérrez also warned publicly that any company which failed to pay taxes would be shut down and lose its property. "We really are going to be very severe, and not fall into fiscal irresponsibility," he said.

# How London, Kissinger, and Don Regan caused Japan's bank crisis

by Kathy Wolfe

On June 6 of this year, the Bank of Japan revealed higher official estimates of bad loans at Japan's largest 150 banks of 40 trillion yen (\$400 billion), of which Y22.5 trillion (\$225 billion) was at the 21 largest "city" bank and trusts. During July and August, the Anglo-American investment banks in Tokyo told the media that actual bankrupt loans stood at Y80 trillion (\$800 billion), in the estimate of Morgan Stanley, or up to Y100 trillion (\$1 trillion), in the estimate of Salomon Brothers. Alicia Ogawa, research director for Salomon Brothers Tokyo, flew to Washington to repeat this estimate before the House Banking Committee on Oct. 16.

On Aug. 21, three major Anglo-American groups, Moody's Financial Services, the International Monetary Fund (IMF), and Standard and Poor's, issued reports warning of serious conditions at Japanese banks. By early October, there was a "slow run" against Japanese banks in the London Eurodollar market, as depositors pulled out, forcing Japanese banks to pay premiums for cash.

Yet this is not a "Japan problem. . . . We are facing a global crash," as *EIR* Founding Editor Lyndon LaRouche emphasized recently. Japanese banks and government agencies hold over \$500 billion in U.S. Treasury bonds, and "the Federal Reserve fears a major fall of the Treasury market" if more depositors pull out of Japanese banks, one New York banker told *EIR* News Service on Oct. 19. It is the United States which is the net debtor, and Japan is the creditor, as House Banking Committee Chairman Jim Leach (R-Iowa) noted on Oct. 16.

It is also the case that while a staggering amount of paper in Japan may be rotten, the *physical* economy of Japan is in better shape than that of most countries. As LaRouche said in his recent Presidential campaign policy paper "The Blunder in U.S. Security Policy," if we apply "a strict standard of land-use for the comparison" of the United States, Germany, and Japan, Japan stands out for its high per-square-kilometer technological progress, productivity, energy use, and infrastructural development, which is directly related to its high population density. Banking isn't everything.

This report will show that Japan's bank crisis was the direct result of the same British monetarism which has bankrupted the United States and the world financial system.

## The Brzezinski doctrine

"The crucial problem with Japan goes back to the Brzezinski doctrine of 1978," LaRouche said recently, when leaders in Japan, Germany, and other nations had planned heavy industrial investments in Ibero-America, Asia, and Africa, to create large export markets.

But Henry Kissinger's London controllers sought to deindustrialize the West, and prevent the poor nations from industrialization, LaRouche said. "Henry Kissinger and U.S. National Security Adviser Zbigniew Brzezinski told Japan: 'You cannot help Mexico, because we in the U.S. will not tolerate a new Japan below the Rio Grande,'" LaRouche noted. Japan was ordered to junk its plans for exports of heavy infrastructure capital goods to Mexico, Iran, Brazil, and the Mideast, and instead sell consumer goods to the United States.

Under threat of losing the protection of the U.S. nuclear umbrella, Tokyo acquiesced.<sup>1</sup> In 1975, Japanese exports to Third World countries were growing, and were higher than those to the United States and other industrial areas of the Organization for Economic Cooperation and Development (OECD). After Brzezinski's 1978 demand, they slowed down, and then fell into decline (**Figure 1**). Instead, Japan's exports were shifted to the United States, Europe, and Australia.

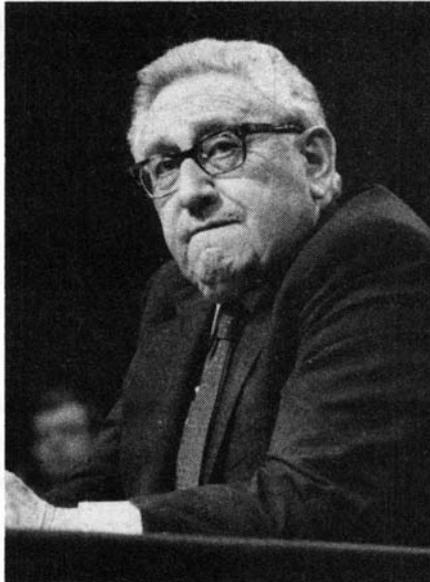
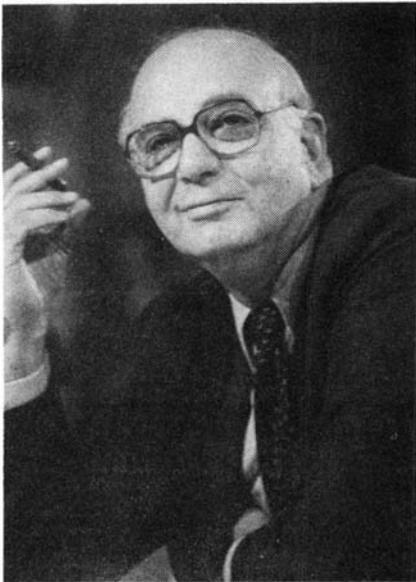
Japan's Global Infrastructure Fund, sponsored by the Mitsubishi Research Institute, cancelled plans for \$500 billion investment in rail, water, and power infrastructure in underdeveloped nations. Instead, Japan put two-thirds of its foreign investment into consumer goods and real estate in the United States and Europe (**Figure 2**). Within Europe, Japan has over a third of its investment in Great Britain, over \$40 billion.

This is more graphic when viewed over time (**Figure 3**). The volume of Japan's global private investment skyrocketed after 1985, but not to the Third World, where it was needed.

That is, those Japanese trade surpluses with the United

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1. Urged to support *EIR*'s program for 1,000 new nuclear-powered cities in China, one architect of Japan's Global Infrastructure Fund development plan told *EIR* in 1994, "You are asking me to declare war on the U.S. State Department. No, thank you. One Hiroshima was enough."



Architects of the banking crisis in Japan include, left to right: former Federal Reserve Chairman Paul Volcker, former Secretary of State Henry Kissinger, and former Treasury Secretary and White House Chief of Staff Donald Regan.

States of the 1980s, of which the media love to complain, were created deliberately by Henry Kissinger and his London mentors. Since London and Wall Street had closed down U.S. production and tax receipts, the American budget deficit went out of control.

Just as Kissinger, London's Shell Oil, and the British banks created the 1973 oil shock, and the huge Arab "petrodollar" accounts in London, now Japan would be the new Saudi Arabia: They wished to use Japan as a cash cow, to prop up U.S. debt and real estate markets.

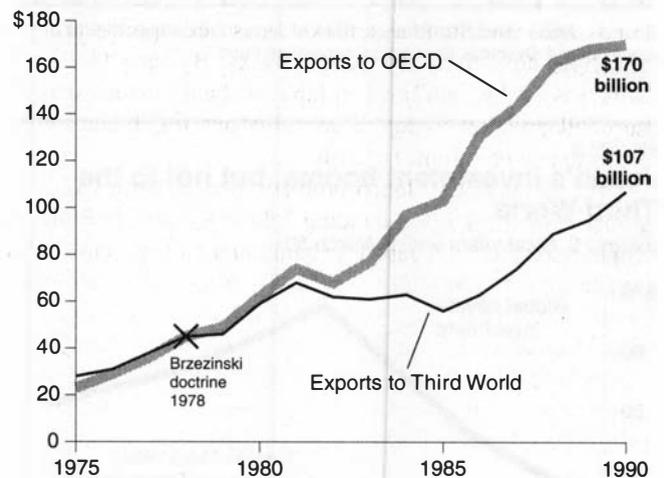
On top of trade surpluses, Kissinger and former Treasury Secretary Donald Regan, head of Merrill Lynch and acknowledged spokesman for Wall Street, in 1985 created a deliberate crash of the dollar, in order to jack up the value of the yen. This not only priced Japan's exports further out of reach of the poor countries, but also created an even larger paper pool in Tokyo, a pool of yen which could fund many more times its weight in dollar assets around the world.

The Kissinger-Regan group also sought to use this "super-yen" to create a financial cancer *within Japan*.

During a series of Tokyo trips in 1984 and 1985, Kissinger, Treasury Secretary and later White House Chief of Staff Donald Regan, and later Treasury Secretary James Baker demanded that Japanese officials force up the yen and accept a major devaluation of the dollar.<sup>2</sup> In January 1985, American Express Chairman J.D. Robinson III and Amex board member Kissinger led a delegation to Tokyo, which demand-

2. Don Regan was treasury secretary, and Baker White House chief of staff, in the first Ronald Reagan administration. When they switched hats in 1985, Regan, the master of Wall Street, in effect added control of the White House, to control over Treasury policy.

FIGURE 1  
**Japan's exports, by geographical area**  
(billions \$)



Source: Japan Ministry of Finance.

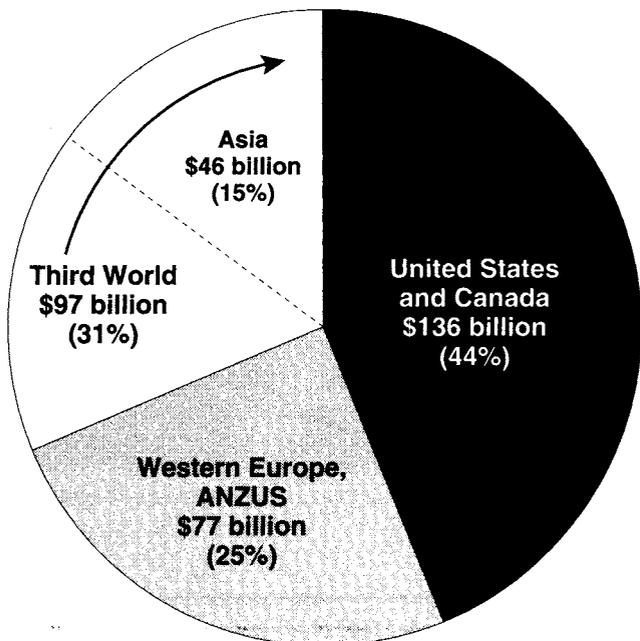
ed total deregulation of Japan's domestic markets. "We want to see the large-scale liberalization of the yen market in Tokyo," an Amex banker told *EIR*, "which, combined with new electronic technologies, will mean a worldwide financial market" which not governments, but only private bankers, could control.<sup>3</sup> They were speaking, of course, of their plans

3. *EIR*, Feb. 11, 1985, p. 9.

FIGURE 2

**Where Japan put its money: foreign direct investment (FDI), 1951-90**

(billions \$)



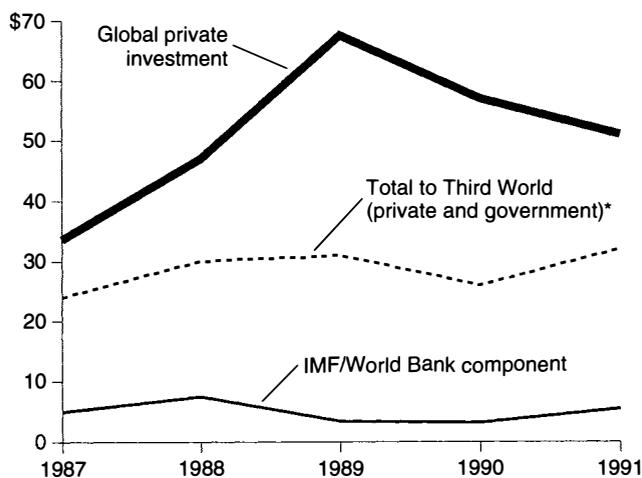
**Cumulative global total = \$311 billion**

Sources: Japan Ministry of Finance, Bank of Japan, Export-Import Bank of Japan, Japan Overseas Economic Cooperation Fund.

FIGURE 3

**Japan's investment booms, but not to the Third World**

(billions \$, fiscal years ending March 30)



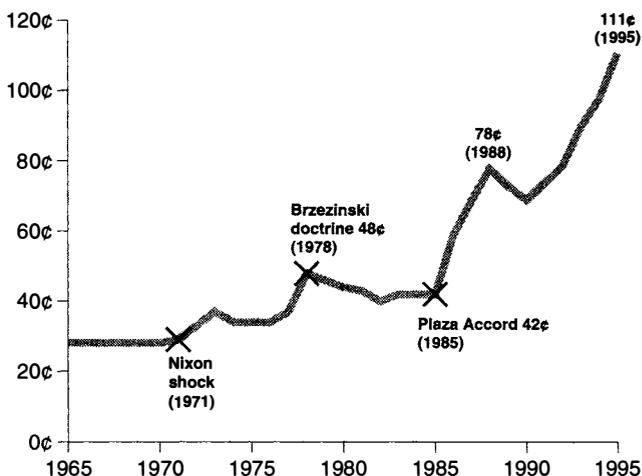
\*Includes all Japanese private sector capital investment, Japan Ex-Im Bank loans, and Japanese government aid (ODA).

Sources: Japan Ministry of Finance, Bank of Japan, Export-Import Bank of Japan, Japan Overseas Economic Cooperation Fund.

FIGURE 4

**Plaza Accord and Japan's yen rise**

(U.S. cents per 100 yen, annual average)



Source: International Monetary Fund, "International Financial Statistics."

to create the international derivatives market, now grown so vast.

**The Plaza Accord**

On Sept. 19, 1985, at New York's Plaza Hotel, Regan and Baker forced a meeting of Group of Seven finance ministers and central bankers to sign the "Plaza Accord," upvaluing the yen and other currencies against the dollar. Commerce Secretary Malcolm Baldrige, a Regan cohort, publicly stated that the dollar should collapse by 25% against the yen.<sup>4</sup>

The London and Wall Street bankers of the "free market" complied. Within months, by 1986, the yen rose by 40%, from 42¢ per 100 yen, to 59¢ (Y239/\$ to Y169/\$). The Plaza Accord's dislocation of the yen, dwarfed the rise in the yen created by what Tokyo called the "Nixon shock"—president Richard Nixon's devaluation of the dollar, by its removal from the gold standard, on Aug. 15, 1971. From the September 1985 Plaza Accord, to 1988, the yen rose 86%, to 78¢ per 100 yen, and the rise continues to this day (Figure 4).

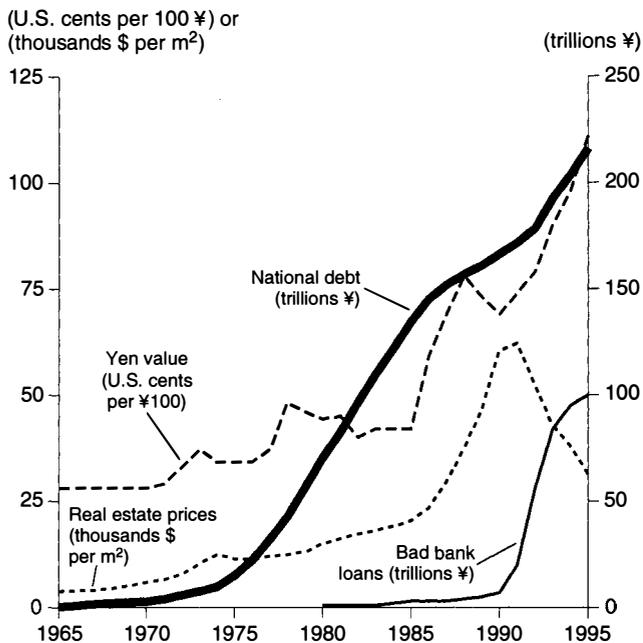
The Plaza Accord and the policies which the Regan mafia demanded with it, created an enormous dislocation in the Japanese economy. Viewing some of the worst consequences—the rise of the yen/dollar rate, the growth of Japan's national debt, the bubble and crash of Japanese real estate, and the growth of bankrupt loans at Japanese banks—it is easy to see that this picture is of one piece (Figure 5). We will discuss each of these in turn shortly.

First, however, notice who benefits in the United States. Many Americans are fixated on the national debt, which,

4. *EIR*, Oct. 4, 1985, p. 63.

FIGURE 5

**Composite picture: the Brzezinski doctrine, the Plaza Accord, and Japan's bubble**



Sources: IMF; Japan Ministry of Finance; Bank of Japan; *Japan Statistical Yearbook*; Salomon Brothers, Tokyo; Merrill Lynch, Tokyo; EIR estimates.

by January 1996, will be at \$5 trillion. How many remember that, before Federal Reserve Chairman Paul Volcker raised interest rates in 1980, and Donald Regan became Treasury secretary in January 1981, the United States *had* no national debt to speak of?

Regan and Volcker virtually created the U.S. national debt. From 1965 until Volcker hiked the Fed's discount rate from 6% to 19% in the last weeks of 1979, the U.S. national debt rose only from \$257 billion to \$658 billion. That's a good bit, but not something an economy the size of the U.S. economy couldn't handle. During 1980, the first year of Volcker's hikes, it rose to \$737 billion (Figure 6).

From January 1981, to the end of the Don Regan regime in 1988, however, the debt rose to over \$2 trillion. The treasury secretary did not have to play ball with the psychotic chairman of the Fed—but he did. Worse, Regan's own initiatives, such as the 1982 Financial Institutions Restructuring Act (see below), deliberately fostered speculation, much to Wall Street's paper profit.

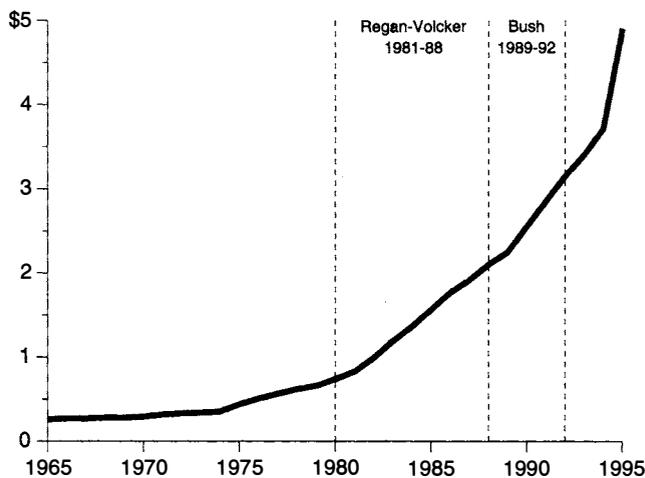
During the Bush administration, the debt rose further, to over \$3 trillion. This created a snowball effect, such that annual payment of interest alone on the debt comes to over \$200 billion, putting the growth of the deficit on "automatic pilot."

One result of the "super-yen" bubble created in Japan by

FIGURE 6

**Don Regan and Paul Volcker create the U.S. national debt**

(total U.S. national debt, trillions \$ at end of year)

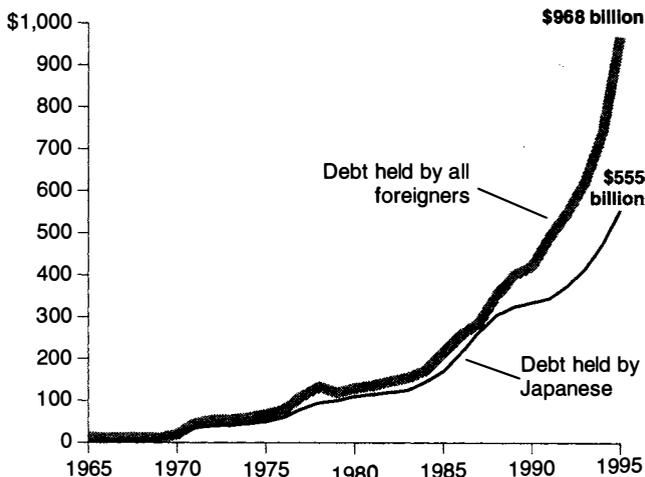


Sources: IMF, U.S. Treasury.

FIGURE 7

**U.S. national debt held by all foreigners and by Japan**

(billions \$)



Sources: IMF, Federal Reserve, U.S. Treasury, House Banking Committee, EIR estimates.

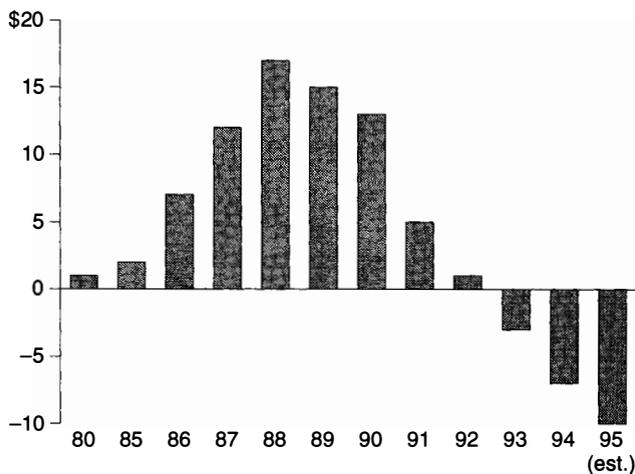
the Plaza Accord was, just as Kissinger and Regan planned, to ensure that Japan picked up much of the tab. Japanese private and government agencies have purchased fully 9.3% of all new U.S. Treasury debt issued since 1986, according to Representative Leach (Figure 7).

A second result was Regan's use of the "super-yen" to prop up the bankrupt U.S. real estate market. Between 1985

FIGURE 8

### Japanese real estate purchases in the United States

(billions \$)



Source: E&Y/Kenneth Levanthal.

and 1992, Japanese investors purchased \$72 billion worth of speculatively inflated U.S. real estate, at the height of the U.S. real estate bubble—when U.S. investors were selling. Annual purchases in 1988 and 1989 were in the \$15-17 billion range, the only prop which kept American real estate from a crash (Figure 8).

Notice also that Figure 8 has the same profile as the rising and falling “bubble indicators” in Figure 5.

### London creates the bubble

More insidiously, this London-Wall Street financial bubble spread a form of what was referred to in Tokyo as “financial AIDS,” inside Japan itself. One good indication was the rise of foreign exchange speculation in the Tokyo and Osaka financial centers. In 1970, before Nixon took the dollar off the gold standard, world foreign exchange trading was \$2.9 trillion annually, and world trade—imports plus exports—totalled \$593 billion. There was thus a ratio of about \$6 of foreign exchange trading, to every \$1 of trade.

After the “Nixon shock,” with floating rates, world foreign exchange trading increased four times faster than the increase in world trade, during the decade 1971-81. In Japan, as a trading nation having to “hedge” its contracts in a foreign currency, the dollar, it was far worse. By the time of the Plaza Accord in 1985, there was already over \$38 of foreign exchange trading going on in Japan, for every dollar of trade (Table 1).

After the Plaza Accord, this speculation almost doubled, by 1988, to \$62 of foreign exchange speculation, for every dollar of real trade. This was twice the foreign exchange speculation in the United States at the time. U.S. speculation

TABLE 1

### Foreign exchange bubble versus Japan's merchandise trade

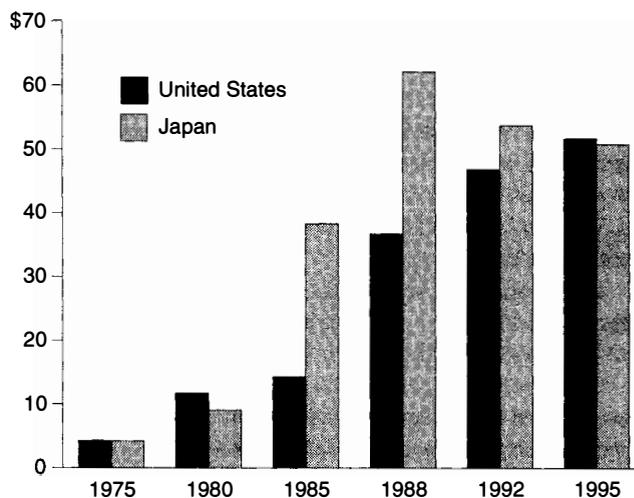
	1 Japan forex transactions annual rate (billions \$)	2 Japan imports plus exports (billions \$)	3 Japan forex \$ per trade \$ (1÷2)	4 Comparable U.S. ratio (EIR 9/15/95)
1975	\$ 488	\$115	\$ 4.2	\$ 4.3
1980	2,440	271	9.0	11.7
1985	11,712	306	38.3	14.3
1988	28,060	452	62.1	36.7
1992	30,744	573	53.7	46.8
1995	39,284	773	50.8	51.7

Sources: Anthony Wikrent, “Speculation takes over the U.S. economy,” *EIR*, Sept. 15, 1995; Bank for International Settlements; Bank of Japan; U.S. Federal Reserve Bank; Japan Ministry of Finance; U.S. Department of Commerce.

FIGURE 9

### Japan and the United States: the foreign exchange bubble

(dollars of foreign exchange for each dollar of trade)



Sources: See Table 1.

has only recently reached such levels (Figure 9).

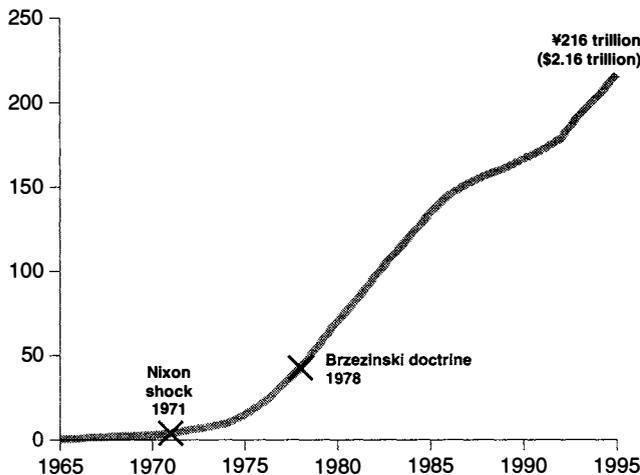
It was this Plaza Accord speculation which created today's mountain of bad Japanese bank loans, by creating Japan's “Bubble Economy” of 1986-91. Let us look at each of the elements of the composite in Figure 5.

The media cover story goes, that the Bank of Japan created the “Bubble Economy” by lowering interest rates in 1985, goading real estate companies, using cheap cash, into a speculative buy-up of limited urban real estate. This put Japanese

FIGURE 10

### Japan's national debt

(trillions of yen)



real estate prices through the roof, which the Bank of Japan supposedly encouraged.

This cover story is nonsense. Reality is, that the Kissinger-Regan Plaza Accord deliberately created the Japanese bubble. Beginning in January 1986, the Bank of Japan did lower interest rates, but only as part of the Plaza agreement, under which Tokyo had promised to “reflate,” in a vain attempt to stimulate Japanese purchases of U.S. exports. Between the Plaza agreement to print many more yen, and to upvalue the dollar worth of each yen, Japan was hit hard.

On top of this, every six months, at every world summit, Japan was strong-armed into creating massive government spending packages, also supposed to stimulate “consumer spending” on imports of western consumer goods. This led to a very large rise in the Japanese national debt. All in all, since the enunciation of the “Brzezinski doctrine” in 1978, Japan’s national debt rose from Y43 trillion (\$430 billion) to Y216 trillion (\$2.16 trillion) today (Figure 10).

As LaRouche put it, “The U.S. said, ‘Since we won’t allow you Japanese to invest in the world, you’ll have to create an investment pool for all these dollars in Japan. What you must do is to inflate real estate prices to provide a nominal security system, assets, for the purpose of building up a giant financial bubble, on the basis of the flow of U.S. dollars into Japan. . . . So the income stream of Japan, was used to leverage a gigantic bubble in which the real estate interests of Japan, through a ground-rent operation, were converted into the nominal assets of this bubble, to secure this bubble.’”

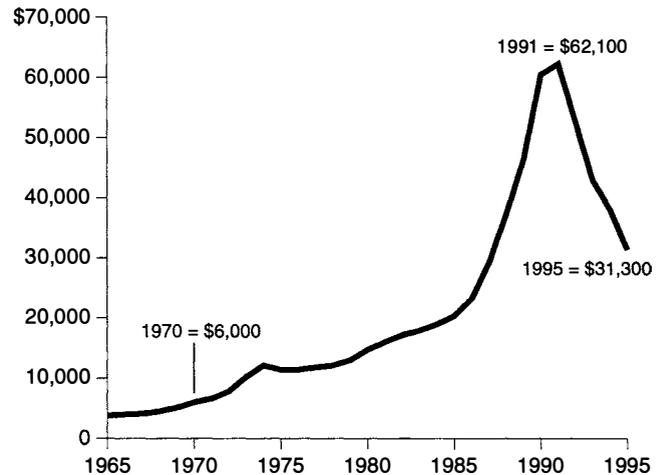
### Real estate nightmare

Once the bubble began to grow, Japan’s urban land prices rose to insane heights. The average of residential, commer-

FIGURE 11

### Japan's urban real estate price bubble

(urban real estate prices, \$ per m<sup>2</sup>)



Sources: Japan Ministry of Finance, Bank of Japan, *Japan Statistical Yearbook*.

cial, and industrial land prices in Japan’s six largest cities boomed from \$6,000 a square meter in 1970 to \$62,100 a square meter in 1991, a factor of ten, something unheard of anywhere in the world (Figure 11). This dwarfs New York average urban real estate prices at recent peaks of \$1,200 a square meter, and even peak London West End prices of \$13,400 a square meter.

Tokyo commercial real estate was particularly a speculative nightmare, rising from \$7,400 a square meter in 1980, to over \$100,000 in 1990.

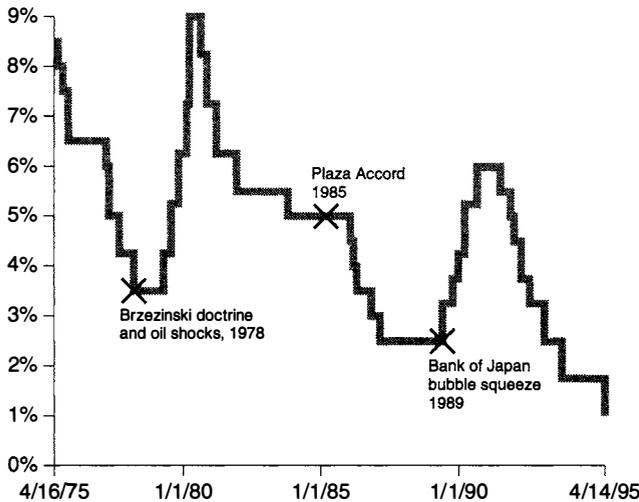
As the rest of the world economy shrank with the cancellation of major export projects, Japanese banks put billions into loans to domestic real estate and real estate finance companies. Japan’s top 150 commercial banks’ loans to real estate ballooned from Y17 trillion in 1985, to Y57 trillion (\$570 billion) in 1995, Bank of Japan figures show. Add to this, real estate loans by the rest of Japan’s savings, home loan, and other banks. University of Chicago Prof. Robert Aliber told the House Banking Committee on Oct. 16 that during this time, 25% of all new loans went to real estate, an increase of Y91 trillion (\$910 billion).

Alarmed by the madness, the Bank of Japan (BOJ) in 1989 began a credit squeeze, raising the discount rate from 2.5% in May 1989, to 6% by the end of 1990 (Figure 12).

The Ministry of Finance and BOJ also took regulatory measures to halt real estate speculation, including prohibiting further real estate loans of many kinds under Bank of Japan “window guidance.” In fall 1990, then-Finance Minister Ryutaro Hashimoto warned, that the continued demands by Wall Street and London for Japanese financial deregulation would mean the importation of “foreign financial AIDS” into Japan.

FIGURE 12

**Bank of Japan central bank discount rate, 1975-95**



Source: Japan Ministry of Finance.

As Figure 12 shows, the BOJ was simply doing as central bankers do: trying to walk the Aristotelian “middle path” for the rate of new cash entering the economy. If we mentally draw a line left to right through the center of Figure 12, it is clear the BOJ was targeting an old-fashioned, 1950s-style 5% bank rate.

After 1978, when Brzezinski announced his doctrine, the oil shocks and Volcker interest rate hikes briefly collapsed the yen (see Figure 4). The BOJ was forced to raise rates, to keep investors from dumping yen, starting in April 1979, from 3.5%, to 9%. As soon as possible, the BOJ lowered rates, to 5% by 1983.

In 1985, however, the Plaza Accord hit. Under its dictate, the United States and West Germany cut interest rates sharply, and Japan was asked to cut rates even further, and keep cutting.

By 1989, when the BOJ decided to tighten credit, to halt some of the speculation, too many bad loans were on the books. The damage was done. Since there was nothing supporting it, the real estate market collapsed (see Figure 11). With real estate borrowers going bankrupt by the dozens, Japanese bank loans quickly soured.

According to *EIR*'s estimates, based on data from Salomon Brothers, Merrill Lynch, Standard and Chartered, and other bankers in Tokyo and London, bad loans at Japanese banks rose from Y1 trillion in 1981, to Y100 trillion (\$1 trillion) by March 1995 (Figure 13).

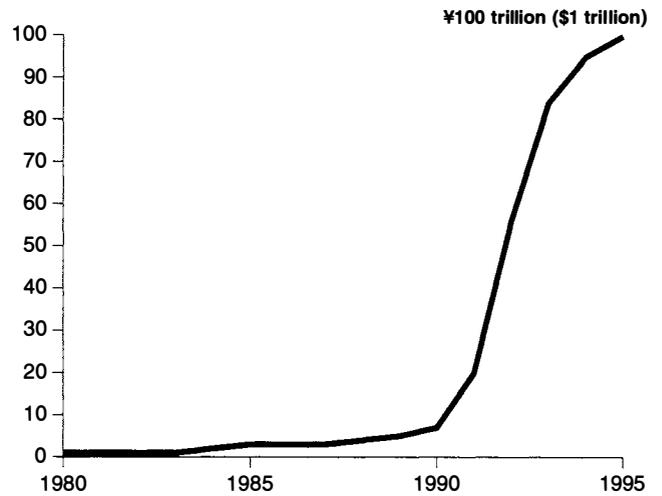
**Loans go ‘post-industrial’**

To appreciate the impact of this, one must get a feel for the size and structure of Japan’s banking system, the largest

FIGURE 13

**Bad Japanese bank loans**

(trillions of yen)

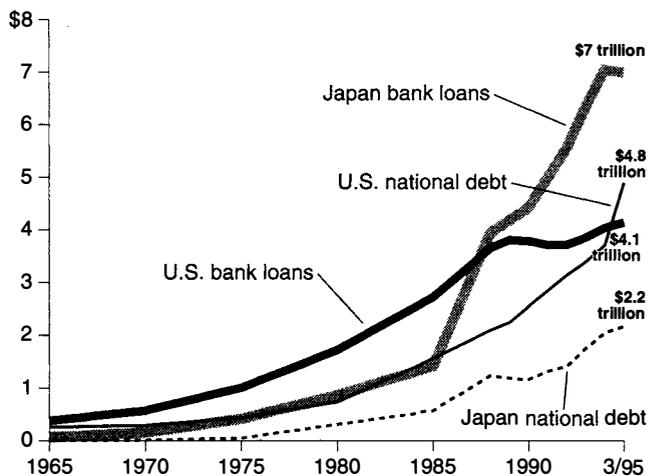


Sources: EIR estimates; Merrill Lynch, Tokyo; Salomon Brothers Tokyo; Standard & Chartered Bank, London.

FIGURE 14

**‘Size is relative’: Japan’s loans and national debt, compared to the United States**

(trillions \$)



Note: Bank loans for both Japan and the United States are total commercial and savings bank loans outstanding at the end of each period, as reported on the same basis by the IMF in “International Financial Statistics.”

Sources: IMF, U.S. Treasury, Japan Ministry of Finance.

in the world. Japan’s private banks have total loans of Y700 trillion (\$7 trillion). To put that in perspective, the U.S. private banking system, including commercial banks and the savings and loans, has \$4 trillion in loans, according to the

TABLE 2

**Japanese bank loans, by bank type**

(trillions of yen outstanding at end of period)

	Domestic loans			Foreign loans top 150	Shinkin banks	Credit unions	Nogyo (agricultural)	Jusen (home)	GRAND TOTAL
	Top 21	Regional banks	Top 150						
<b>A. Total loans</b>									
1965	14	5	19	0	2	0	2	0	23
1970	28	12	40	1	7	1	5	0	55
1975	62	27	89	3	16	2	11	0	123
1980	93	44	137	11	26	2	17	1	197
1985	167	70	237	28	37	6	22	3	338
1989	262	149	411	58	53	10	25	6	573
1990	279	162	441	75	59	13	29	9	641
1991	289	172	461	74	63	15	32	11	674
1992	296	176	472	72	67	19	38	13	703
1993	298	179	477	65	68	19	39	14	704
1994	298	180	478	63	68	19	40	14	704
March 1995	296	180	476	61	68	19	39	14	699
<b>B. Bad loans</b>									
1980	1								1
1985	2								3
1989	3								5
1990	3								7
1991	9								20
1992	24								56
1993	36								84
1994	39								95
March 1995	50		65		15		8	12	100

Bank types (number of institutions): top 21 and top 150 = major commercial banks; Shinkin = credit associations (savings banks) (421); Nogyo = agricultural cooperatives (2,625); Jusen = home loan companies (HLC) (8).

Sources: Bank of Japan; Japan Ministry of Finance; Salomon Brothers, Tokyo; Merrill Lynch, Tokyo; Standard & Chartered Bank, London; EIR estimates.

IMF's *International Financial Statistics*, calculated on the same basis. The U.S. national debt is almost \$5 trillion (**Figure 14**).<sup>5</sup>

Total Japanese bank lending is roughly equal to that by banks in Britain, France, and Germany combined.

Internally, Japan's banking system is highly structured. The largest top 21 commercial banks, those in major cities, have nearly Y300 trillion in loans (\$3 trillion) (**Table 2a**). Japan's six largest commercial banks, such as Sanwa and Sumitomo, are the six largest banks in the world, and 9 out of the 15 largest banks in the world are in Japan's top 21. Regional commercial banks in other cities are also quite large. Total top 150 commercial bank lending comes to Y476 trillion domestic loans, plus Y61 trillion foreign loans, or Y537 trillion (\$5.4 trillion).

There is another large sector, analogous to U.S. savings banks. These are the Y68 trillion savings banks or Shinkin; the Y19 trillion credit unions; the Y39 trillion agricultural coops, or Nogyo; the Y14 trillion home loan companies, or

Jusen; and other coops. They held Y140 trillion (\$1.4 trillion) in loans as of March 1995. This compares to U.S. thrifts' loans of \$1.1 trillion.

Banks per se are necessary, as Alexander Hamilton always argued, and large banks can be a national good. A major positive reason for the size of Japan's banks, is the extremely high savings rate in Japan, enforced by Ministry of Finance (MOF) tax and other regulations. According to the OECD, the "net savings" of Japanese citizens came to \$819 billion in 1993 (savings net of debt and loans, that is), which was 56% of that of the entire industrial world's, compared to U.S. "net savings" of \$75 billion, only 5% of the total.<sup>6</sup>

The question is: What is the quality of the banks' loans? For much of recent history, the MOF directed these gigantic savings to industry and new technologies, to create Japan's phenomenal industrial development.

The problems began in the 1980s. Note the enormous jump in total lending after the 1985 Plaza Accord, when the

5. This refers only to loans; total assets of Japan's private banks, including stocks and bonds, are over Y1,000 trillion (\$10 trillion) (not shown).

6. *OECD in Figures, 1995*, Organization for Economic Cooperation and Development, Paris.

TABLE 3

**Loans made by Japan's top 150 commercial banks, by economic use**

(loans outstanding at end of period)

	Domestic loans to:				Total domestic (trillions yen)	Foreign loans at overseas branches (trillions yen)
	Productive sectors		Non-productive sectors			
	(trillions yen)	(% of total)	(trillions yen)	(% of total)		
1965	20	63%	2	6%	32	—
1970	27	58%	4	9%	47	1
1975	45	51%	11	12%	89	3
1980	70	44%	31	19%	164	11
1985	90	38%	62	26%	237	28
1990	110	25%	163	37%	441	75
1991	120	26%	171	37%	461	74
1992	123	26%	175	37%	472	72
1993	129	27%	176	37%	477	65
1994	128	27%	178	37%	478	63
1995	125	26%	180	38%	476	61

Productive sectors: manufacturing, construction, utilities, transportation, and communication.

Non-productive sectors: finance and insurance, real estate, and services.

Not shown: loans to individuals, wholesale, and retail.

Source: Bank of Japan, "Economic Statistics Annual."

value of the yen rocketed up (Figure 14). In dollar terms, Japan's total loans almost quadrupled, from \$1.4 trillion to \$4.4 trillion in the five years after 1985.

The problem was, that during this period, Japan's banks shifted from primarily productive and industrial loans, to making "post-industrial" loans (Table 3).

Until 1965, over 63% of loans by the top 150 banks went to the productive sectors of the economy, which we define as manufacturing, agriculture, construction, utilities, transport, and communication. Only 6% of loans went to completely nonproductive sectors, such as finance, insurance, real estate, and services.

In 1975, the top 150 banks' loans to productive sectors were still more than half of the total. With the 1978 Brzezinski doctrine, loans to the productive sectors collapsed, and non-productive loans took off (Figure 15). By 1985, productive loans had fallen to 38% of the total, but they were still higher than nonproductive loans, which, however, rose to 26%.

After the 1985 Plaza Accord, the percentages actually reversed (Figure 16). By 1990, productive loans were down to 25%, and nonproductive loans were up to 37%, ratios which are maintained today.

Had Japan thus increased the size of its banking system, but ensured that this loan volume continued to be focussed on basic industry, science, and technology, the world would be a very different place today.

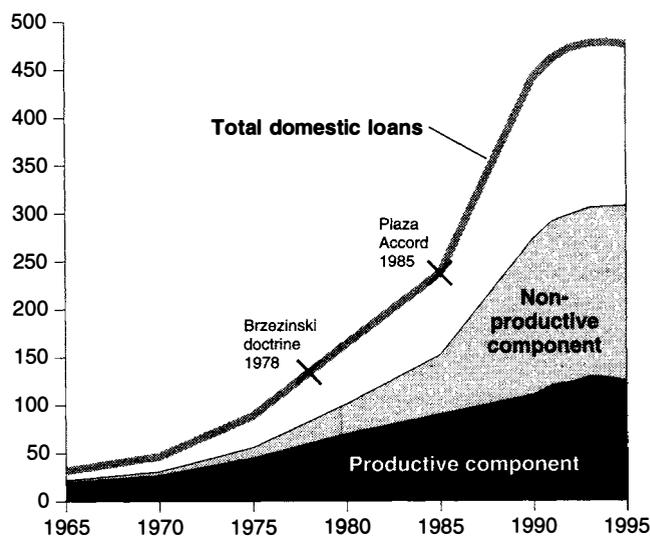
**Where's the lemon?**

When the bubble burst, however, this phenomenal growth of top 150 commercial bank loans stopped cold, and

FIGURE 15

**Japan bank loans go 'post-industrial'**

(domestic loans of 150 commercial banks, trillions of yen)



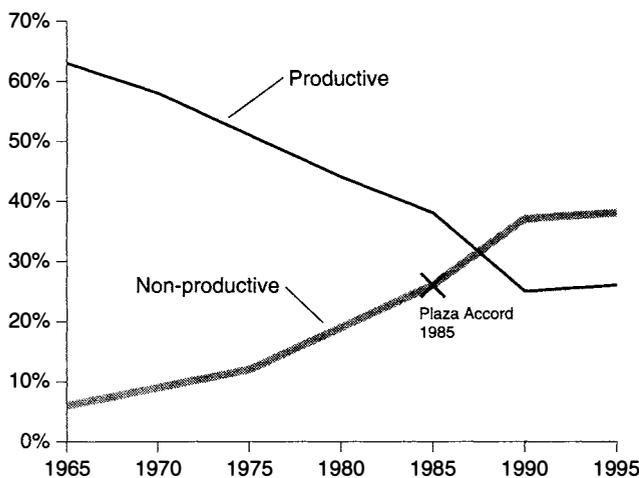
Comments and sources: See Table 3.

has begun to reverse—which is very dangerous. Beginning in 1992, as Figure 15 shows, total domestic loans by the top 150 banks ceased to grow. Nonproductive loans, however, continued a slow rise—so that productive loans actually began to fall. In the first quarter of 1995, top 150 bank total

FIGURE 16

**Another view of Japan's post-industrial loans: domestic loans to productive and non-productive sectors, as percent of total**

(loans of 150 commercial banks)



Comments and sources: See Table 3.

loans actually *fell*, for the first time in the postwar period, from Y478 trillion to Y476 trillion (see also Table 3). The same can be seen in the whole banking system in Table 2a, showing that grand total loans fell from Y704 trillion in 1994 to Y699 trillion in 1995.

This means new, productive loans, which could bring in cash to make up for sour loans—and help manufacturers on the edge to recover—are not being made.

To locate Y100 trillion in loans which have gone completely bad in this mess, is not difficult.

As Robert Aliber told the House Banking Committee, “bubble” loans made to Japan’s domestic real estate sectors were about 25% of the increase in grand total loans by all commercial and savings banks in Table 2, during the 1985-92 boom, or about Y90 trillion. Aliber also said that “a non-trivial part of the 75% of their additional loans will have their market value significantly affected by what is happening to the price of land,” i.e., were real estate related.

On top of this, Japanese banks jumped into the speculative Eurodollar market with both feet. Dollar-denominated loans made abroad to foreigners, by Japanese banks’ branches in London and New York, tripled, even in yen terms, i.e., without the exchange rate multiplier. Foreign loans by the top 150 commercial banks zoomed from Y28 trillion in 1985 to Y75 trillion in 1990 (Table 2a).

Who holds all the bad loans? As might be expected, the top 150 commercial banks hold some Y65 billion in bad loans, about 12% of their portfolios (Table 2b).

The situation of the non-commercials is worse, in propor-

tion. Shinkin savings banks and credit unions combined, have some Y15 trillion gone bad, which is 17% of their loans; bad loans at the agricultural banks (Nogyo) are almost 20% of loans, and the home loan companies, or Jusen, have 85% or more of loans which are worthless.

The Jusen are in the most explosive situation, since the bad loans at the Nogyo agricultural cooperatives are largely loans made in turn to the Jusen housing companies—which means the Jusen could set off a chain reaction. On Oct. 3, the Finance Ministry announced that seven of the eight Jusen will be liquidated.

The Jusen were set up by the commercial banks in the 1970s under Finance Ministry guidance, to build homes. Jusen do not take deposits, but rely heavily on loans from those commercial banks. Thus, the top 21 commercial banks will have to write off major losses—especially if the less liquid farm cooperatives are to be spared pain. Nihon Keizai news reported on Nov. 9 that a new company, apparently similar to the U.S. Resolution Trust Corp., will be set up, financed by the private banks, but also using taxpayers’ money, to take over the bad Jusen loans. Banks selling the bad loans would have to write down losses on them.

The bad loan totals continue to grow, despite the fact that Japanese banks have taken some rather large write-offs. During the fiscal years ending March 1993-95, Japan’s top 21 banks are projected to have written off, as pure losses, Y2-7 trillion (\$20-70 billion) a year in bad loans.

**A classic Venetian bubble**

How did Japan’s industrial planners let this happen? The profile is that of a classic “Venetian bubble.” Unless it is understood that this is an attack on the Japanese nation-state by London financiers, nothing makes sense.

Throughout history, Venetian financiers have used the trick of speculatively inflating a market, dislocating the local players—and then popping the same bubble, taking over the underlying assets, when the locals fall into panic. Using such methods, the bankers of Venice took over the City of London in the 17th century, and then Wall Street in the 19th century.<sup>7</sup>

Using Venetian methods, Merrill Lynch chairman Donald Regan *created* the U.S. savings and loan crisis—of which Japan’s real estate “bubble” is nearly a replica. As Regan’s friend Walter Wriston, chairman of Citibank, put it in 1982, Wall Street financiers wanted to take over the \$1.2 trillion in deposits then held in the savings and loans. In order to bankrupt their S&L competitors, Regan et al. deregulated them, and created a U.S. real estate loan bubble.

Once they were stuck, Wall Street and their friends at the Federal Reserve then *deflated* the U.S. real estate bubble, and the S&Ls all went bankrupt. The depositors fled, as

7. Lyndon H. LaRouche, Jr. “The Blunder in U.S. National Security Policy,” Committee to Reverse the Accelerating Global Economic and Strategic Crisis: A LaRouche Exploratory Committee, Oct. 11, 1995.

planned, to Wall Street.

London's hand is here seen openly. It was British Prime Minister Margaret Thatcher, the Bank of England, and the Basel-based Bank for International Settlements (BIS) that continuously demanded the global deregulation of the 1980s, which focussed on removing *usury laws* and *reserve requirements* worldwide.

In the United States, Thatcher et al. backed Regan and Wriston in demanding the removal of usury laws, such as Regulation Q. These forbade commercial banks to pay more than an average of 5% to depositors, while S&Ls could pay 0.5-1% more. This kept markets stable, and attracted funds for home building, since S&Ls had to put 80% of assets into 15- to 40-year home mortgages.

S&L mortgage loan rates were capped at 6-7%. S&Ls and banks also had to keep 5-10% of assets in cash on reserve with the central bank, as a safety cushion.

During the 1970s, however, the Bank of England and London banks created the Eurodollar market—deposits of dollars “offshore,” in London, outside all U.S. law. These had no restrictions on interest rates or reserve requirements, and were enormously speculative, but enormously profitable to the London banks. In 1978, after lobbying by Britain's Hongkong and Shanghai Banking Corp., which had just bought Marine Midland Bank, the United States allowed Eurodollar deposits, with no reserves, and no usury caps, into the United States, in “International Banking Facilities.”

After Fed Chairman Volcker raised U.S. interest rates to 19% and higher in late 1979, the demands from Wall Street for all interest rate usury laws and reserve laws to be removed—for the “Eurodollar-ization” of all U.S. deposits—crescendoed. When Merrill Lynch Chairman Donald Regan, a strong backer of the “Thatcher Revolution,” went to Washington in January 1981, he and the new Senate Banking Committee chairman, Jake Garn (R-Utah), removed all regulation from the books, with their 1982 Financial Institutions Restructuring Act (FIRA).

Most people remember the S&L “rip-off,” in which taxpayers spent \$300 billion to bail out bankrupt S&Ls during the second half of the 1980s; but they don't remember the cause. It was excruciatingly simple. On the deposit side, after FIRA, with London banks paying depositors 10-15%, Wall Street began to do the same, in order to compete. Suddenly, S&Ls were “free”: Any S&L that failed to pay 10-15%, saw its depositors take a walk.

S&Ls were also suddenly “free” to charge 15-20% for loans and credit cards, just like Merrill Lynch or Citibank. S&Ls didn't have to make mortgages any more; they were free, to loan to junk bond schemes or any kind of speculation. But by law, for 50 years, S&Ls had made 15- to 40-year mortgages at 7%; in 1982, they had a chunk of such mortgages “stuck” on their books, for 20 years or more. How could they pay 15% to depositors, while earning only 7% on old mortgages? Answer: make all new loans to the most specula-

tive projects, in a desperate attempt to earn high interest wherever possible. Result: bankruptcy.

With constant pressure from the Bank of England and the BIS, Regan and Volcker forced Japan to pledge to the identical process, if it wished to remain a U.S. ally, at the height of the Cold War.

Regan in 1983 demanded that Japan's Ministry of Finance create the Yen/Dollar Working Group, with the U.S. Treasury, later renamed the U.S.-Japan Working Group on Financial Markets. From 1984 to 1988, Regan used this forum to pressure the MOF to publish a detailed plan for the deregulation of Japanese financial markets.<sup>8</sup>

Before 1984, Japan had the same sort of regulated interest rates and loan rates, as had the United States, before Regan. But from 1975-84, the size of the Euro-yen market—offshore yen deposits held in London and Hongkong—grew tremendously. Just as Eurodollars were outside U.S. law, so Euro-yen were outside Japanese law. Following Regan's demands, as published in the May 1984 report of the U.S.-Japan Working Group on Financial Markets, Japan lifted controls in June 1984, to allow Euro-yen deposits to be set up inside Japan, including by foreign banks, just as had been done under the demand of Britain's Hongkong and Shanghai Banking Corp. in the United States in 1978. These paid “global” high interest rates of 10% or more. Lawless Euro-yen deposits *inside Japan alone* zoomed to Y12 trillion by August 1988, some \$96 billion at 1988 rates.

Driven by high Euro-yen interest rates and Regan's pressure, from 1984-88, Japan slowly began to remove all interest rate controls, following the American road to hell. Grudgingly, the Ministry of Finance removed usury caps first on certain long-term deposits. By 1988, over Y100 trillion (\$800 billion) in domestic Japanese bank deposits were “free” to pay global double-digit rates, according to the 1989 *Japan Economic Almanac*. By October 1994, all remaining usury laws were abolished.

Regan's operation to create Japan's real estate bubble—knowing it would go bust—is a classic example of *Venetian methods*. Japan's banks are now in a similar monkey trap to that which destroyed the U.S. S&Ls. Of course, the trap only works if the victim behaves like a monkey, whose hand is stuck, by grasping the nut in the jar, attached to the trap. If he refuses to let go, he is caught. London and Wall Street now demand that Japan hold fast to the trap, play by the “free-market” rules, and deregulate further.

The London-Wall Street gang are also after the massive *assets* of the Japanese economy. To Japan's private banking system discussed thus far, we need to add Japan's government banking system, to which the United States has nothing to compare (not included in our charts). The Japanese Postal Savings system (“Kampo”) has assets of over Y300 trillion

8. “National Treatment Study” on foreign banking, U.S. Treasury, November 1990, pp. 207-240.

(\$3 trillion) and there are half a dozen other government funds of this magnitude, MOF statistics show. The total of such Japanese government fund assets is estimated at over Y1,900 trillion (\$19 trillion), according to Standard and Chartered Bank.

London's major demand at this point is that Japan use these taxpayers' assets to buy up the \$1 trillion in bad private bank loans, then deregulate the entire system—just as was done with the American S&Ls.

This, they hope, would allow the Anglo-American banks to expand operations in Japan, and grab Tokyo assets, as the S&Ls were targeted. Alicia Ogawa, research director of Salomon Brothers Tokyo, who has spoken so prominently of Japan's bad bank loans, insisted in her Oct. 16 House Banking testimony that the only solution now, is massive *further* deregulation.

So far, Tokyo is resisting total insanity. The "old men" behind the scenes at the Ministry of Finance and the top banks, in practice, continue a good amount of regulation, even without any regulatory laws on the books. Despite the lifting of the usury laws, Japan's banks have not begun a competition to raise interest rates at home. The Japan Fair Trade Commission recently even investigated banks for "interest rate fixing" and illegal cartel practices, but no charges were brought.

### **Japan, the U.S., and the global picture**

Standing pat, however, is a losing proposition. Instead, Japan must reach an agreement with President Clinton, as Lyndon LaRouche has proposed, to declare the world monetary system bankrupt, and to create a new one.

While the media howl about Japan, the United States is even more bankrupt. Japan certainly has a far better asset-to-debt ratio than the United States. As Figure 14 shows, the U.S. national debt, for example, now outstrips all U.S. bank and S&L lending. Japan's banking loans and assets, however, dwarf its national debt.

Japan's \$1 trillion bad bank loans must also be compared with the rotten paper in the United States and Britain.

Despite the collapse of Barings Bank from derivatives, the Anglo-American media are oddly mute about the \$23 *trillion* in rotten derivatives investments held by U.S. banks, and an estimated \$10 trillion in derivatives held by British and Swiss Eurodollar market banks in London. Neither the IMF, Moody's, nor Standard and Poors has issued black marks against the U.S. or London banking systems. Compared with these, Japanese banks' derivatives holdings, estimated at \$5-6 trillion, are not quite so impressive.<sup>9</sup>

Actual bad loans at U.S. and British banks, *EIR* estimates, are \$500 billion to \$1 trillion, and of \$1.5 trillion in British bank loans, some \$200 billion are bad.

9. Estimates by *EIR* Economics Staff, corroborated by Mitsubishi Bank in Tokyo and International Swap Dealers Association (ISDA) in New York.

It is because of the impact of Japan's banks *on the United States*, that the Federal Reserve will provide emergency cash to Japanese banks here, as House Banking Committee Chairman Leach said on Oct. 16. The U.S. government "is prepared to cooperate fully with Japanese authorities to facilitate, in any emergency, liquidity for Japanese banks operating in the United States," Leach told the House.

This "leak" was made because the Fed fears a crash of *U.S. debt and banking markets themselves*, a New York banker told *EIR* on Oct. 19. The Fed "is very fearful of a major fall of the U.S. Treasury debt market," he said.

This is "an agreement to bail out the Treasury—not to bail out Japan," the banker said. "The greater problem is that the debate on the U.S. budget is deadlocked, the deficit is out of control, the debt ceiling is under cross-fire, and the U.S. has a \$4 trillion national debt. Don't forget: It's Japan who is the creditor, and we who are the debtor. A quarter of U.S. debt, perhaps \$1 trillion, is held by foreigners, and of that, Japan has \$600 billion or more."

If a serious run hits Japanese banks, they must sell Treasury bills, he warned—collapsing the U.S. financial system.

Checking even official numbers shows the New York banker is not far off. Japanese banks and government agencies have bought \$60-65 billion in U.S. Treasury debt during 1995 so far alone, Treasury figures show, and are expected to purchase over \$80 billion during 1995 as a whole. The growth in annual purchases recently has been logarithmic (see Figure 7). Despite the collapse of the Japanese "bubble" in 1991, the continuing crash of the dollar has led Japanese private and government agencies to try to bolster the dollar by purchasing U.S. Treasury assets, to the tune of \$20 billion in 1992, \$50 billion in 1993, \$60 billion in 1994, and \$80 billion this year.

"Fundamentally," as LaRouche put it Nov. 8, "the entire international monetary and financial system is in the process of disintegration. The only thing that could stop this would be for the U.S. to put the Federal Reserve System into financial receivership, that is, into bankruptcy reorganization. . . .

"In point of fact, the entire world monetary system and its financial appendages today, collectively, are bankrupt. That is, the ratios between total financial aggregates outstanding to monetary throughput, and monetary throughput to the physical income-producing base, are way out of line. . . .

"The problem is, that the U.S. government would be unwilling to act right now, for political reasons. The general view would be in Washington, that they have to *wait* until things get so obviously bad, that the general public are screaming for action. Until something like that happens, you get a tendency of tap-dancing around the issue of bankruptcy.

"Now recently, the United States has cooperated with Japan, in arranging for Japan to tap-dance around the problem. . . . And Japan, of course, is not in shape to undertake this on its own. What you're seeing, is the attempt to *manage* the crisis, rather than solve it. . . . Ultimately, it is unmanageable."

# Business Briefs

## Infrastructure

### Build toward the East, says German specialist

The German government should not talk about eastward expansion of the European Union, but build transportation infrastructure toward the East instead, European Investment Bank Vice President Wolfgang Roth said on Nov. 10, at a conference of the Hamburg-based Eastern and Central Europe Association. The conference was organized around the theme "Logistics in East-West Cooperation."

Roth stated that the discussion on the trans-European infrastructure net is flawed, because the east-west transport routes are only playing a secondary role. He especially attacked the government of Chancellor Helmut Kohl. The ruling Christian Democratic Union is just talking about the integration of the young democracies and market economies of central and eastern Europe, he charged, and it has failed to meet the historical challenge of 1989, i.e., to integrate Russia and other former Soviet republics into the European economy. This is a "miserable, contradictory attitude."

## Agriculture

### Japan says Asians to buck free trade

Japan, China, and other Asian nations want particular areas such as agriculture exempted from free trade deregulation demands at the Nov. 16-19 Osaka summit on Asia-Pacific Economic Cooperation (APEC), Hiromoto Seki, Japan's ambassador in charge of the summit, told the press on Nov. 8.

"Some sensitive sectors deserve different treatment within the spirit of the Bogor Declaration," he said. "We are already committed to liberalizing agricultural sectors. But the way the agricultural sector is going to be liberalized should be different from that of other sectors." APEC leaders agreed last year in Bogor, Indonesia that the "developed" economies would remove trade and investment regulations by 2010 and "developing" nations by 2020.

Japan, China, Taiwan, and South Korea

are resisting the demands of food-exporting nations such as the United States and Australia, whose policy to stop Asian food self-sufficiency is set by the grain cartels. "If you exclude sectors either directly or by fuzzy words, you create a dynamic that will ultimately erode APEC," a U.S. government official said, rebuking Seki. "Why water down a principle at the beginning?"

## Corporate

### Business management assumptions assailed

In early November, a number of articles appeared in the U.S. financial and business press attacking the "accepted wisdom" of U.S. business management practices, such as layoffs, free trade, and mergers and acquisitions.

An Oct. 30 *Business Week* special report, "The Case Against Mergers," reported that "an exhaustive analysis by *Business Week* and Mercer Management Consulting Inc. . . . of hundreds of deals completed in the first half of this decade indicates that their performance has fallen far short of their promise. . . . Of 150 recent deals valued at \$500 million or more, about half destroyed shareholder wealth. . . . Another third contributed only marginally to it."

On Nov. 6, Dwight Gertz, vice president of Mercer Management, assailed the idea that "cost cutting sets the stage for growth," in a *Wall Street Journal* op-ed. "Only 7% of profitable growers between 1988 and 1993, among the nation's largest 1,000 companies, were cost-cutters in the previous five-year period; the rest were profitable growers."

The American Management Association recently issued a study showing that many corporations which have "downsized" have never fully recovered from the experience. The Nov. 5 *Washington Post* listed a number of studies that reach similar conclusions: The University of Colorado at Denver found that, of 91 companies studied over a seven-year period, the 25 that downsized were the least profitable. Management consultant Alan Downs, who formerly specialized in advising companies on how to conduct mass layoffs, has written a book, *Corporate Executions*, in which he re-

veals that many of the companies he advised have lost their competitive edge, as employee morale declined.

An Oct. 22 *New York Times* review of *Opening America's Market: U.S. Foreign Trade Policy since 1776*, by Alfred E. Eckes, Jr., former chairman of the U.S. International Trade Commission, noted "the trouble caused for doctrinaire free-trade theory by the fact that the economy grew more rapidly during the high-tariff era than during the post-World War II period of tariff reduction."

## South Africa

### Economics can't be left to market, says minister

Trade and Industry Minister Trevor Manuel told the annual congress of the Afrikaans Trade Institute in Pretoria, that the government had a responsibility to create opportunities for all South Africans, and that "sustained economic growth" could not be left to the uncertainties of market forces alone, the Foreign Broadcast Information Service reported on Oct. 25.

"The government of national unity has a responsibility to eradicate poverty, to rebuild social structures, and to create opportunities for the entire population," he said. "We want to intervene because sustained economic growth and development are being upheld by policy. It cannot be left to the uncertainties of market forces alone."

Manuel said that a laissez-faire approach may be fine for those who were economically active and already part of the labor force. "But thousands of eager and creative potential entrepreneurs have never experienced the joy of real economic participation." He listed three priorities to revive economic growth: that South Africa should be a manufacturing economy, productivity had to increase, and the country had to become internationally competitive.

Manuel challenged management in the private sector: "Everybody accepted that apartheid education had not prepared people to be taken up in the economy. At the same time, the private sector has done little to rectify this."

## Medicine

### Weakened HIV strain gives hope for AIDS vaccine

A team of Australian scientists has sequenced a strain of the human immunodeficiency virus (HIV, which causes AIDS) that was passed from a blood donor to others via transfusions, yet none of the recipients have shown any AIDS symptoms after 10 to 14 years, the Nov. 10 *New York Times* reported. The weak HIV strain lacks sections of the AIDS negative factor (NEF) gene, as well as other gene segments, which apparently significantly slow its rate of reproduction. The discovery is being published in the current issue of *Science* magazine.

Scientists hope that on the basis of this development, an attenuated AIDS vaccine might be possible, as well as the development of more successful drugs, targeting the products of the NEF gene. Current anti-AIDS drugs, such as AZT, target products of two other HIV genes.

The discovery was the result of persistent calls to researchers from a social worker at the Sydney RedCross Blood Transfusion Service, who insisted that a cluster of patients who received HIV-positive blood but never got AIDS, had to be investigated. Initially, scientists thought the worker was crazy.

## Dope, Inc.

### Fiji said overrun by 'economic criminals'

Isekeli Mataitoga, solicitor general and minister of justice for the South Pacific island state of Fiji, told the Australian Legal Convention, held in Brisbane, that lawyers, business consultants, accountants, and political leaders are among the "economic criminals" using the loose tax laws and financial regulations of Fiji to their advantage, the October *Offshore Financial Review* reported. "Money-laundering activity has become so great that it was beyond the laws and the law enforcement capabilities of the small countries in the region," the *Review* summarized Mataitoga as saying.

Sir Geoffrey Henry, prime minister of the Cooks Islands, said that the mere mention, by a commission of senior government officials headed by Mataitoga, of their desire to conduct an investigation of the financial dealings in the Cooks Islands, provoked 150 offshore banking clients to fold shop and disappear "overnight." The Cooks Islands government recently signed a \$1 billion letter of guarantee for a company registered in the Bahamas, in what is now believed to be a scam.

Partners from KPMG Peat Marwick, a British accounting firm, have refused to give evidence to Mataitoga's commission concerning another recent scam involving the European Pacific group, on the grounds that to do so would violate the nation's bank secrecy laws. Prime Minister Henry noted that his government has been advised that it would similarly violate its own secrecy laws, were it to provide evidence.

Mataitoga believes that more hot money will be flowing through the South Pacific, as some of the Caribbean offshore centers crack down on illegal financial activities.

## Australia

### Mining firms get insurance against Aboriginal claims

Most Western Australian mining firms have begun to undertake "native title risk management," i.e., to take out insurance policies against Aboriginal land claims and adverse anthropologists' reports, the Nov. 6 *Australian Financial Review* reported. Western Australia dominates the country's mining industry, with 43% of mining industry and energy production, accounting for more than \$8 billion in exports a year, 75% of the state's exports.

A survey recently released by the Western Australian Chamber of Mines and Energy, said Aboriginal land claims had already resulted in a "near logjam of mining tenement approvals." The approval process is now taking anywhere from three months to several years to process a mining exploration license, with nearly 3,000 tenement applications already in July this year. Roughly 30% of the state is already under claim, and 90% of it is open to claim.

● **GEORGE SOROS'S** American Aviation Investment Co. is investing \$25 million in Hainan Airlines in the Special Economic Zone of Hainan Island, China, Xinhua reported on Oct. 6. This is the first indication that Soros is being allowed back into China since the 1989 Tiananmen crackdown.

● **THE UNITED KINGDOM'S** Securities and Futures Authority will not regulate stockbrokers who conduct non-U.K. business from the three offshore financial centers of Britain. Marcus Killick, head of the Isle of Man's Financial Supervision Commission, has hired KPMG Peat Marwick, an accounting firm, to conduct "compliance visits" of stockbrokers operating from the island.

● **BEEF STOCKS** in the European Union are down to zero, *Agra-Europe* reported in its Oct. 23 issue. The European Commission said that from now on, to supply the population will be completely left to the "market"—regional shortages and price instabilities included.

● **RUSSIA'S** acting central bank head Tatiana Paramonova has been replaced by the bank's first deputy chairman, Aleksandr Khandruyev, until a permanent replacement is found. Parliament failed to confirm Paramonova, whose policies included high interest rates and tight controls on cash and credit emission.

● **DOZENS OF NURSES** are dying every month in Tanzanian hospitals as a result of infectious diseases and lack of sanitation. In order to meet debt payments and International Monetary Fund conditionalities, Tanzania reduced its spending on health care from 35% of the budget in 1984, to less than 5% today.

● **AUSTRALIA'S** largest bank, National Australia Bank, has acquired Michigan National Bank for \$1.56 billion, the Nov. 6 *Australian Financial Review* reported. It has placed seven Australians into strategic management positions.

## Deadly diseases could wipe out the human species

by Rogelio A. Maduro

As we come to the close of the twentieth century, the world is facing one of the most dangerous emergences of infectious diseases in the history of mankind. Over the past several years, diseases have reappeared that people thought had been conquered. Cholera, tuberculosis, dengue, the bubonic plague, yellow fever, diphtheria, and other diseases, have made a rapid and devastating comeback. There have been outbreaks of deadly new diseases, including the Ebola virus, the human immunodeficiency virus (HIV, which causes AIDS), Lassa fever, pulmonary syndrome virus, and a host of others, some of which have yet to be identified.

Doctors and medical institutions are sounding the alarm all over the world. Just in October, a major medical conference was held in Washington, D.C. to address this problem; the World Health Organization created a new division to monitor and combat the spread of these diseases; and the U.S. Senate held a full day of hearings to begin looking into the problem. As many of the participants noted in their presentations, this alarm is warranted: The world is facing the emergence of diseases that threaten to kill not only hundreds of millions of human beings, but to kill off the human species itself.

These outbreaks fully confirm the forecasts published in *EIR* over the past 20 years. *EIR* founder and political economist Lyndon LaRouche warned about the potential rise of such species-threatening pandemics as far back as March 1973, in a memorandum on the subject. At the time, LaRouche warned that the policies of “zero population growth” and conditionalities policies being imposed by the International Monetary Fund (IMF) and the World Bank, would unleash pandemic diseases throughout the world. A year later, LaRouche directed the work of a task force that produced a study forecasting the consequences to the world’s population and the biosphere as a result of these IMF-World Bank policies. This “Ecological Holocaust” study was one of the principal projects that led to the founding of the Fusion Energy Foundation in New York on Nov. 23, 1974.



*This clinic in Bangladesh provided inoculation against disease during the 1970s. Today, the International Monetary Fund has forced Third World nations to cut public health programs, water treatment, and mosquito control projects; the result is an enormous increase in epidemic disease, and public health officials are sounding the alarm.*

The issue was revisited by *EIR* in a series of special reports warning of the consequences of the AIDS pandemic. In an April 30, 1985 *Special Report*, "IMF's Ecological Holocaust: More Deaths than Nuclear War," *EIR* reviewed much of the material that had been published in the previous decade. A series of exhaustive special reports on this topic followed.

The Atlanta, Georgia Centers for Disease Control and Prevention (CDC) has mapped out the global emergence and reemergence of hemorrhagic fevers (including Ebola and dengue), cholera, yellow fever, hantavirus, anthrax, HIV, diphtheria, plague, Rift Valley fever, and Lassa fever (see **Map 1**). These diseases have emerged precisely where LaRouche warned there would be outbreaks of diseases.

### **The underlying cause: economic collapse**

There are many localized reasons for the emergence and reemergence of deadly infectious diseases. The underlying reason, however, is the collapse of the world economy. In order to pay the foreign debt, Third World nations have been forced to impose savage cuts in public health measures and infrastructural development projects. Water treatment projects, mosquito control programs, electricity generation, and hospitals and clinics have all been systematically underfunded or shut down in order to pay the international bankers. The standards of living of the populations of Third World nations have collapsed; famine and malnutrition are rampant, compromising the immune systems of the populations of entire nations.

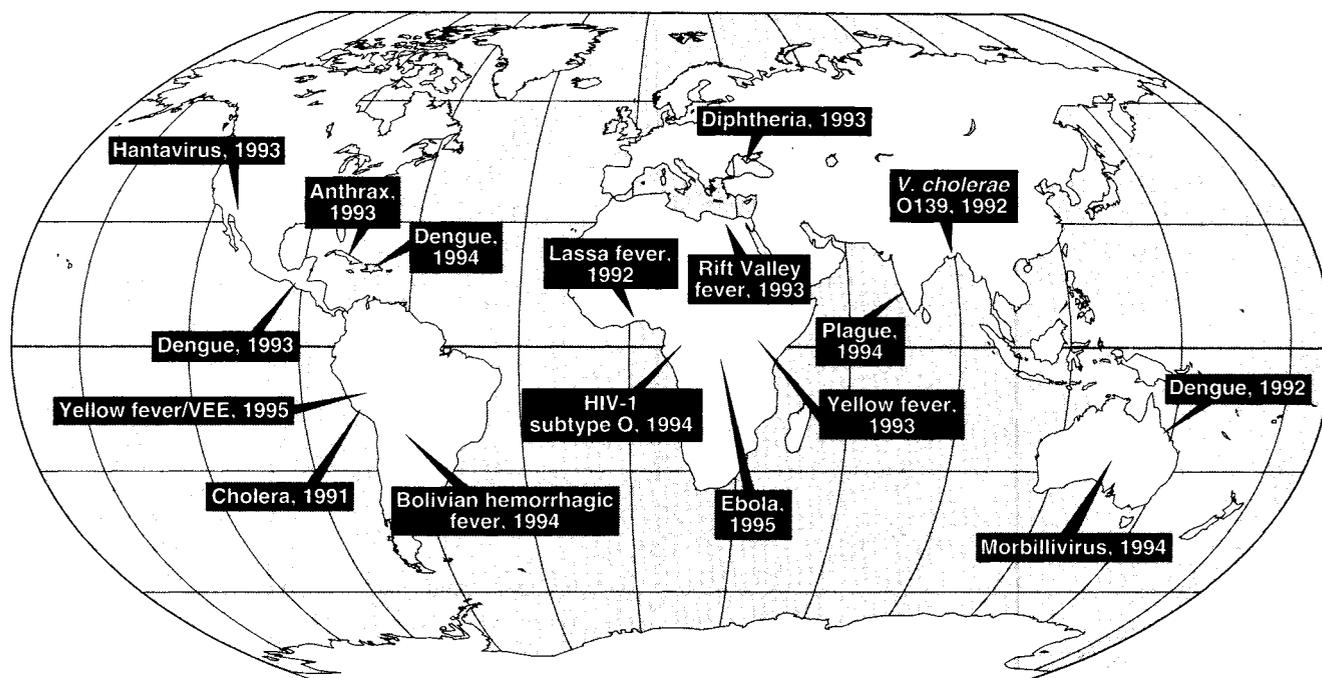
Even in advanced sector nations, such as the United States, existing public health and medical infrastructure is woefully inadequate to deal with the emergence of these global pandemics. This situation will be significantly worsened by the recent budget cuts passed by Congress. A combination of Medicare budget cuts, as well as the implementation of California's Proposition 187, will deprive particularly the poor and recent immigrants of necessary health care. Thus, these populations will become particularly vulnerable to the rapid spread of infectious diseases.

This Congress, led by the exponents of the Conservative Revolution, is contributing to the potential for the explosive spread of these emerging diseases worldwide. Despite all the medical evidence that has been presented, Congress has cut most of the budget allocated to international health programs designed to combat this worldwide health emergency. In the Foreign Operations appropriations bill, funding levels were cut across the board by 35% from last year's levels, from \$740 million to \$484 million. The bulk of the cuts, 95%, are in the General Health category; these programs will drop from \$235 million, to a measly \$9 million. This funding would have been appropriated to fight tuberculosis, malaria, vector-borne diseases, water quality problems, as well as new and reemerging diseases.

### **WHO creates a new division**

After years of foot-dragging in the face of the emergence of the first wave of pandemics, led by the AIDS epidemic,

## New and re-emerging diseases in the 1990s



Source: Centers for Disease Control and Prevention.

the World Health Organization (WHO) is now moving rapidly with its meager resources and capabilities to set up a worldwide surveillance network to fight the emergence of new and old diseases. On Oct. 1, WHO created a new division, the Division of Emerging Diseases. The headline of the press release announcing the creation of this new division read, "New and Reemerging Diseases Sweeping the Globe: Many Nations Lack Ability to Control Outbreaks." It warned that "a series of new and reemerging diseases—such as HIV, Ebola virus, tuberculosis, bubonic plague, and yellow fever—[are] now threatening the health of the world."

Dr. Hiroshi Nakajima, WHO director general, is quoted in the press release warning, "The recent outbreaks have shown that the potential of epidemics is now vastly increased, by the speed by which they are able to spread [and] by the unprecedented size, concentration, and mobility of populations."

A WHO delegation traveled to the United States on Oct. 16-18 to provide details of the dangers that the world is facing. The delegation was led by Dr. David Heymann, and members of the delegation gave press interviews and testified before Congress on Oct. 18. Dr. Heymann told the press that "the more worrisome aspect of these new diseases is their rate of increase; at least 29 new diseases have emerged during the past 20 years." He added that "despite many warnings," the world "is not fully equipped to contain" these outbreaks.

Dr. Heymann warned: "In general, industrialized countries have been letting down on their guard in public health, even as new threats emerge, like the hantavirus and Lyme disease and HIV. . . . These, coupled with the growing problem of known diseases like tuberculosis and gonorrhea becoming resistant to antibiotics, put every nation at risk."

Heymann, who led the WHO response to the Ebola outbreak in Zaire earlier this year, warned that it could have been much worse. "If, instead of Kikwit," he said, "this had gotten started in Kinshasa, it could have caused havoc in the health system there and easily hopped airlines around Africa and even to the U.S., and might not have been easily contained even in American hospitals."

According to WHO, the six main reemerging diseases are:

- Tuberculosis: a 27.8% increase in case notification in the 1990-93 period versus 1984-86;
- Diphtheria: some 54,516 cases reported in 1994, a 141% increase from 1990;
- Cholera: some 384,403 cases reported in 1994, a 454% increase from 1990;
- Dengue fever: now reported in many Ibero-American and Caribbean countries for the first time in 50 years;
- Yellow fever: now reported for the first time in decades in Ibero-America;
- Bubonic plague: more than 2,000 cases reported in

1993 and 1994, the highest totals since data began to be collected globally in 1954.

In addition, WHO considers that there are several very serious newly emerging diseases, including Ebola, pulmonary syndrome virus, hepatitis C, Lyme disease, and HIV.

One of the most serious problems posed by these new and reemerging diseases is the fact that most of them are increasingly resistant to antibiotics. Dr. Heymann noted that "antibiotic resistance has emerged as a global public health problem, making effective treatment of even some of the simplest infections difficult." Some of the diseases that have a growing resistance to antibiotics include gonorrhea, enterococcal and staphylococcal infections, dysentery, tuberculosis, and malaria.

Heymann also emphasized that "unrecognized microorganisms certainly exist in nature that could cause disease just as deadly as the Ebola virus and perhaps even more so." This is a theme that has been raised repeatedly. Many doctors fear that a disease may arise that kills like Ebola, but moves like influenza. Such a disease would threaten the existence of the human species itself.

Are we prepared for this onslaught? Heymann warned that there are shortages of trained epidemiologists and a lack of laboratories with the skill and equipment to fight these diseases. WHO is trying to set up six regional disease-tracking centers around the world, as well as to foster the development of national centers. They would like to develop rapid reaction teams that can tackle epidemics within 24 hours of receiving notice of an outbreak.

## Conference at the National Institute of Medicine

On Oct. 16, barely two weeks after WHO created its new Division of Emerging Diseases, many of the top medical experts in the United States met to put together a comprehensive picture on "Emerging and Reemerging Infections." Several hundred medical experts met in Washington, D.C. at the National Academy of Sciences for the annual meeting of the Institute of Medicine, marking its 25th anniversary. The organizers chose 20 pressing medical issues, and leading experts were asked to address one each. The presentations gave an overview of a specific problem, from emerging viral infections, to the spread of AIDS, to the rise of antibiotic-resistant tuberculosis. One of the most important points made, was that existing vaccines and antibiotic treatments are failing to deal with diseases, and that a surveillance network and laboratories to study the emergence and spread of these diseases and ways to combat them are lacking. Many of the presentations brought up the fact that pharmaceutical companies are no longer interested in developing vaccines and new drugs to fight tuberculosis and other infectious diseases, and that it will be very difficult to come up with new antibiotics to fight the emerging diseases.

Dr. Barry Bloom, from the Department of Microbiology and Immunology at Albert Einstein College of Medicine, in New York, summarized the woeful conditions of the medical establishment to deal with these pandemics. He noted that the CDC was the world's premier institution both in terms of surveillance and in investigation of these diseases, yet its pathogen laboratory is falling apart and is unsafe for human researchers. He quipped, "Dustin Hoffman made more money for the movie 'Outbreak' than [is in] the entire CDC budget for emerging diseases."

## An 'Andromeda' strain

Dr. Karl M. Johnson, former chief of the Special Pathogens Branch of CDC, detailed the collapse of academic research laboratories for the study of zoonotic diseases (animal diseases transmitted to man). He pointed out that the only academic research laboratory that the United States had, was in the Panama Canal Zone, and it was closed in 1982 for political reasons. Since then, he said, "two entire generations of zoonotic investigators have been lost." He said that, at present, there are no defenses against zoonotic viruses, and that one of them could turn into an Andromeda strain.

Johnson stated, "Six years ago, at the original symposium on 'emerging viruses,' I offered the opinion that we had essentially probed all of the eco-niches of the world, that new agents highly pathogenic for man had almost all been discovered. How naive! Since that misguided statement, two new filoviruses, two new arenaviruses, at least three new pathogenic hantaviruses, and an equine morbillivirus that kills horse trainers have been added to the list—more than one new agent per year. I doubt that the end is in sight. Who can guarantee that the next one will not prove to be Andromeda, a virus that moves like influenza or measles and kills like Ebola?"

"Should we worry? Yes! We *should* worry about the emerging syndrome of dengue hemorrhagic fever in this hemisphere; we should worry about an emergent influenza virus which could pose the greatest acute threat to our species over the next two decades. Such a virus, if unchecked and able to cause 1% mortality in this country, means nearly 3 million deaths in a matter of months."

Johnson also warned that it is possible such a virus can be created intentionally or by mistake. He referred to the Aum sect in Japan, which, he said, "had plans to make and release Ebola virus" into the Japanese subways. Johnson called for increased support for the Level 4 laboratories at CDC and Fort Detrick, Maryland (which he called "endangered species"), and for the creation of at least one academic research center for the training of future researchers.

Dr. Donald Henderson of the Johns Hopkins School of Hygiene and Public Health warned that disease "surveillance systems are between fragile to nonexistent throughout the

world.” Henderson said that after three decades of neglect, the surveillance network must be urgently developed or “there will be hell to pay.” He said that “we should focus on the Third World,” which “is home to 75% of the world’s population.” This network of centers in developing countries, he said, could develop the medical cadre to move quickly to deal with these outbreaks of disease. He said the situation is so serious that this surveillance system should have the “same priority as the Defense Department.”

Henderson stated, “While mobilization of existing resources will heighten surveillance sensitivity, I believe we would be deluding ourselves to believe that the world will be adequately served by this alone. A more definitive and dedicated core structure will be required to provide an effective framework as well as the needed leadership and direction: 1) a network of clinically based centers in developing countries which can detect unusual diseases or syndromes and are equipped to undertake basic laboratory and epidemiological studies as well as training; 2) a cadre of epidemiologists and research staff with specialty expertise who can be called upon by governments for emergency assistance; and 3) a secretariat of sufficient size and skill to analyze and orchestrate the diverse and changing global array of initiatives which are required to meet the challenges.”

In an interview on Oct. 27, Henderson told *EIR* that one of his greatest concerns is the emergence of deadly food-borne pathogens. “I think one of the things that I worry very much about is *E. coli* 0157,” he said, which can contaminate raw hamburger meat, for example. “That is a nasty organism. We’re not really on top of it. We have a real problem of foodstuffs, which is a growing problem. Specifically, that we are now transporting larger and larger bodies of food over greater distances, and the prospects of having a contamination occur at a major food-processing center, and then that food stuff distributed very widely, we are augmenting the probability of that happening. I worry about *E. coli* 0157 being a very serious organism.”

The point made by Henderson is especially relevant in view of the ongoing rapid collapse of the so-called food “cold chain.” As a result of the fraudulent ozone depletion scare, the use of chlorofluorocarbons (CFCs) has been banned worldwide. CFCs are the essential refrigerant used in most refrigerated transports and refrigeration systems. Their ban has already had a severe effect on the cold chain in Africa, and is leading to a collapse of the cold chain even in the United States, where hundreds of thousands of food stores, refrigerated transports, and restaurants are being forced to scrap their refrigeration equipment and replace it with much more expensive and more unreliable systems. The book *The Hole in the Ozone Scare: The Scientific Evidence that the Sky Is Not Falling* (by Rogelio A. Maduro and Ralf Schauerhammer, Washington, D.C.: 21st Century Science Associates, 1992), documents the fact that the ozone

## LaRouche forecast the rise of pandemics

*Alone among policymakers, Lyndon LaRouche predicted the current scourge of pandemics, back in the early 1970s. Prompted by the collapse of the economies of the Sahel countries, to the point of annihilation of their populations, LaRouche organized a biological task force to examine the long-term consequences on health of the conditionalities policies of the International Monetary Fund. In a May 7, 1985 article in EIR, “The Role of Economic Science in Projecting Pandemics,” LaRouche outlined the methodology which had led him to uniquely hypothesize the unleashing of new pandemics by the end of the 1970s:*

Any society whose economy approximates an ideal model of economic growth, is negentropic in the same sense as a living organism. The ideal model, is a society undergoing an approximately constant rate of technological progress under conditions of relative increase of energy-intensity and capital-intensity.

Sustainable economic (and population) growth, is measured as an (ideally) constant rate of increase of the potential relative population-density of that society. This is the measure of the average potential for growth of the society as a whole, and is also the absolute measure of

depletion theory is a scientific fraud and that its authors, including F. Sherwood Rowland, who just won the Nobel Prize for Chemistry, knew full well that millions would die of food poisoning from the ban on CFCs. At the time the book was written, international refrigeration experts expected that 20 to 40 million people would die every year by the turn of the century as a result of the ban on CFCs. Given the rise of *E. coli* 0157, this death rate may be significantly higher than previously estimated.

### ‘We must re-arm the nation’

On Oct. 18, the Senate Labor and Human Resources Committee held hearings, titled “A Threat to the Health of the Nation,” on the problem of emerging infections. Committee Chairman Nancy Kassebaum (R-Kan.) opened the hearings by reminding the public of the deadly nature of infectious diseases. She cited the Middle Ages, when “the Black Death killed nearly one-quarter of the population of western Europe,” and the “more recent example of such devastation

per-capita productivity of labor in that society. . . .

Only technological progress can sustain negentropy, can permit the durable survival of an economy, a society. . . . Entropy signifies a fall in the potential relative population-density. The "ideal" case, at which economies are to be examined for economically determined eruption of pandemics, is the case for which the potential relative population-density falls below the level of the existing population.

The conditions for economically determined pandemics, may be either the instance in which the average consumption is determined by a fall of potential relative population-density, below the level of requirements for the existing population, and the special case, that the differential rates of distribution of the households' goods "market-basket" falls below the level of "energy of the system" for a large part of the population. We are most concerned with the effects on health, as the nutritional throughput per-capita falls below some relative biological minimum, and also the effect of collapse of sanitation and other relevant aspects of basic economic infrastructure upon the conditions of an undernourished population.

The first assumption, that the death-rates would be increased by malnutrition, requires no special inquiry in the language of economic science as such. It is the second, alternative, that the undernourished population might become a breeding-culture for eruption of epidemic and pandemic disease, which requires special attention. . . .

Society is an integral part of the biosphere, both the biosphere as a whole, and regionally. . . . Rather than

viewing a deep fall of the potential relative population-density, as merely a fall in the relative value for society as such; let us examine this as a fall in the relative level of the biosphere including that society. . . .

A collapse of society obviously requires the affected portion of the biosphere to function at a reduced level of relative negentropy. This must tend to be adjusted, by increasing the role of relatively lower forms of life. . . . Lower forms of life "consume" human and other higher-level forms of life as "fuel" for their own proliferation.

In that variant, human and animal pandemics, and sylvatics, must tend to resurge, and evolve, under certain kinds of "shock" to the biosphere caused by extreme concentration of fall of population-potential. Instead of simply dying of malnutrition, the population generates a pandemic which becomes the biosphere's adaptation to its own reduced state, and this pandemic then attacks the concentration of fall of potential which caused the lowering of the potential for the biosphere generally. . . .

The levels at which falls in the essential components of the "market-basket" of nutrition correspond to preconditions for eruptions of pandemics in widespread concentrations of population, are broadly supplied by medical specialists. It was merely necessary to estimate the rate of fall of population potential toward such threshold-levels, and to take into account the duration of such conditions historically indicated as consistent with brewing of a new upsurge of pandemics, to foresee when, how, and where a continuation of 1974 trends in monetary and economic policy would probably generate such eruptions.

[which] occurred early in this century when the influenza pandemic swept the world, killing more than 20 million people in less than a year's time." Kassebaum warned that "the world now finds itself threatened by both new and old infectious diseases." She called for a mobilization to fight the rise of these diseases and new strategies to fight them, saying that "we must re-arm the nation and the world to vanquish enemies that we thought we had already conquered."

Kassebaum gathered an impressive list of witnesses whose testimony encompassed both the rise of the global threats as well as threats directly affecting the United States, such as hantavirus, food-borne illnesses, and the resurgence of tuberculosis. Witnesses included Dr. David Satcher, director of the CDC; WHO's David Heymann; and Margaret Hamburg, the commissioner of the New York City Department of Health.

Perhaps the most shocking testimony, however, was given by Michael Osterholm, the State Epidemiologist from the Minnesota Department of Health. Osterholm warned, "I am

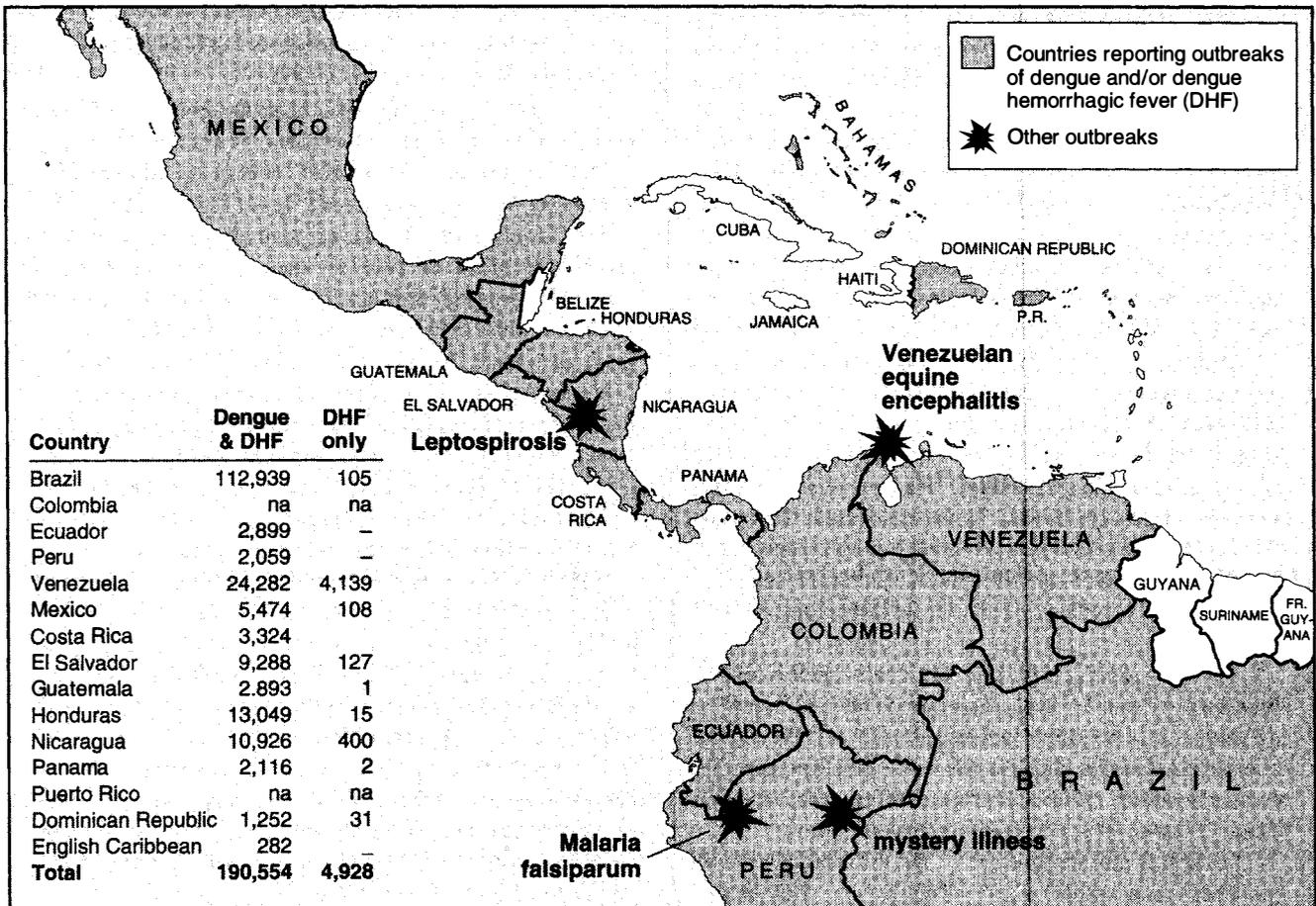
here to bring you the sobering and unfortunate news that our ability to detect and monitor infectious diseases' threats to our health in this country is in serious jeopardy." Osterholm detailed the woeful condition of disease surveillance in the United States and the lack of funding to carry out this very important mission. Osterholm noted that the total amount of funding for infectious disease surveillance is a meager \$42 million per year. The bulk of these funds are used for surveillance programs for AIDS-HIV, tuberculosis, and sexually transmitted diseases, with less than \$4 million to monitor all other diseases.

### **Epidemics in Ibero-America**

Ibero-America is today facing an epidemic of dengue and dengue hemorrhagic fever, various strains of the deadly equine encephalitis, as well as an unusual form of a bacterial disease known as leptospirosis that has ravaged Nicaragua since October.

The present epidemic of dengue fever and hemorrhagic

**Dengue epidemic in the Americas**



Source: Country reports to the Pan-American Health Organization; provisional figures as of Oct. 25, 1995.

dengue started in January of this year, and continues to spread rapidly throughout the continent. According to the latest figures from the Pan-American Health Organization, published on Oct. 25, a total of 190,554 cases of dengue have been confirmed so far. Some 4,928 of these cases are of dengue hemorrhagic fever, the more dangerous type. The death toll officially stands at 54, but it is likely to rise significantly. Public health officials in Panama and other countries estimate that the actual total number of cases could be 20 times higher than the number reported and confirmed. The largest number of dengue cases has been reported in Brazil, with 112,939, while the largest number of hemorrhagic dengue cases, 4,139, has been reported in Venezuela. The latest figures show an increase of 50,000 cases over the figures released just a month earlier (see **Map 2**).

The spread of this formerly conquered disease is the direct result of the collapse of mosquito control programs in the past decade. Most of the countries now affected by the dengue outbreak had not recorded any cases in over a half-

century. Today, however, mosquito populations have returned to areas where they had been previously eradicated, and now stand at the highest levels in the past 20 to 30 years. Mosquito eradication programs have collapsed as a result of budget cuts being imposed in order to attempt to pay the foreign debt, as well as environmentalists' campaigns to stop the use of pesticides and create nature preserves where populations of mosquitoes can thrive unmolested.

Texas state health officials went on full alert in October after three cases of dengue were reported near the border with Mexico. U.S. health officials are very concerned about a potential epidemic of dengue in the United States.

Environmental policies over the past few decades have created nearly ideal conditions for the rapid spread of dengue throughout the southern part of the country. Mosquito abatement programs have been scaled down considerably, if not entirely eliminated, at the same time that enormous areas have been turned into mosquito breeding-grounds through the "wetlands" designations. Dengue could spread like wild-

fire as swarms of mosquitoes make their way north from Mexico or are carried in by ships and freighters.

In addition, an epidemic of the deadly Venezuelan equine encephalitis has struck Colombia and Venezuela, infecting an estimated 60,000 persons and leaving more than 300 dead so far. The disease, better known as the "mad plague" because of the symptoms of its victims, is a virus that is transmitted from horses and donkeys to humans, by mosquitoes. The epidemic was unleashed by a combination of heavy rains, which provided the ideal breeding conditions for swamp and salt flat mosquitoes, the collapse of eradication programs, and, finally, the collapse of standard public health measures in both countries. According to public health experts, the epidemic could have been prevented if animal vaccination programs had been maintained.

Unbeknownst to Ibero-American public health officials until recently, Russian scientists had developed and licensed a vaccine against equine encephalitis for human use. The viral disease does not jump immediately from horses to humans, but there is generally a two-week window after herds of horses start dying before human beings become affected. A vaccination program could have been implemented at this point.

As it is, the epidemic may be spreading rapidly through Colombia and Venezuela, as well as other countries, including Ecuador. A different strain of this virus seems to have appeared in Córdoba, an area of Colombia that has been severely affected by dengue fever. This strain, eastern equine encephalitis, kills 40% of the people it infects.

A few hundred miles away, in Nicaragua, a national health emergency was declared in October as a mystery disease swept through the poorest areas of the country. Teams of medical experts from the Pan-American Health Organization (PAHO) and the CDC arrived to help identify the disease. After a month of intensive work, and thousands of victims, the disease agent was finally identified as leptospirosis, a deadly bacterium. More than 2,000 Nicaraguans were infected by the illness, with more than 500 requiring hospitalization. Although the official death toll is 16, another 5 deaths in Nicaragua and 3 in Honduras may have been due to the disease.

Leptospirosis is a bacterial infection that is transmitted to humans by animal urine or excrement that seeps into food and water supplies. According to Nicaragua's Health Minister Federico Muñoz, virtually all mammals common to rural Nicaragua, including pets and cattle, could be carriers. Public health experts believe that the outbreak could have resulted when recent flooding in the area forced large numbers of rodents, particularly mice and rats, from the fields into homes.

Nicaraguan President Violeta Chamorro has authorized the equivalent of about \$383,000 in emergency spending to treat victims in the poor northwestern region of Nicaragua, where most of the cases were reported. Up until then, the cash-strapped government had only allocated \$127,000 in

emergency funds to deal with the outbreak.

Fortunately for those infected, leptospirosis is treatable with common antibiotics such as penicillin and doxycyclene. According to Muñoz, local health centers have stocked up on doxycyclene because it is also used in the treatment of cholera, another disease attacking Nicaragua in epidemic proportions.

What qualifies leptospirosis as a new and reemerging disease is that it usually affects the liver or the kidneys. In the Nicaraguan epidemic, leptospirosis behaves in a very unusual fashion, attacking the respiratory system instead. Because of this, dengue hemorrhagic fever was first suspected, but was ruled out following several autopsies.

Other "mysterious illnesses" have been detected in Ibero-America, from Colombia to Peru to Argentina. One of these mysterious illnesses has been detected along the Caribbean coast of both Colombia and Venezuela, with the contagion there described as an unidentified disease sharing the symptoms of both hemorrhagic dengue and equine encephalitis. Epidemiologists are struggling to identify the disease, while horror stories abound of inadequate numbers of medical personnel and hospital beds.

### **'Climate change': the malthusian agenda**

The international malthusian movement has lost little time in orchestrating an operation to misdirect the response to the rise of new and reemerging diseases, by blaming it on industrialization. The anti-population and environmentalist lobby is claiming that the United States will soon be overrun by deadly infectious diseases as a result of "climate change," unless the world takes dramatic actions to reduce industrial emissions.

The "climate change" scare was launched in Washington at the National Academy of Sciences at a two-day conference on Sept. 11-12, titled "Conference on Human Health and Global Climate Change," which brought together climate hoaxsters as well as infectious disease experts. While the presentations accurately portrayed the emergence and spread of these diseases, the fraud lay in the claim that the resurgence of these old and new deadly diseases was the result of "climate change." The allegation is based on the argument that climate change will warm the United States and lead to the spread of the mosquitoes, other insects, and bacteria that carry diseases such as malaria, cholera, and dengue fever.

The conference was ostensibly the brainchild of Vice President Albert Gore, who was the keynote speaker. It was officially sponsored by the National Academy of Sciences, the National Science and Technology Council, and the Institute of Medicine. Other speakers included Kenneth Shine, president of the Institute of Medicine; John Gibbons, assistant to the President for science and technology; Robert Watson, assistant director for the environment at the White House; Anthony McMichael, from the London School of

## WHO's reasons for new and reemerging diseases

*In an Oct. 16 press release announcing the creation of its new Division of Emerging Diseases, the World Health Organization (WHO) gave the following reasons for the spread of new and reemerging diseases:*

Changes in lifestyle, including overcrowded cities where population growth has outpaced supplies of clean water and adequate housing; dramatic increases in national and international travel, whereby an individual traveler may be infected in one country and spread the disease to others before falling ill;

Deterioration of traditional public health activities such as surveillance and diagnostic laboratories needed to quickly recognize emerging problems;

Complacency, despite numerous warnings in recent years.

### Analysis of regional problems

*Africa:* This continent is experiencing an increasing frequency of epidemics on a much larger scale. Cholera is now common in 36 African countries. Meningitis and bubonic plague are prevalent in many countries and bloody diarrhea is increasingly common. "New" diseases

such as Ebola virus and Lassa fever—a hemorrhagic fever with signs and outcomes similar to Ebola—are now appearing.

*Asia:* During the last decade, overcrowding, increasing urbanization, military conflict, natural disasters such as floods, and the overwhelming problem of poverty have all exacerbated the problems of communicable disease, especially in Southeast Asia. The region has high levels of polio, leprosy, and neo-natal tetanus. In 1992, a new strain of cholera emerged in India, along with the plague in 1994. High mortality rates are produced by acute respiratory infection, tuberculosis, and diarrheal diseases. Dengue, hemorrhagic fever, Japanese encephalitis, meningococcal meningitis, and HIV-AIDS are all increasing in Southeast Asia.

*Latin America and the Caribbean:* In 1991, cholera returned to the Western Hemisphere for the first time in the twentieth century, and the disease reached epidemic proportions, especially in Peru, where it affected at least 1 million people and caused \$500 million in financial losses. The epidemic is still increasing in certain areas of Central America, Brazil, and Peru. Reported cases of dengue fever are rapidly increasing, even in areas bordering on the southern United States. Yellow fever, affecting poor rural farmers in Peru particularly, plague, hemorrhagic fevers, hanta virus diseases, HIV-AIDS and malaria are all increasing threats in the region. Poverty and inequity causing major health differential between population groups make epidemic control especially difficult.

Hygiene and Tropical Medicine; and Rita Colwell, president of the American Association for the Advancement of Science.

The conference agenda was tightly controlled. Not a single speaker challenged any of the claims made during the conference, including that global warming and ozone depletion were proven theories. The audience was not allowed to ask any questions at the microphones. Only written questions were allowed, and these were carefully screened.

The tone of the conference was set by depopulation malthusians, and conducted on the implicit assumption that the ongoing economic collapse will not be reversed. Despite the fact that many of the speakers correctly pointed out the lack of monitoring and effective action against the rapid emergence of these deadly diseases, there was no discussion of how to eradicate them today. The discussion centered around how to stop these diseases from spreading into the United States and northern countries by stopping "climate change." There was not a single mention of the role of the IMF, debt service, or economic collapse in wrecking the public health infrastructure of the countries most affected by this biological

holocaust.

Furthermore, while some of the presentations detailed how "global warming" was going to allow the spread of disease-carrying mosquitoes into the United States, not one speaker mentioned that these mosquito populations have already spread as far north as Minnesota because of the collapse of mosquito-control measures, and because so many effective pesticides have been banned because of the environmentalists.

This anti-population outlook was most evident during the presentation of Brian Atwood, head of the U.S. Agency for International Development, who argued that the greatest threat to the world's climate was coming from developing countries whose energy consumption and carbon-dioxide emissions were increasing at the fastest rate because of their drive to industrialize.

British control over the "climate change" scare was clearly evident during the conference. The speaker who provided the overview of the claims that climate change will cause the unleashing of epidemics and other health effects, was Anthony McMichael, professor of epidemiology at the Lon-

don School of Hygiene and Tropical Medicine. He was also clearly the key controller of the debate.

The malthusians have used McMichael's writings, including the publication of his book *Planetary Overload, Global Environmental Change and the Health of the Human Species*, published by Cambridge University Press, to orchestrate this new scare. McMichael was also editor of a seven-part series in the British medical journal *Lancet*, published Oct. 23 through Dec. 11, 1993, made up of dire articles by several authors, most of whom were speakers at the NAS conference. *Lancet* printed a special full color set of these articles for public distribution. All the people who participated at the conference received a copy of the reprint.

McMichael not only set the tone for the "medical" presentations during the conference, but made an intervention that revealed his true malthusian intentions. At the end of the morning panels, a written question slipped by the censor's hand, which posed whether there were any *beneficial* effects of climate change. This was a good question, since the world's leading atmospheric scientists, including the founder of modern climatology, Mikhail Budyko, have demonstrated that an increase in carbon dioxide in the atmosphere would be beneficial to plant life and would lead to a tremendous increase in food crops and disease resistance, as well as a greening of the Sahara Desert, thus greatly benefitting humankind.

One of the speakers answered that there were indeed beneficial aspects to climate change. He pointed out that the underlying cause of climate change was industrialization itself, which is responsible for the tremendous increase in the standard of living and the increase in life expectancy worldwide since the last century.

McMichael angrily intervened at this point, saying that he felt "very uncomfortable about the implications that there are benefits to climate change." He said that climate change only leads "to impoverishment of the environment," and that although industrialization has led to an "increase in life expectancy, that has been done at the expense of nature's capital." He elaborated that the increase in lifespans has been done "at the expense of losing the genetic pool, biodiversity, the ozone layer, clean air, and depleting natural resources in the short term." He concluded that despite its current beneficial effects, the long-term effects of technological progress would be adverse.

### A debt moratorium needed

McMichael is currently head of the scientific assessment of the potential health impact of climate change for the U.N.'s Intergovernmental Panel on Climate Change. Such a position means that he has control over what the U.N. puts out regarding these health effects. As is customary with these U.N. assessments, any opposing view is censored.

One of the most interesting things in this conference, however, was an informal comment by Robert Watson, that

a worldwide debt moratorium could play a major role in reducing the spread of these deadly diseases throughout the Third World. During a discussion with *EIR*, Watson, the Director for the Environment, Office of Science and Technology Policy, Executive Office of the President, acknowledged the role that debt played in all aspects of this problem, and said this was an issue that would be dealt with later on by the administration.

When asked specifically if the Clinton administration would be willing to call for a worldwide debt moratorium to enable Third World countries to use that money to fight this outbreak of diseases, Watson answered, "There is no question that a debt moratorium would have a major impact in rebuilding the public health infrastructure in these countries and in dramatically reducing the incidence of these diseases." Watson added, however, that he did not know what the official position of the administration was regarding a debt moratorium.

In his recent trip to the United States, Pope John Paul II called for the advanced nations of the world to forgive the foreign debt of impoverished nations. The pope's call echoes the proposals made by LaRouche for the past 20 years for an international debt moratorium and the adoption of dirigistic economic policies. This is clearly the necessary first step in what promises to be a life-and-death struggle with the rising wave of deadly new and reemerging diseases.

U.S. environmental groups were given millions of dollars in the past five years to spread scare stories about a man-made ozone hole that would cause cancer on Earth.

Now, for only \$15, you can learn the truth about the ozone scare.

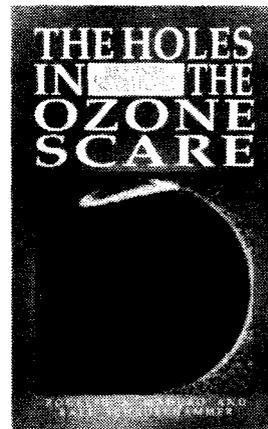
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# U.S. can still stop the spread of drug-resistant tuberculosis

by Carol Hugunin

While it may appear to some that acquired immune-deficiency syndrome (AIDS) seems to be under control in the United States, this is clearly not the case globally, and concomitant diseases, such as tuberculosis (TB), will become rampant even in the United States if cuts in health care programs proposed by House Speaker Newt Gingrich and his Conservative Revolution crew go through. Those cuts—in basic health infrastructure, including hospitals in poor areas; and in various programs that provide a necessary margin of support for those of meager means—will throw a barely manageable public health problem into a chaotic, growing epidemic.

Because AIDS suppresses the immune system, it exacerbates the control of other more common communicable diseases. Medically, AIDS patients, especially in conditions of extreme poverty and lack of supportive infrastructure, act as the “weak link” in the general population. Hence, the AIDS epidemic, here and abroad, creates conditions for the spread of previously controlled contagious diseases, and, the development and spread of new diseases, including antibiotic-resistant diseases.

The epidemiological weak link idea was developed by a task force directed by Lyndon LaRouche in the fall of 1974, to study the economic consequences of the International Monetary Fund and World Bank policy of cutting off aid, “triage,” to “Fourth World” areas. Based on this idea, a model scenario for ecological-epidemiological holocaust was elaborated at the Dec. 28, 1974 conference of the National Caucus of Labor Committees in New York City. *EIR* published a *Special Report* in July 1985, “Economic Breakdown and the Threat of Global Pandemics,” which expanded upon the conclusions of the earlier study, and presented an “Order of Battle for a Global War on Disease.”

The interaction between AIDS and TB, in the context of the collapse of public health infrastructure in the United States, has fully reaffirmed the validity of the concept of ecological-epidemiological holocaust, triggered by the weak link in the system. TB was brought under control in the post-World War II period, using an aggressive screening program in schools and city communities (initially X-rays, and, later, skin tests with X-ray followup where necessary); TB wards, in which the impoverished were fed, kept warm,

rested, and provided medication; plus the development of a series of potent antibiotics. However, various short-sighted “cost-effective” measures, including the underfunding of public health infrastructure, especially in areas which can least afford to pay for it; the lack of investment by the pharmaceutical companies in development of new antibiotics; coupled with the emergence of AIDS under conditions of the collapsing standard of living for the average American, and the decay of general infrastructure upon which we all depend, have reversed our capacity to control diseases such as TB in the United States.

## A threat to everyone

TB is a very contagious, airborne disease. Without proper medical care, it is a killer. Although its rapid spread is generally associated with crowded living conditions and poverty, such as are found in marginalized groups in inner cities (the homeless, intravenous-drug users, prisoners, recent immigrants), the TB bacillus is no respecter of property values. There are many cases of the wealthy acquiring TB, or their children acquiring TB from a nanny, a maid, or some other less-well-off help. There are also cases of TB epidemics generated at public schools, bars, and other places where people of different income brackets commonly mingle. Hence, out-of-control TB, and especially out-of-control drug-resistant TB, is an immediate threat to everybody, including the short-sighted fools who are enacting these budget cuts.

According to estimates by Drs. J. Mann and D. Tarantola at the Global AIDS Policy Coalition at the Harvard School of Public Health, 42% of the human immunodeficiency virus (HIV, which causes AIDS)-positive population globally was co-infected with TB as of Jan. 1, 1994. Some 23% of the North American population that is HIV-positive is co-infected with TB. This is a grim reality, for neither AIDS nor drug-resistant TB has a cure, and each epidemic is feeding the spread of the other, fostering ideal conditions for the development of new varieties of contagious diseases, including drug-resistant diseases.

## Infrastructure is lacking

The tragedy here is not only that man faces deadly diseases, but that his thinking is so short-sighted that he fails to

maintain the infrastructure necessary to adequately fight and defeat these diseases. Even with the complication of the AIDS epidemic, TB *could* have been kept under control in the United States, if public health infrastructure, and especially TB-control programs, had had consistent, adequate funding. However, in this era of the short attention span, in which investment in infrastructure is grossly neglected in favor of throwing bandaid amounts of public funding at problems perceived as immediate overwhelming threats, this has not occurred.

A September 1993 Office of Technology Assessment (OTA) report, "The Continuing Challenge of TB," faulted the Reagan, Bush, and Clinton administrations, as well as congressional leaders, for drastically underfunding Centers for Disease Control budgets for TB control. For example, in 1993, CDC requested \$484 million in funding, but only \$111 million was authorized. The OTA study pointed out that TB decreased at an average rate of 6% a year from 1953 to 1974, and 5% a year from 1975 to 1984; and then, when TB funding dwindled down to almost nothing, and TB sanatoriums and TB wards were eliminated, TB began to bounce back. In 1990, TB in the United States increased at a rate of 9.4%. On March 3, 1994, an editorial in the *Journal of the American Medical Association*, entitled the "Failure of Tuberculosis Control," cited the failure of "societal will." That issue of the journal also published a study by Dr. A. Bloch of the CDC, which found that in a national survey conducted in 1991, some 14% of TB cases were resistant to one or more drugs; almost 10% were resistant to isoniazid and/or rifampin, the two drugs of choice for fighting TB; and 3.5% were resistant to both drugs of choice.

The potential for a TB epidemic to explode now, if budget cuts go through, is even greater than in 1993 or 1994. "If Medicaid is cut, if Proposition 187 [in California, which would deny health care to undocumented immigrants, but is currently stopped by court injunction] is allowed to stand, very possibly TB will come back again as a *very* serious problem," stated Tim Brewer, an epidemiologist at the Harvard School of Public Health. "TB is concentrated in marginalized groups—inner-city, prisons, recent immigrants, IV-drug users who are HIV infected, etc., and this makes it very, very sensitive to health care underfunding. . . . Traditionally, epidemiology, and especially TB, have been underfunded."

According to the national survey by Dr. Bloch, immigrants are a very trivial percentage of the total TB problem, but, if proposals like Proposition 187 prevent them from receiving adequate medical care, they could soon become a focus for TB spread—through no fault of their own. Traditional public health measures can successfully combat TB, but if Gingrich succeeds in cutting Medicaid and other public health infrastructure, TB could become as commonplace a killer here as it is in developing countries. And were politicians to wake up sometime in the future to find TB as a

major epidemic raging uncontrolled in the United States, the folly of short-sighted budgetary thinking will come back to haunt them.

Most epidemiologists, and especially those trained in the field of TB control, were trained in the 1950s, and are now close to retirement age. There is no younger generation trained to replace them. "Very few people starting out in [medical] careers are doing work in TB," says Brewer. "It's directly related to issues like funding."

## **TB could be knocked out**

Given sufficient political will to change the situation, TB could be knocked out. The United States does not need to become an epidemiological nightmare in the near future. A study by Dr. E. Telzak at the Bronx-Lebanon Hospital Center in New York City, published in the Oct. 5, 1995 *New England Journal of Medicine*, notes that 96% of multi-drug-resistant non-HIV-positive TB patients respond clinically to aggressive drug treatment. In fact, aggressive treatment has significantly decreased TB in New York City.

In 1991, New York City made up 61% of the multi-drug-resistant TB cases in Bloch's survey of the entire United States. In 1992, according to Dr. Telzak, 10% of New York City's TB patients were resistant to both drugs of choice. At that time, the city had over 400 multi-drug-resistant cases of TB. But now it has less than 100. Part of the success is due to very strict hospital procedures, in which pneumonia patients are isolated immediately, until it is established that they do not carry TB. Part of the success is due to a campaign called "directly observed therapy," in which health workers go out into the field to watch each TB patient take his or her medication. But such a serious approach to TB control is premised on adequate funding and personnel—something that is put into question by the current budget slashing mania in Congress.

Even the drug-resistance problem is not impossible to handle, if public health funding and adequate research funding were to become available. New York City has already demonstrated that, by aggressive use of standard public health measures, it is possible to beat back drug-resistant TB. In addition, to the degree that they can find financial support, laboratories in the United States and abroad are working on more effective TB vaccines, than the current, only 50% effective BCG vaccine. TB research may soon make it possible to develop a whole new class of TB drugs, using drugs that previously were discarded, not because they would not have been very effective, but simply because they, by themselves, could not get into the appropriate cells to become effective. Placed in microspheres made of a biodegradable polymer linked to a segment of a protein that the TB bacillus uses to get itself, as a bacterium, into those cells, these drugs suddenly become very useful in fighting TB. However, this promising line of research is not currently being pursued, because it lacks funding.

## London is the real executioner in Nigeria

by Linda de Hoyos and Lydia Cherry

The British government has taken advantage of Nigeria's Nov. 10 summary execution of playwright Ken Saro-Wiwa to embark on a global crusade to bring down the government of President Sani Abacha. Saro-Wiwa was hanged along with eight other members of the National Youth Council of the Ogoni People (NYCOP), after their conviction Oct. 31 on charges of first-degree murder. The NYCOP, supported financially and politically from London, has functioned as a terrorist organization with the avowed aim of carving an "Ogoniland" out of Nigeria.

The executions, however, appear to have given the British crusade against the Abacha government a new lease on life. London used the occasion of the three-day heads-of-state summit of the British Commonwealth, in Auckland, New Zealand, to orchestrate a chorus of denunciations of Nigeria from African leaders, most notably including President Nelson Mandela of South Africa, who had previously resisted British demands that he publicly castigate the Nigerian leadership. According to a British government spokesman, Prime Minister John Major had an hour-long "talk" with President Mandela the night of Nov. 10 to force him to change his stance on Nigeria. Mandela, however, has so far refused to call for an oil embargo against Nigeria.

On Nov. 11, the British Commonwealth suspended Nigeria's membership in the association. Major further announced a ban on British exports to Nigeria. The European Union pulled its envoys out of Nigeria on Nov. 12, following an initiative put forward by Germany. The United States and Russia recalled their ambassadors.

London's target is not only Nigeria. Using the international media, its Commonwealth heads of state, and its well-heeled army of environmental and human rights non-governmental organizations (NGOs) to tar Nigeria as an "outlaw state," London is pressing home on its goal of forcing the

Clinton administration to put an oil embargo on Nigeria. Since the United States consumes 70% of Nigeria's oil exports, such an embargo could, at least temporarily, also further dent the U.S. economy.

### LaRouche on Nigeria

Speaking at a conference Nov. 15 in Washington, D.C., the American statesman Lyndon LaRouche registered his dismay at the executions, "which I oppose," but also stated emphatically, "Nigeria, the whole people of Nigeria, are being threatened—the lives of all of them, by the *British*. And I will do nothing to help the British, nothing, because that would be the ultimate immorality. They are the mass murderers of Africa; they are responsible for Rwanda; they are responsible for the troubles inside Nigeria. They are orchestrating all of it. Therefore, if you want to find somebody who is responsible for the execution—which I oppose—go find the Brit who is relevant, go find his errand boy."

"I would not uphold Nigeria as a model country," LaRouche added. "It never had a chance to be. The British played that for all it was worth. What Nigeria is, is the largest country in Africa, in population. All but three countries in Africa have been destroyed or virtually destroyed: Sudan, Nigeria, the Republic of South Africa—the only three countries left in black Africa. If Nigeria goes, under IMF-British determination, then Sudan, then all of Africa will go. My primary concern on Nigeria is not Nigeria's internal politics—I've seen some things that make me not exactly too happy. There are three basic groups in Nigeria, and the British played each against the other. There are also 100 different localities in Nigeria, all of which represent a local interest. The British came in, as they always do, with what they call 'ethnicity.' One of the great crimes of humanity, is 'ethnicity,' because it denies the humanity of someone who is a little

bit different than you are. And the British play upon this. In Nigeria, it is like a barroom brawl, which is the nature of the society, not just the government. It is a violence-prone barroom brawl. Now, I am concerned to preserve Nigeria as a State, which does not mean that I always approve of what goes on in that State.

"I am concerned about, as the New Testament says, 'principalities and powers.' The first thing we have to do is to help the Africans establish the sovereignty of their States; not let somebody come up and chop up Nigeria into a hundred different quarrelling bloody entities; we don't want another Biafra war; we don't want another Rwanda. And that's what the British tend to do."

### **Lady Chalker's crusade**

Nigerian sources report that the government's swift move for execution of Saro-Wiwa and his co-defendants, less than two weeks after conviction, was necessitated by internal security. On Nov. 9, the day before Saro-Wiwa was hanged, Nigerian security authorities impounded a large quantity of arms and ammunition that had been shipped to the country illegally from neighboring Benin. However, the source of the continuing operations against the Abacha government, which came to power in December 1993, comes from London.

The government radio reported Nov. 14 that Nigeria's expulsion from the Commonwealth was "the culmination of a period of maneuvering and conspiracy. About five months ago, [British Minister of Overseas Development] Mrs. Lynda Chalker threw all diplomatic niceties to the winds by publicly declaring that Nigeria might be barred from participating in the Auckland Commonwealth conference this month. The untenable reason which she advanced then was what she called the secret trial of coup plotters in Nigeria. She also talked glibly of alleged human rights violations in this country."

Notably, Chalker, a member of the British Privy Council to Queen Elizabeth II, was formerly employed by Royal Dutch Shell and Unilever, Britain's two major firms operating in Nigeria. Chalker's crusade against Nigeria began as early as June 1994, when she announced that the British would maintain sanctions against Nigeria until "democracy" was implemented in the country. Her major point of castigation against the Abacha government, however, was that Nigeria had bucked the conditionalities policies of the International Monetary Fund. Reaching an agreement with the IMF, she stated from the Ivory Coast in 1994, was President Abacha's "first essential task."

In early 1995, it is known, Chalker was a backer of the attempted coup plot against the Abacha government by former President Olesgun Obasanjo, who is now in jail in Nigeria. Obasanjo's arrest, upon his arrival, prevented him from meeting his scheduled speaking engagement on the same podium as Chalker at the Royal Institute of International Affairs' conference "Britain in the World" in March 1995.

With the coup option quashed, Chalker then took on the

role of patroness of the National Democratic Coalition of Nigeria, of Bolaji Akinyemi, who emerged from a July 13 meeting with Chalker to say that he was "encouraged by signs that the former colonial power is willing to 'turn the screws' on the Abacha regime," as the newsletter *Africa Analysis* reported it. A former foreign minister under the IMF-directed President Babangida, Akinyemi has demanded the installation of ITT bagman Mashood Abiola as President of Nigeria.

In September 1995, the intensely frustrated Chalker told a House of Commons subcommittee that Britain would agitate for the expulsion of Nigeria from the Commonwealth at the November summit.

The Saro-Wiwa affair handed her the opportunity.

### **Who owned Saro-Wiwa?**

With Saro-Wiwa's execution, the Nigeria government may have hoped to draw a line against British operations to destroy the country. Ken Saro-Wiwa himself emerged as the British-backed nihilist to take over organizations that had been created by a grouping of chiefs of the Ogoni people, whose homes are in Nigeria's richest oil belt. In protest against their lack of share in the wealth being extricated from their land, in the early 1990s, the Ogoni chiefs founded the Movement for the Survival of the Ogoni People (MOSOP). The internationally known playwright Saro-Wiwa became MOSOP's public relations director. But in 1993, over the objection of the traditional Ogoni leaders, Saro-Wiwa founded a radical youth organization, the National Youth Council of the Ogoni People.

With violent vigilante action, Saro-Wiwa's new group pitched the Ogoni region into chaos, and terror-recruited a movement for Ogoni secession—as befitted London's geopolitical goals. In May 1994, NYCOP violence culminated in the brutal murders of the traditional Ogoni leaders Albert Badey, Chief E. N. Kobani, Chief Samuel Orage, and Chief T. B. Orage. Only days before NYCOP leaders had publicly threatened the chiefs' deaths, since they stood in the way of Ogoni secession from Nigeria. After the murder of the chiefs, Saro-Wiwa, who lived in London, took over as head of the MOSOP.

In his terror-secessionist campaign, Saro-Wiwa was supported by Britain's Body Shop International PLC, a writers' association. Saro-Wiwa also found support among an array of environmental groups, including the U.S. Sierra Club, Earth First!, Greenpeace, and Friends of the Earth.

According to the families of the murdered Ogoni chiefs, an international campaign was set to go from London demanding clemency for Saro-Wiwa and his co-defendants, centered out of London's Amnesty International, the Ford Foundation's TransAfrica in the United States, the British House of Commons, and the London-based Unrepresented Nations and Peoples Organization (UNPO), of which Saro-Wiwa had become vice president. The UNPO had inserted itself as the liaison between the Ogoni and the Nigerian government.

# LaRouche blasts Carlsson's lies about murder of Palmer

*Lyndon LaRouche wrote the following letter on Nov. 10 to the editor of the Swedish daily Aftonbladet. In its Nov. 9 issue, the daily published a statement by Prime Minister Ingvar Carlsson on his return from the funeral of Yitzhak Rabin. Carlsson states: "I remember how I, for example, in an article in this newspaper, reacted against the selling of dartboards with the picture of Olof Palme. . . . Far to the right there was the EAP [the European Labor Party, Swedish co-thinkers of Mr. LaRouche], which in its leaflets were calling Olof Palme 'mentally ill' and 'murderer.' . . . I will never get rid of the thought that the act of the murderer, be it spontaneous or planned, was influenced by the hatred which, after years of campaigning, was 'permitted.' . . ."*

Dear Sir:

I have received, today, the text of a statement, published in your edition of Nov. 9, 1995, reported as a November 6-7, 1995 emission by Ingvar Carlsson. Mr. Carlsson's statement, ostensibly issued on the occasion of the assassination of Israel's Prime Minister Yitzhak Rabin, has the remarkable quality of representing one of the most tasteless pieces of lying hypocrisy published in recent years.

The relevant facts substantiating that characterization of the Carlsson statement, are identified summarily as follows.

On or about February 28, 1986, perhaps some time earlier, the Warsaw Pact intelligence services linked to Boris Pankin concocted a scheme deployed through a relevant unit of the East Germany Ministry for State Security. This, as revealed later to the Swedish press and others, was a scheme to implicate me, fraudulently, in the assassination of Prime Minister Olof Palme. This Stasi hoax succeeded in duping not only some of the press of Sweden and other nations, but apparently duped the government of Sweden as well. Mr. Carlsson was a relevant figure in that duping of the government of Sweden.

Today, the fact of the Stasi hoax is well known, but this does not deter Mr. Carlsson from continuing to foist the Warsaw Pact's disinformation. He goes to such obscene lengths, as to foist his lies upon what is purportedly a letter of condolence to the government of Israel.

## Who killed Olof Palme?

For competent investigators, the principal publicly known clue to the guilt for Olof Palme's assassination, is

the fact that the Stasi's EAP hoax worked effectively as a cover-up of the actual authorship of the assassination. The notable point is, that had the Stasi's EAP myth not duped the Swedish authorities with such astonishing success, the principal suspect in the Palme murder would have been that international consort of weapons- and drug-traffickers popularly known as the "Iran-Contra" complex, of which the East Germany, Rostock-based weapons-trafficking was an integral part.

The earlier discovery of documents in the police search of the Malmö premises of Karl-Erik Schmitz, and Prime Minister Palme's concern with those arms-trafficking matters, were among the prime known evidences of motive for what must have been a carefully prearranged insertion of an assassin at the relevant moment of opportunity.

Since, a significant number of assassinations were conducted in the same "Iran-Contra" weapons-trafficking context, during the late 1980s.

Not so curiously, those who played a leading part in working with the Warsaw Pact disinformation services in fraudulently linking me to the murder, included circles of my high-level enemies directing the U.S.A. and British side of "Iran-Contra" operations.

For example, the representatives of the U.S.A. television network, NBC-TV, and the Anti-Defamation League (ADL), who worked closely with the Stasi's assets in Sweden in this matter, are documented officially as having been then agents of a "get LaRouche" salon directed by a leading figure of "Iran-Contra" operations, a man well-known to Sweden's oligarchy, one John Train. Train, executive officer of the New York private-banking firm of Smith and Train, was a key figure in the Pakistan-Afghanistan side of the "Iran-Contra" complex. Closely involved in the same operation with John Train, were key "Iran-Contra" subordinates of then Vice-President George Bush, such as my adversaries Major-General (ret.) Secord and Lt.-Col. Oliver North.

Prime Minister Olof Palme was, at that time, a major political threat to the entire apparatus of combined East-bloc other "Iran-Contra" gangsters involved in what was the most extensive and most murderous weapons-and-drug trafficking operation of the recent quarter-century.

Certainly, Ingvar Carlsson, by now, should know that all which I have written here is true. Why, then, does he repeat his lies? Why does he pollute the memory of the martyred statesman, Yitzhak Rabin, by reminding us of his own culpability in the continuing cover-up of the murder of Olof Palme?

I propose you publish this reply. In any case, my reply will be made known to relevant parties, internationally, who we may presume await my rebuttal, and also await news of your response to what you must know is my truthful, and more than justified request for retraction.

Sincerely Yours,  
Lyndon H. LaRouche, Jr.

# Terror war continues against Mideast peace

by Jeffrey Steinberg

On Nov. 13, a powerful car bomb blew up a Saudi National Guard training center in Riyadh, killing at least six Americans and injuring hundreds of people. The building housed the offices of a large contingent of retired American military and intelligence personnel working as advisers and instructors to the Saudi security agency. It was the first such large-scale terrorist attack in the history of Saudi Arabia, and it has triggered concern among senior officials throughout the region that the same irregular warfare upsurge that recently claimed the life of Israeli Prime Minister Yitzhak Rabin, is now being directed at other American allies in the Mideast who play a critical role in the ongoing Mideast peace effort. Following the bombing, the interior minister of Bahrain and a high-ranking Kuwaiti official both expressed fear that their countries, which have both recently signed agreements expanding U.S. military basing rights, could face similar terrorism.

Responsibility for the Riyadh attack was claimed by several previously little-known groups, including Tigers of the Gulf and Soldiers of the Law. Days before the bombing, according to the *New York Times*, U.S. Ambassador Raymond Mabus received an anonymous threatening fax at the embassy, demanding that the United States pull out of Saudi Arabia "by July."

Of the several groups claiming credit for the Riyadh bombing, only one—Tigers of the Gulf—has been previously active. According to Antoine Sfeir, editor of the magazine *Cahiers d'Orient*, the group distributed anti-American flyers in November 1993 in Jiddah and Ynabu, both areas where there is a strong American military presence. Sfeir identified the group as a radical Sunni sect, an offshoot of the Committee for the Defense of Human Rights, a Saudi opposition group that has been headquartered in London. There is, however, no other evidence that the committee has any links to the terrorist incident. In recent days, Saudi authorities have arrested 27 opposition activists.

## The Anglo-American rift

It is impossible to competently frame an investigation into the upsurge in irregular warfare in the Mideast, without first taking into account the ongoing "war and a half" between Washington and London over a wide range of strategic

matters. High on the list of Anglo-American disputes is the fate of the Middle East.

The Clinton administration has been in the forefront of efforts to achieve a lasting and stable regional peace accord, whereas the British Crown and its secret intelligence services, including "Bush-league" Conservative Revolution assets inside the United States, have been dead-set against any advance in the peace process that disrupts their 150-year-old balance-of-power games in the oil-rich region. The region is thus a frontline battle zone in a surrogate war between Washington and London that, in recent weeks, has turned increasingly bloody.

The targeting of Saudi Arabia and the other Gulf states fits directly into this profile, as did the murder of Yitzhak Rabin.

Following the assassination of Rabin on Nov. 4, President Clinton led a large American delegation to the funeral. It was the first time since the death of France's President Charles de Gaulle that an American President had personally attended the funeral of a foreign head of State or government. Clinton's contingent came to Israel in six 747 jets, and included two former Presidents (George Bush and Jimmy Carter), several former secretaries of state, and 40 current members of Congress from both parties.

## Syria and the peace process

During private talks with Egyptian President Hosni Mubarak, Jordan's King Hussein, and other Arab leaders in Jerusalem for the funeral, President Clinton pressed for broad-based support for the peace process, including efforts to restart the stalled peace negotiations between Israel and Syria. Clinton solicited, and received, a pledge of support in this effort from the Saudis, who provide enormous amounts of aid to Syria, to pressure Syria's President Hafez al-Assad to finalize the deal with Israel that would result in the return of the Golan Heights to Syria, and would add Syria to the growing list of Arab States that have ended their conflict with Israel. Saudi Arabia, according to one well-placed U.S. source, has already begun cutting back on aid to Assad in an effort to drive him back to the peace table.

On Nov. 17, U.S. Secretary of State Warren Christopher, traveling in Osaka, Japan, told reporters that he had received personal assurances that Syrian President Assad is intent on moving forward with the peace with Israel. The same day, at a government-sponsored rally in Damascus celebrating Assad's 25th year in power, banners were prominently displayed reading: "We Want Peace," and "Hero in War, Hero in Peace."

Early this year, U.S. Defense Secretary William Perry made a tour of the Persian Gulf states, solidifying expanded U.S. military basing rights in Saudi Arabia, Kuwait, Bahrain, and elsewhere. Source close to the administration report that, while the expanded U.S. military presence has

raised fears that there will be a backlash of terrorism, the increased U.S. presence is considered crucial to the securing of regional peace. At least one Arab-American linked the bolstered U.S. security presence to the deepening rift with London, which is notorious for its sponsorship of Islamist and Jewish fundamentalist insurgencies.

### **The 'afghansi' factor. . .**

Another facet of the American peace drive in the Mideast is the effort to dismantle the vast British-linked "afghansi" irregular warfare apparatus that was fostered during the 1979-89 war to drive the Soviet Red Army out of Afghanistan. Although the United States, beginning during the Carter administration, and vastly expanding during the Reagan-Bush years, played a pivotal role in building up an Islamist "Jihad" force to battle the Soviets, the effort was always a "Made in London" affair. As *EIR* documented in the first installment of a recent three-part *Special Report* on "The New International Terrorism" (see *EIR* Oct. 13, Nov. 10, and Nov. 17), Afghanistan was, for over a century, at the heart of Britain's imperial "Great Game" to control the crossroads between Asia and Europe, and to block Russian-American-continental European collaboration to build up an infrastructural land-bridge, spreading prosperity and political stability across the Eurasian heartland.

Since the departure of the Soviet forces from Afghanistan, tens of thousands of afghansi mujahideen veterans, trained by American, British, and Israeli special forces advisers, and corrupted by their ties to a British-sponsored global arms-for-drugs underworld that largely bankrolled the decade-long surrogate war, have returned to their native lands and launched new irregular warfare operations.

The Armed Islamic Group (GIA) in Algeria, which has been engaged in a terror war on French territory since July, is just one well-known example of this "afghansi" terror.

The 1993 terrorist attacks on the headquarters of the CIA in Langley, Virginia and the World Trade Center bombing in New York City were both carried out by afghansi networks. And the same afghansi cell, headed by a Pakistani from the Baluchistan region bordering Afghanistan, Abdul Basit Mahmud Abdul Karim (alias Ramzi Yousef), also plotted to assassinate Pope John Paul II during his February 1995 visit to Manila, the Philippines, and was probably behind the March 1995 machine gun assault against a U.S. consulate van in Karachi, Pakistan that resulted in the deaths of three U.S. diplomats, including a CIA communications officer operating under a State Department cover.

Early this year, the United States quietly launched an effort to draw both Turkey and Pakistan into a crackdown against this British-steered afghansi insurgent force, according to one Washington, D.C. source. The arrest of Ramzi Yousef in Pakistan, and his extradition to the United States early this year, is described as a breakthrough in this effort. Yousef is awaiting trial now in the World Trade

Center bombing case. Four others alleged to be his underlings have already been convicted and sentenced.

### **. . . and the Temple Mount**

The other major crackdown under way inside Israel, in the United States, and elsewhere, is directed against the Jewish underground, another British-sponsored irregular warfare capability drawing upon a collection of young, psychotic Jews, many originally from Brooklyn, New York, who were inspired by the late Rabbi Meir Kahane.

On a far more profound level, the entire Jewish underground is a product of a 150-year British Crown project, known as the "Temple Mount," which aimed at creating assassin cults among Jews bent on rebuilding the Temple of Solomon on the current site of the Dome of the Rock mosque, one of the holiest sites in Islam. The Temple Mount project, as *EIR* detailed last week, is run by the Quatuor Coronati "research lodge" of the British Crown's Grand Mother Lodge of England.

So far, Israeli authorities have concentrated their crackdown on the Rabin assassins upon the several Jewish underground cells that directly deployed the prime minister's confessed killer, Yigal Amir. Eight other co-conspirators have so far been arrested by the Israeli police and charged with various levels of complicity in the murder. Police Minister Shahal told reporters a week after the assassination that the plotters had two goals: the murder of Rabin and other cabinet ministers seen as crucial to the peace process; and a terror war against Palestinians in areas of the West Bank where Israeli troops pulled out, in compliance with the PLO-Israel Oslo II agreement.

Newly appointed Prime Minister Shimon Peres has commissioned a government probe of the Rabin assassination, emphasizing the role of a small group of Orthodox rabbis who are suspected of issuing a religious decree calling for the murder of Rabin. A month before the Rabin murder, the chief rabbi of the American Lubavitcher sect, Avraham Hecht, gave an interview to writer Robert Friedman, which was published in October in *New York* magazine, in which he called for Rabin's elimination, because of his role in turning over land in Judea, Samaria, and Galilee which was "given to the Jews by Almighty God."

Not coincidentally, Rabbi Hecht is a favorite of American Conservative Revolution freaks in the GOP. He played an instrumental role in the electoral campaigns of New York Gov. George Pataki (R) and Sen. Alfonse D'Amato (R-N.Y.).

Just before the Rabin assassination, Republicans in the U.S. Congress launched a series of actions aimed at showing their opposition to the peace process—including the vote to move the U.S. embassy to Jerusalem, and the effort to cut off all U.S. aid to the Palestinian National Authority by conducting a classified probe and public smear campaign around the theme of "where Yasser Arafat gets his money."

# Inflatable Pluralism-95 (Let all the bubbles bloom)

A report from St. Petersburg

Forty-two political blocs are registered by Russia's Central Election Committee (CEC) and, consequently, will join the struggle for 125 places in the State Duma. Some of their names are longer than two lines, even typed in the finest letters. Every voter is doomed to get a headache before he finds his preference on this list, even if he has chosen it long beforehand.

According to the election law adopted by the Russian State Duma in August of this year, only those blocs will be able to promote their representatives to the new Parliament, which gain over 5% of the total vote in the election.

Now let us count. If we imagine an "ideal" situation in which all the blocs gain an equal number of votes, the largest number of registered blocs represented in the Parliament will be 20 ( $5 \times 20 = 100\%$ ). This means that every second bloc will be represented.

In order to be registered, each election bloc had to collect 200,000 signatures. So, in the "ideal" case, 50% of the population will be actually "dropped out." Their sympathies will be not reflected in the result of the elections.

Apparently, the result of the vote will be very far from this ideal variant. I suggest at least 25% of the votes will be received by the Communist Party of the Russian Federation; at least 12% of the voters will support Skokov-Lebed-Glazhev's Congress of Russian Communities [lead candidates: Gen. Aleksandr Lebed, industrial leader Yuri Skokov, parliamentary economics commission head Sergei Glazhev—ed.]; Women of Russia will probably be no more popular than that (though they could be, if anything besides the gender were written on their banners). The next place, with about 10%, is expected to be taken by Prime Minister Viktor Chernomyrdin's Nash Dom/Gazprom ["Nash Dom—Rossiya," or "Our Home Is Russia," is commonly known as "Nash Dom/Gazprom" because of Chernomyrdin's money links with the giant natural gas firm—ed.], followed by the Agrarians and maybe reform economist Grigori Yavlinsky's Yabloko (5-7% each). The seventh bloc theoretically able to jump over the 5% barrier, is the Industrialists/Trade Unionists. But their success is very questionable, for a lot of trade union activists disapproved the alliance of their leadership with former Communist Party Central Committee official Arkadi Volsky's "privatizing bourgeoisie" and are likely to support the Communist Party.

So, the actual number of winners in the vote will be no more than 7, not 20. From a superficial point of view, this means that not one-half, but only approximately one-sixth of the collected signatures, reflecting the citizens' sympathies, will define the result of the elections.

This arithmetically correct option has become a subject of discussion which started in the mass media, especially on the TV, even before the last bloc was certified by Nikolai Ryabov's CEC. The argument was started by Irina Hakamada, leader of the liberal Common Cause bloc, which obviously has no chance to collect 5% (even having 10 rivals, rather than 40). She was clearly expressing the anxiety of the probable losers. But when the same objections were put forward by Vladimir Tumanov, chairman of the Constitutional Court, the situation appeared to be much more serious.

The honorable judge pretends to be unaware of the real mechanism of bloc-cooking and especially signature-collecting—the procedure which was to limit the access of blocs and candidates to the election.

## Try and find 70 liberals in a town of 5 million

In a rural district center in central European Russia where my mother-in-law lives, no party petitions have been seen except those circulated by the Communist Party of the Russian Federation. Ironically, even the Agrarian Party is not known here. People vaguely recollect the name of its candidate, Vasili Starodubtsev, only because he was a member of the Communist coup plot known as the GKChP [State Committee for the Emergency—ed.] in August 1991.

As for the other parties, to find out something about them, you have to go to the regional center, about 100 kilometers away. The only means of transportation is a bus that goes five times a day, is overcrowded and rather expensive (12,000 rubles) for a rural worker who earns usually not more than 200,000 per month. But in this particular regional center, you cannot find representatives of all the 42 parties and unions that submitted their petitions with signatures to the CEC. You'll certainly find groups of Skokov's people at a ruined military plant, rows of Trade Unionists in the conference hall of a frozen-out hospital, a gang of Zhirinovskiytes [supporters of the Liberal Democratic Party of Russia, of radical nationalist Vladimir Zhirinovskiy—ed.] in a pub, a

squad of left radicals from the Communist Workers' Party at the Lenin monument, and after a double search, if you are lucky, you may stumble upon a few angry supporters of ousted Vice President Aleksandr Rutskoy or scare away a flock of feeble Yavlinskyites, with one or two odd-looking partisans of former prime minister and radical market reformer Yegor Gaidar.

Even in St. Petersburg, Russia's second largest city, at least half (!) of the registered blocs have no offices, and their local activists are known only to a very narrow circle of political journalists. I'll bet if you ask 50,000 people on the Nevsky Prospect to show you the place where Boris Fyodorov's "Go Russia!" party office is located, maybe one person will answer, and this will be either a party activist (Go's branch was established several months ago), or most certainly a newsmaker.

It is even more difficult to discern a Gaidar supporter in St. Petersburg. Actually, last summer a friend of mine met an unhappy-looking activist of Gaidar's "Democratic Choice"; the guy went to pieces trying to invite 70 radical liberals to a seminar organized by the British Tories. He could not collect such a number of shock therapy enthusiasts in St. Petersburg (not in Irkutsk out in Siberia, not in Ivanovo, but in St. Petersburg, the most pro-Western town in the country!). A year later, I was told that the number of Gaidar party members did not exceed 300 in our town, despite all the organizing efforts.

I meet a lot of people from different professions and different layers of society, including businessmen, scientists, teachers, workers, physicians, etc. More and more often I meet new supporters of the CPRF or of the Congress of Russian Communities, and not only among unemployed or military men, but more often, among the intelligentsia. Very often, I remember these Communist or nationalist "neophytes" as former members of the 1989-91 liberal democratic movement. No wonder they've changed their views. The Sachs-Gaidar reforms [Gaidar was advised by Prof. Jeffrey Sachs of Harvard Business School—ed.] deprived most of them of their work in science and culture, pauperized their parents, made them fear for their families, and deeply hurt their dignity. It is also remarkable that none of my old friends who made a business career is going to vote for Gaidar. Mostly these guys are not going to vote at all, and one of them will support the Communists, sincerely believing that they will affect his business (sale of used computers) less than Gaidar. He says that the taxes introduced by Gaidar made all businessmen into criminals, otherwise they would not survive.

Since the Brezhnev era, Russians know and practically use what we call *pripiska*, originally meaning falsification of the real amount of production, especially crops. This practice was widely reproduced after the 1992 tax reform, when industrial managers and directors did everything possible to conceal a part of their income from state officials, more often not in order to increase their personal interests, but to save the industry, for this was impossible under the murderous tax policy

imposed by the International Monetary Fund (IMF). Of course, the same was done by lots of new private companies.

Actually, violation of laws has become as ordinary in everyday life as a toothbrush. Old women violate newly imposed legal restrictions, selling things in places where it is not allowed. Schoolchildren sell newspapers without paying for a license. Actually, the citizens are responding to the incredible economic policy in an adequate way: They fool the state, which fools them all the time, and develop great skill inventing new ways of survival.

No wonder that the 1995 parliamentary elections offered a significant part of the urban population a new way of illegally earning quick money.

### **Infant socialists and dead environmentalists**

Vladimir Shumeiko, head of the Federation Council [upper house of parliament—ed.], also insists on making some changes in the federal election law, and postponing the elections for one or two months. At the same time, he rejects proposals to lower the barrier for ballot access. If we do this, he says, the parliament will consist one-half of Muscovites, for all the "outsider" blocs are actually located only in Moscow. This is not true in all cases, but probably in the majority of them. Most of the newly cooked up election alliances have been formed by Moscow elite groups of various origins, actually having no time to gain popularity even in several other regional centers, but using the same technique of collecting the required 200,000 signatures for their support.

Almost all the election blocs made their "investments" into a lot of small private companies, consisting mostly of psychologists, sociologists, and university students, which used their legal and illegal techniques of "gathering" signatures. Officially, all of them collected this material by visiting apartment buildings and asking people if they agreed to support this or that bloc. Many of them really did this legwork. But, of course, a month was not enough for most of them to complete it and to earn the sum fixed in their contract with the bloc, some of which offered from 500 to 3,000 rubles for a signature. So, in order to fulfill their task and to get the money (so necessary for a psychologist, whose salary is usually very small), they used every other possibility to get more signatures, or at least more names of citizens, for a signature can be easily falsified.

At a subway station, I recently saw two young guys sitting on a bench, writing or drawing something on election petitions. One of them opened a bag with 30 or more petitions, already containing a lot of names. Very often these names comprised whole families, and the addresses were sequential: street N, house 1, apartments 1, 2, 3, 4, etc. It was clear that the signature-collecting company which hired my friends got these names from a local police station. The young women who work there in the so-called pass service, also do not earn very much.

One of the guys was getting a petition from his bag, and the other guy, with tremendous speed, wrote an alleged

signature beside each of the names. Of course, all of them were different, and derived from a real surname, consisting usually of one or two of its initial letters. He used four pens, first using one, and leaving gaps in the list, then filling the gaps with other pens and other "handwriting." Sometimes he worked a little bit slower, featuring a "trembling hand," when the marked age of the signature's alleged owner was over 75 years. In 20 minutes, about 300 persons "gave their sympathies" to some bloc with a long and clumsy name including the words "social" and "ecology" (I never saw its precise name before, but I'm sure it is included among the lucky 42).

The guy who brought in the signature lists was to earn 300 rubles for each signature, and their real author worked free of charge, just for the sake of "art." He told me he had already helped a lot of his friends in such a way, and did not even remember the number of blocs he made happy. He also said, grinning, that he signed for one particular house at least thrice, on different party petitions, and in each case he invented a new signature.

Several months ago, the mass media published a lot of thrilling reports about the "fascist" Aleksei Vedenkin, who mastered and sold dozens of counterfeit documents, including even certificates of the Federal Counterintelligence Service. Obviously, Vedenkin's example has inspired a lot of followers. I can't calculate their number, but only this one example with the guy in the subway doing his work as deliberately as if he were killing mosquitoes, suggests that the real number of people who signed for these long-named bubble coalitions is dozens of times smaller than the allegedly fairly collected amount.

Two days before the Central Election Commission finished accepting bags and suitcases filled with thousands of spidery-looking signatures, *Izvestia* reported about gross falsifications committed by the political bloc Christian Democratic Union-Christians of Russia, or, more precisely, by the "sociological" company it hired. The name of the company was, for some reason, not published. The amount of money it earned for its "services," for this bloc alone, was also left unknown. In several days, I found the Christian Democrats (two years ago their leader, Vitali Savitsky, was elected as a representative of Gaidar's Russia's Choice) on the list of already registered blocs.

My friends told me about only one case of falsification which was exposed and led to a candidate's withdrawal. In St. Petersburg, one independent candidate managed to fill his election petition with names of . . . newborn infants, evidently acquired in an obstetrics clinic. Some of his supporters also appeared to be dead long before he allegedly visited them with a petition.

So, some of the would-be parliamentarians have directly followed the example not of Vedenkin, but of the famous character from Russian literature, Chichikov in Nikolai Gogol's novel *Dead Souls*, who collected the names of dead serfs to make himself famous as a landowner (the number of serfs possessed, at that time, reflected a person's wealth).

## Magicians are helpless

Certainly, the authorities of the Supreme Court, the Constitutional Court, and the CEC know how the alchemy of the election campaign actually works. If they do not live in an ivory tower, and sometimes read the papers.

If these officials were really anxious for a valid result of the elections, they should introduce several simple measures which could make the risk of "Chichikovization" minimal. For example, a bloc could be deprived of the right to participate in the elections, if 1% (or 5%) of its signatures were found invalid, regardless of the total number of valid signatures.

Secondly, those companies that buy living or dead "souls" at police stations, obstetric wards, or cemeteries could be subject to criminal investigation. One such precedent could suffice, to make this practice much less popular.

Thirdly, the names of candidates and companies using forged signatures could be published, in capital letters, in the government's *Rossiyskaya Gazeta* or elsewhere, creating a negative image that would very hard to repair before the next election campaign.

There are a lot of other ways to make the results of the elections more reliable. The officials did not use them. Why?

Since the beginning of its work, the CEC has calculated and reported the percentage of invalid signatures collected by this or that bloc. When they found 5% of the Communist Party's petitions invalid, the figure seemed big, and it was commented upon in the mass media.

But the Zhirinovskiyites produced already 7% invalid signatures. And Democratic Russia's signatures were found invalid in one out of five cases. Nothing was reported about Gaidar's or Boris Fyodorov's parties.

Actually, the Communists or Agrarians don't need to falsify their signatures, or to pay citizens for getting them, for as a result of the disastrous IMF policies, they have a great lot of volunteer supporters who agree to work for them day and night. With the liberal parties, speaking frankly, it is different.

The depleted electorate of the liberal politicians is being torn into pieces, like a piece of meat in the cage with tigers, by at least eight blocs, each leader hating his rival and unable to unite with him: Gaidar, Yavlinsky, Fyodorov, Borovoy, Hakamada, et al. Evidently, all these "companies limited" are unable to collect 200,000 signatures each without forgery. Only if they teamed up with witches and sorcerers like the famous Dzhuna Davitashvili could they avoid this. But Dzhuna has probably got infected with Communism from her own former patients in the former Politburo, and recently expressed her nostalgia for the Soviet era on a popular TV program. She used her parapsychological talents, constituting (and registering!) a political bloc headed by herself, and did not risk inviting Gaidar into it. Probably the rejected shock therapist is believed to bring misfortune even to sorcerers, and no "white magician" is able to take out the black blot of his bioenergetic field.

## A rifle in the cupboard

According to the *Kommersant Daily*, the only Russian popular paper that is really economically independent, the scandalous election story of Yavlinsky's petitions being rejected, then reinstated, by the CEC, was due to Yavlinsky's own "organizing impotence." *Kommersant's* correspondent Natalya Arkhangelskaya witnessed the efforts of the CEC to help Yavlinsky put his electoral petitions in order—and the total neglect of this by Yavlinsky's team, being very busy . . . celebrating their manager's birthday right on the day when they were supposed to make the necessary corrections. As far as I know, the manager, Vyacheslav Igrunov, is really well known as a very bad organizer; for this reason, it is said, he was fired three years ago from the Soros Foundation, where he was responsible only for distributing grants.

Despite being a paper never suspected of sympathy to the Communists, *Kommersant Daily* features Yavlinsky as a "provincial hysteric enthusiastically making a god of himself." Moreover, *Kommersant's* observer Maksim Sokolov, known as a liberal author, also regards U.S. White House Press Secretary Mike McCurry's "anxiety" for Yavlinsky as an example of a "double standard." For McCurry suspected that the original negative reaction of the CEC was based upon "procedural details," though "the Americans used to tell the Russians that democracy is a procedure."

The concern which the West demonstrated in Yavlinsky's case has irritated even definitely liberal politicians and journalists. As in the case of October 1993, when President Yeltsin's armed attack on the parliament was approved by the most influential Western leaders, this concern does little to bolster the authority of either Yavlinsky himself or the Western politicians. As a result, many of my fellow citizens, not only those who belong to the opposition, suspect that in case the results of the election are retroactively judged invalid, and the new Duma dissolved, such actions by the Russian leadership will again be approved by the Western authorities, as in October 1993.

In the very beginning of the "signature industry" boom, CEC chief Ryabov warned that the election ballot delivered to each voter would probably look like a book, or at least a brochure, for the whole list of registered parties may be too big for one or two sheets of paper. Immediately, Ryabov was criticized by liberal mass media, which suspected him of making a farce of the future elections. The same mass media were quite indifferent, when Ryabov's commission rejected the petitions of Ruts koy's "Derzhava" bloc. But when Yavlinsky faced the same misfortune, the liberal scribblers got extremely annoyed. The most poisonous of them, Most Bank's mouthpiece Alexandr Minkin, exposed Ryabov of 1) being former Parliamentary Speaker Ruslan Khasbulatov's friend (though actually Ryabov betrayed Khasbulatov), 2) supporting the soldiers of Dniestr [region in Moldova where Russia has forces, formerly commanded by Lebed—ed.] (though support for the Dniestr Republic was Russia's policy

at a state level), and 3) keeping a rifle brought from the Dniestr without registering it (!).

Labeled a "Soviet" oppositionist, a chauvinist, and a gangster, Ryabov did not dare to oppose the Supreme Court, which eagerly judged all the questionable petitions valid, and registered not only Yavlinsky's and Ruts koy's parties but also the Union of Lawyers and the Party of Beer-Lovers. I suppose that, in his place, I would also register the Beet-lovers, and the Beef-lovers, to make sure of my personal security.

On the other hand, opposition sources claim that the tendency of the CEC to register as many political blocs as possible is based on some unofficial order from Sergei Filatov, head of the Presidential Administration. According to this version, Filatov is trying to improve his political position, which has become much weaker during the second half of the year. In case the results of the elections were in favor of the opposition, Filatov, as well as Yeltsin's assistant Georgi Satarov, were supposed to be removed as scapegoats. Therefore, they are believed to be elaborating a scenario for creation of a pretext either to consider the election results invalid, or to dissolve the new Duma in case it starts to adopt laws which seriously affect the property of the elite.

Vladimir Shumeiko recently expressed a belief that after the elections are over, the number of those who consider their results invalid will certainly multiply. Irina Hakamada may be joined by Gaidar, Starovoitova, Fyodorov, Yavlinsky, and even the radical fringe Communist Anpilov, if all of them fail.

In case the same argument about the "incomplete representation of the citizens' sympathies" is used after the elections, I'll have to make a public confession that I am *not* one citizen, but four. Actually, I signed *four* party petitions when I was visited by the representatives of different blocs. First, because I wanted to get rid of these guys as soon as possible. Second, because they looked so frozen and unhappy that I wanted to please them. Certainly, I could not expect that my Christian feelings would be used for considering the elections invalid.

So, if the Constitutional Court should decide that the "ousted" blocs really reflect the sympathies of  $200,000 \times (42 - 7) = 7,000,000$  people, I'll declare, officially, that I am four persons, and I know at least one citizen who is really at least 1,000 citizens all by himself. Maybe my confession will be followed by many other similar claims. Then Mr. Tumanov (who also not quite legally replaced the fairly elected chairman of the Constitutional Court, Valentin Zorkin) will have to make his calculations once again. I suppose he'll have a nice occupation till the end of his life, sorting out single and real persons from double, triple, quadruple, newborn, deceased, emigrated, never existed, and inflatable personalities.

—Roman A. Bessonov, Roman Bessonov, R.A. Bessonov, R. Bessonov

# Gingrich gang could wreck Bosnia talks

by Umberto Pascali

A Republican bill introduced in the House by Joel Hefley (Colo.), and boosted by political extremist Newt Gingrich (Ga.), as his latest personal salvo against President Clinton, risks sabotaging the peace negotiations on Bosnia-Herzegovina, which are presently in their most delicate phase at the Wright-Patterson Air Force Base in Dayton, Ohio. The bill would forbid any decision by the President to deploy ground troops in Bosnia, unless funds were specifically appropriated by the Congress for that particular mission.

Such an action would deprive the President of his constitutional authority to conduct foreign policy. But not only that. It has been publicly stated that the negotiating parties—especially the main victims of the Greater Serbian genocide, the Bosnians—would accept a general peace agreement only if that agreement were guaranteed by an American military presence, as opposed to the British or the British-dominated U.N. forces, which actually favored the genocide. Gingrich did not make a secret of his total disregard of the strategic consequences, in his hysterical determination to hit the President. “Either Colin Powell or Bob Dole could get a ‘yes’ vote through the Congress easily. Whether or not Clinton could get [it], I don’t know.”

On Nov. 16, White House spokesman Mike McCurry stressed that “this action by the United States Congress not only threatens the talks in Dayton, but it . . . affects the likelihood of getting a peace agreement. So this is now going to be a choice between moving ahead with talks that could lead to peace, versus a return to war.” And State Department spokesman Nick Burns echoed: “It is entirely unreasonable and unwarranted for the Congress to pass a bill this week that could impair the ability of American diplomats to make peace.”

## Open debate on war danger

Despite the theatrics of Speaker of the House Gingrich and his followers, the real issue with Bosnia is the danger of a general war, and in fact a world war. Two of the most powerful world leaders, Pope John Paul II and Bill Clinton, have warned of that danger. (see *Documentation*). “Mr. President, don’t let this century end with [another] war in Sarajevo,” the Pope told Clinton, comparing the present situation to the beginning of World War I. Deputy Secretary of State Strobe Talbott went into an abundance of historical details about how a general war could escalate out of Bosnia, if the United States does not assert its power against the authors of

the genocide.

“There are some who say that these talks can only end in failure,” said Secretary of State Warren Christopher in the opening statement of the Dayton talks. “They have written off the Balkans as a region cursed by its past. . . . I have heard those arguments before in the Middle East, where the Arabs and the Israelis are now ending an armed conflict that has lasted ten times as long as the conflict in former Yugoslavia. I have heard these same comments applied to Northern Ireland. . . . I have heard the same comments applied to South Africa. . . .”

Christopher also stressed that “the settlement must take into account the special history and special significance of the city and environs of Sarajevo.” And he warned: “Sarajevo was the city where the first of this century’s two bloody wars began. . . . If the war in the Balkans is re-ignited, it could spark a wider conflict, like those that drew American soldiers to Europe in huge numbers twice this century. If it continues, and certainly if it spreads, it would jeopardize our efforts to promote peace and stability in Europe. It would threaten the viability of NATO. . . . If the conflict continues, so would the worst atrocities that Europe has seen since World War II.”

Indeed, while the talks in Dayton are proceeding on an uneven path, and the future of the martyred Bosnians is in the balance, the debate is focusing on the real issue: how the slaughter of Bosnia was triggered and used to provoke a broader conflict, a world war. Though Warren Christopher did not mention the devil by name, what is common to his four examples—Bosnia, the Middle East, North Ireland, and South Africa—is the British authorship of the conflict.

The debate is finally on the issue of who is really responsible for the war and genocide in Bosnia, and why. The British elite is desperately trying to prevent a situation from developing in which their hot spots are neutralized, and the real structure of the modern British empire is left “without options,” ready to be swept aside by a peace process.

This is the real role of political extremist Gingrich and his disciples, when they go on an all-out assault against U.S. foreign policy.

## Political tricks, Chamberlain-style

The power of the historical parallel with the explosion of this century’s world wars, cannot be ignored. Rep. Floyd Spence (R-S.C.) the chairman of the House National Security Committee, who is conducting wildly partisan anti-Clinton hearings on the subject of “U.S. Troops to Bosnia,” couldn’t escape that key point.

“Unfortunately,” he said on Nov. 16, “some in the administration continue to raise the ghost of this century’s world wars in arguing why America must send ground troops to Bosnia. . . . Secretary Christopher stated that Sarajevo was once the spark that ignited the entire continent. But he would appear to be confusing the initial spark with the raging fire that followed. Unless the great powers, themselves, provide the fuel,

as they did earlier this century, there will be no great conflagration. The wider Balkan war we've been hearing about for several years simply has not come to pass." Ergo, the United States should not get involved in Bosnia, and should leave things to the forces of the geopolitical "free market."

Obviously a "great power"—the current version of the British Empire—has been providing all the fuel possible to the war in Croatia and Bosnia, and obviously, by irrationally denying the evidence, Gingrich and Co. are contributing—as did British Prime Minister Neville Chamberlain in his dealings with Hitler—to allowing the explosion to take place.

In this moment of terrible strategic danger, the negotiations in Dayton could be the beginning of the solution. But interference and sabotage, like that of Gingrich, are making the situation even more volatile. The internal pressure could also induce the U.S. mediators to push for peace at any cost, depriving them of the margin of maneuverability that could make the difference between real peace and a mere truce in the war.

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## Documentation

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### 'This century began with a war in Sarajevo'

*From remarks by President Clinton at the White House on Oct. 31, the day before the beginning of the Bosnia "Proximity Talks" in Dayton, Ohio:*

I have just met with Secretary Christopher and our Bosnia negotiating team, led by Ambassador Holbrooke. As you know, they are preparing to leave for Dayton, Ohio, in just a few moments. . . . I want to repeat today what I told President Tudjman and President Izetbegovic when we met in New York last week. We have come to a defining moment in Bosnia. It may be the last chance we have for a very long time. . . . We will succeed only if America continues to lead. . . . We can't stop now. The responsibilities of leadership are real, but the benefits are greater. We see them all around the world: a reduced nuclear threat . . . peace breaking out in the Middle East and in Northern Ireland. . . .

Earlier this month in New Jersey, I had the privilege of spending time with His Holiness Pope Paul—Pope John Paul II. At the end of our meeting, the pope said something to me I would like to repeat. He said, "You know, I am not a young man. I have lived through most of this century. This century began with a war in Sarajevo. Mr. President, you must not let it end with a war in Sarajevo."

All of us must do our part to hear the pope's plea. Our conscience as a nation devoted to freedom and tolerance

demands it. Our conscience as a nation that wants to end this mindless slaughter demands it. Our enduring interest in the security and stability of Europe demands it. This is our challenge, and I am determined to do everything I can to see that America meets that challenge. . . .

*From the Remarks of Deputy Secretary of State Strobe Talbott at the State Department Foreign Policy Town Meeting on Nov. 1:*

Some legislators have even suggested diverting the money that we now spend on foreign aid to the construction of a giant fence along our borders. Ponder, if you will, the symbolism of that misguided sense of priorities. The instinct here is to wall us in and to wall the rest of the world out. The instinct is to build barriers to ensure that what happens elsewhere—either far away or right next door—does not affect us here in the United States.

This view is anathema to President Clinton and his administration. . . . So the American Congress and the American people now face some fundamental choices. At issue is whether we are prepared to do what it takes—and that often means spending what it takes—to have a foreign policy that is worthy of our aspirations, our opportunities, and our interests. . . . I want to use the remainder of my remarks here this morning to address the question—much in debate—of why we must lead both in the negotiation of a Bosnian peace settlement and in the implementation of a settlement, if we are able to reach one.

Quite simply, Bosnia matters to everyone here today. It matters to everyone in America. It matters because Europe matters to America. . . . If the fighting in Bosnia resumes . . . it could plunge the entire area into war. Now that clear and present danger has about it an aspect of historical *déjà vu*. I say that because the worst of the 20th century might be said to have begun with a series of bad-news stories, datelined Sarajevo, more than 80 years ago. I'm referring to the Balkan wars of 1912 and 1913, followed by the assassination of Archduke Franz Ferdinand in 1914, and all that followed that event.

Now, there is a very real danger that we will inadvertently close out this century with gruesome symmetry, by permitting a third Balkan war. Such a conflagration could all too easily spread well beyond the Balkans. History and geography have conspired to make Bosnia the most explosive powder keg on the continent of Europe.

The Drina River, which flows through the now famous town of Gorazde and along the border between Bosnia and Serbia, traces one of the world's most treacherous fault lines. The three communities that live there—Serbs, Croats, and Muslims—bear the legacies of two empires, three religions, and many cultures. That means if the warfare among them breaks out anew and then continues unabated, it might well extend to several points. . . . Albania could intervene to protect the ethnic Albanians who live in the Serbian southern province of Kosova. Warfare there could unleash a massive

flow of refugees into Macedonia, destabilizing that fragile country and potentially drawing into the conflict on opposite sides Greece and Turkey, two of our NATO allies who also happen to be regional rivals. A widening of the war might also see Hungary tempted to come in to rescue ethnic Hungarians in the Vojvodina region of northern Serbia.

Now, let me stress that Bosnia also matters very much beyond the borders of Europe itself. The entire Islamic world, from Morocco to Indonesia, is watching to see how events in Bosnia unfold. Muslims everywhere are waiting to see if their co-religionists in Bosnia will be accorded the same rights and protections as other Europeans. The answer to that question could have a very real impact on the future of moderate, pro-western leaders such as Prime Minister Ciller of Turkey and Prime Minister Bhutto of Pakistan. . . .

An ongoing conflict in the Balkans would jeopardize our efforts to promote stability and security in Europe as a whole. . . .

If the fighting in Yugoslavia resumes, and if it escalates and spreads, it will put increasing strain on relations between the United States and Russia. A third Balkan war would undermine both of our overarching strategic objectives in that part of the world. Those objectives are first, to promote integration between East and West, and second, and simultaneously, to contain and deter the forces of disintegration that have been unleashed by the collapse of Communism in the East. . . .

A continuation of the war would also threaten the viability, and I would say even the survival, of the North Atlantic Treaty Organization. . . . The alliance can no more ignore the conflagration in the Balkans than an architect can ignore a fire that is raging in one wing of a building on which he is working. And the United States is the leader of the alliance; therefore, the United States must also lead in Bosnia. Merely hoping that the fire there will burn itself out, or that somebody else will come along and put it out, is not just wishful thinking; it would be, if it were the basis of policy, extremely irresponsible and deeply harmful to our national interest.

Such an attitude of standing aside and passing the buck would put us in triple jeopardy. . . .

As we ponder those costs and risks let us also keep in mind those associated with inaction, particularly inaction or inadequate action in the face of systematic atrocities being carried out in our own time. I'm referring to mass rape, concentration camps, massacres, forced deportations of entire villages. . . . The Yugoslavs may not have invented the phrase "ethnic cleansing," but they have inscribed it into the glossary of this century, right there next to "final solution" as an administrative euphemism for genocide. . . . I believe, is a very important point—the unacceptability of ethnic cleansing in the Balkans by that or any other name is not just an issue of *Moralpolitik*; it's also an issue of *Realpolitik*. [To allow the genocide in Bosnia] would be a disaster not only for that region, but it would also be ominous for the former Soviet empire, where similar dark forces of what might be

called Balkanization are vying with the forces of freedom to fill the vacuum left by the collapse of communist totalitarianism. . . .

So, ladies and gentlemen, for all these reasons, ending the war in Bosnia is unquestionably in the national interest of the United States. We have been working toward that objective since the beginning of this administration, but only recently have our efforts shown real promise. President Clinton has long pressed for the vigorous use of NATO air power as a necessary component of peacemaking. . . . Meanwhile, U.S. and NATO war planes, no longer grounded by the dual key, reinforced the message that the time had come to stop the killing and start talking about the terms for a lasting political settlement. . . .

And on Monday of last week, Presidents Clinton and Yeltsin reached a landmark agreement: Russian and U.S. forces will participate together in the implementation of a Bosnian peace. [On Oct. 27, Defense Secretary] Bill Perry and his Russian counterpart Pavel Grachov hammered out many of the details. Russia and the United States will each contribute several thousand soldiers to a special operations unit under the command of U.S. Army Gen. George Joulwan. That unit will provide vital engineering, reconstruction, road building, bridge repair, mine clearing, and heavy lift services for the implementation effort. It represents the most concrete example of U.S.-Russian military cooperation in the post-Cold War era.

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### Samper's ship is sinking

*The Colombian President's list of supporters has shrunk to the narcos, the terrorists, and their international allies.*

**T**he support base for Colombian President Ernesto Samper Pizano has now dwindled to a chosen few: the cocaine- and heroin-trafficking Cali Cartel, the Colombian Communist Party, and the international human rights non-governmental organizations (NGOs). Samper's desperate efforts to pull together a show of unity around his corrupt administration in the aftermath of the Nov. 2 assassination of his political opponent Alvaro Gómez Hurtado, have fallen flat, as the country's more savvy political forces smell which way the wind is blowing.

Thus, when Samper called for a "national pact of principle" just after Gómez's murder, former Conservative Party Presidential candidate Andrés Pastrana held a two-hour meeting with Samper, after which he told the press that there could be no pact until the charges of narco-corruption against Samper were cleared up. He demanded that an impartial "truth commission" be formed, because the congressional "Accusations Committee," currently charged with the investigation, has itself been thoroughly corrupted.

Simultaneously, Samper's development minister, Daniel Mazuera Gómez, announced his resignation from the government, declaring that his action "is the result of a process of reflection caused by the personal tragedy I feel from Alvaro Gómez's assassination." Mazuera is the murdered politician's nephew.

The Colombian Communist Party (PCC), however, has leapt to Samper's defense, charging a conspiracy to topple Samper's government through a military coup. Included in that conspiracy, says the PCC, are the

followers of Alvaro Gómez, the daily *El Tiempo*, and U.S. Ambassador Myles Frechette—precisely the charges made by Samper's defense attorney, Antonio Cancino.

Prosecutor General Alfonso Valdivieso put another nail in Samper's political coffin, when he announced that the testimony on Samper's personal corruption given by the President's former campaign treasurer, Santiago Medina, had been confirmed through other sources. To reward Medina for his collaboration, and to improve his personal security, Valdivieso recommended the imprisoned Medina be moved to house arrest, bringing howls of protest from Samper's defense lawyer and others.

Despite various diplomatic efforts by Samper, in hopes of winning a reprieve from the Clinton administration, Colombia's narco-President continues to be rebuffed. The latest incident occurred when Assistant Secretary of State for Narcotics Affairs Robert Gelbard told the U.S. Congress that Samper's government only succeeded in capturing the cocaine cartel bosses after U.S. certification for a serious anti-drug effort was temporarily withheld. Samper's response: "Gelbard is a subordinate. I have Clinton's support."

On Nov. 3, responding to a question from *EIR*, State Department spokesman Nicholas Burns insisted: "When Bob Gelbard testifies, the Colombian government had better listen very carefully to that testimony, because he is speaking for this government." He added, "Anyone who knows Bob Gelbard, would never make such a comment."

A few days later, the *Miami Herald* published an article slamming Samper for having taken millions from the Cali Cartel in the 1982, 1983, and 1990 electoral campaigns, in exchange for promises to legalize drugs and eliminate Colombia's extradition treaty. Samper's defense attorney responded hysterically that the *Herald's* accusations came from the Clinton administration and the U.S. Drug Enforcement Administration.

At least some of Colombia's political elites are aware that, as weak as the Samper government is, the country will disintegrate into chaos and terrorism unless some semblance of order is imposed. Respected *El Tiempo* editor Rafael Santos penned a column on Nov. 7 urging a radical reform of the 1991 Constitution (which bans extradition), and the revival of military justice for crimes including terrorism, kidnapping, and drug trafficking. One week later, José Miguel Vivanco, director of Human Rights Watch, an NGO, met with Samper to urge that Colombia's military justice code be rewritten to satisfy "international requirements," arguing that even Samper's proposed reforms of that code did not go far enough to eliminate it as a "source of impunity in Colombia." Samper's justice minister has rejected calls for restoring extradition.

As the political situation in the country deteriorates, Samper will try to cling to power by any and all means, including his own ability to corrupt. The "Accusations Committee" must submit its recommendation to the Senate shortly. It can either clear Samper, or recommend impeachment proceedings and/or a criminal trial of the President by the Supreme Court. Most Colombians believe that Samper has bought the committee, but its ruling—either way—will likely mark a turning point for Colombia.

## Zapatistas defended by foreigners

*Commander Germán was freed under foreign pressure. Was it Bush, Castro, Perry, Feinberg? All of them?*

Once again, as occurred in January 1994 and again in February 1995, foreign forces pressured the government of Mexico to keep it from finishing off the narco-terrorist Zapatista National Liberation Army (EZLN). This time, foreign pressure forced the government to free terrorist Fernando Yáñez, alias "Germán," the founder of the EZLN who has been directing its national terror apparatus.

On those occasions, nationalists in Mexico had attempted to take a decisive step against the EZLN; each time, international forces, together with a plethora of non-governmental organizations (NGOs) and pro-terrorist groups in Mexico, mobilized to stop them. Once again, the EZLN has shown that it depends, absolutely, on the international protection which its controllers provide it.

The release of Germán may be the most damaging backdown yet. Officials announced on Oct. 23 that the long-sought terrorist had been arrested with an AK-47, a 9 mm pistol, 64 rounds of ammunition, and 1.4 grams of cocaine in his possession. The EZLN apparatus went into action, denying that he was a leader of the EZLN—but threatening that if he were not released, they would pull out of talks with the government.

Yáñez coyly stated that "it would be an honor to belong to the EZLN; and it is up to them to say if I am, or am not, a member."

On Oct. 26, the Attorney General's office ordered Germán released, under an amnesty law passed for EZLN members earlier in the year.

Bishop Samuel Ruiz of San Cris-

tóbal de las Casas, visiting Vienna, Austria on Oct. 30, protested the detention of his fellow EZLN commander as "illegal." He alluded to the power that the EZLN's international mobilizations inflict, noting that it was the presence of the international media which had forced the government to return to the negotiating table with the EZLN just two weeks before.

On Oct. 31, Germán strutted onto the floor of the Chamber of Deputies on the arm of Party of the Democratic Revolution Deputy Rosario Ibarra de Piedra, and began a press conference, even though Congress was in session! When furious deputies demanded the "criminal" be removed, he jeered back, "Let's see the general come and get me out." Asked what general, he answered only, "They know which one."

The EZLN apparatus then began gunning for the head of Army intelligence, Gen. Acosta Chaparro, charging that he ran the operation which captured Germán, and that that arrest constitutes *ipso facto* proof that a "dirty war" is beginning.

The question is, who applied the crucial *international* pressure, required for a wanted terrorist of the stature of Germán to be released? Was it George Bush, or Fidel Castro? Was it U.S. Defense Secretary William Perry, who was in Mexico when Germán was arrested? Was it Richard Feinberg, National Security Council adviser and former president of the Inter-American Dialogue, who accompanied Perry to Mexico? All of the above are on a list of suspects who have supported the policy of handing

power to narco-terrorists in the Americas in the name of "democracy," and have clout in Mexico.

The fact that Perry and Feinberg were on an official visit in Mexico when "Germán" was detained, is of particular note. Perry went in pushing the line of the insane report issued last September by the U.S. Department of Defense, *United States Security Strategy for the Americas*. That report insists that the United States must maintain a policy of "active support" and "encouragement" for government negotiations with "insurgent and guerrilla forces," because the latter, it lies, are diminishing in strength.

This is the line of Bush and the Inter-American Dialogue, which is the leading proponent of drug legalization. Feinberg, the Dialogue's former president, has used his post on the National Security Council to promote that policy, including hosting meetings with leaders of the São Paulo Forum, the narco-terrorist international which Castro operationally controls.

Even the World Bank has been pressuring for a deal with the EZLN. According to the Oct. 13 Mexico daily *Reforma*, World Bank director James Wolfensohn, fresh from meeting in Chiapas with various EZLN-related NGOs, announced that the World Bank wishes to enter into dialogue with everyone, even Subcommander Marcos.

U.S. Presidential candidate Lyndon LaRouche has warned that the Defense Department, "or some idiots there . . . are proposing *negotiating* with the EZLN." In his campaign document, *The Blunder In U.S. National Security Policy*, LaRouche refutes the DOD's document, insisting that the leading threat to U.S. security is "two interrelated factors, financial collapse and spreading 'ethnicity' and other armed conflict."

# International Intelligence

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## ***Civil war scenario nearer in Brazil***

The danger of escalating violence, perhaps leading to civil war, has been heightened in Brazil by President Fernando Henrique Cardoso, who just expropriated a quarter of a million acres from what wire services call "Brazil's land barons," to distribute among families belonging to the narco-terrorist Landless Movement, or MST. The MST is an appendage of the São Paulo Forum's Workers Party (PT). Legislation has also been presented in Congress to facilitate future expropriations.

On Oct. 31, MST national coordinator Gilberto Portes de Oliveira warned that the group intends to extend its land invasion actions to such states as Rio Grande do Sul, Para, Pernambuco, and Mato Grosso do Sul. On the same day, Celio Romero, the vice-president of the Presidente Prudente Rural Union, accused the government of favoring the MST. Landowners are becoming desperate at the fact that the government "is not carrying out its constitutional duty to protect the rights of rural landowners," Romero said; and that is why, landowners are joining together to hire private security agencies to protect their land."

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## ***Küng calls for eliminating God***

God must be eliminated, for reasons of religious correctness, Hans Küng stated at an "ethics" symposium on the weekend of Nov. 4-5 at the Evangelical Academy in Tutzing, Germany.

Küng is a Catholic theologian whose teachings have been denounced by the Vatican. He recently formed the World Ethos Foundation for Intercultural and Interreligious Research, Education, and Dialogue, a project he wants to "overcome the nation-state," replacing it with a "one world" based on "pluri-culturalism," "pluri-ethnicity," and "polytheism."

Küng demands a "post-modernist" paradigm shift for a world with—as he said—

ever-shrinking resources. In order to achieve that goal, Küng is willing to sacrifice the term "God," since it allegedly is an "insult" to other religions. Küng's World Ethos project is based on earlier documents of the World Parliament of Religions, which were signed by Tibet's Dalai Lama as well as other New Age advocates. Support for the project comes from Britain's Prince Philip's World Wide Fund for Nature, too.

So far the main financial sponsor of the project is Count Karl von Groeben, a sales agent for Coca Cola in Germany.

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## ***Greenpeace declares war on water for Spain***

In a particularly blatant demonstration of its genocidal aims (and anti-scientific lunacy), Greenpeace has come out against five desalination plants which are planned to be built in Spain, which is suffering a severe water crisis.

According to *El Mundo* of Nov. 9, following the announcement by the Public Works Ministry, that five large desalination plants are to be built in Andalusia, Greenpeace Spain put out the following communiqué: "The Public Works Ministry is trying out a new scam, riding on the back of the present drought. The desalination plants, which are actually electric power plants, are being hidden behind the myth of unlimited drinking water, distracting people's attention and deviating resources, away from the need to stop wasting water.

"The drought, is the harbinger of a climatic change, produced by CO<sub>2</sub> emissions. The planned electric plants will only produce more CO<sub>2</sub> gas."

In Andalusia, the once-mighty Guadalquivir River runs at 7.35% of capacity. The Guadalete reservoir is a terrifying sight of scorched earth and cracked lodes, at 2% capacity; the Barbate reservoir is at 0.2% capacity.

Will people die of thirst? In Western Asturias, formerly a rain zone, civil defense teams have been trucking 6,000 liters of water per day to the villagers in 40 different sites. Irrigation is allowed only once a week

in Huesca and Salamanca.

In Avila, where it has not rained for five years, there are already seven hours of water cuts a day. Pamplona, another rainy northern area, has just announced water cuts.

A Toledo farmer, D. Francisco Fernandez Iniesta, of Quintanar de la Orden, committed suicide after digging a 115 meter deep well which proved to be dry. He had put his last 2 million pesetas, his entire savings, into digging the well.

The president of the Hydrographic Confederation of the South, Hilario López Luna, has put out a press release, calling for a "transnational network of water transfers" from the Rhine and Rhone. Spain, he said, "is no longer in a position to supply its people with the public service of water from its own resources."

Public Works Minister Josep Borrell said the same on a radio interview in mid-November.

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## ***European strike wave hits privatizations***

A pattern of nationwide strikes in European countries can be observed, all against privatization plans in the public sector, budget cuts in social welfare, and other aspects of austerity policies.

In Spain, airline pilots are staging three nationwide protest strikes of two days of action each, on Nov. 13-14, Nov. 23-24, and Nov. 28-29.

Following protest actions in France in the transportation and public services sectors on Nov. 15, there will be a day of nationwide protest on Nov. 28, organized mainly by the Labor Front, one of the biggest labor federations. The General Confederation of Workers is expected to join this strike. Employees and pilots at Air France are also to resume their protest against government plans to privatize the airline.

In Belgium, the railway and other public service sectors have repeatedly been hit by protest strikes. The State railway company, which wants to lay off 25% of its 40,000 employees, has especially been a target.

In Hungary, a nationwide strike of em-

ployees and workers in the power sector is expected, against a large privatization project that will shut down many "inefficient" regional and local utilities. In the Czech Republic, doctors and nurses just concluded a series of strike actions, protesting against plans of the government for in-depth privatization and deregulation.

A similar situation is shaping up in wealthier Germany, where the government wants to impose a strict ceiling on hospital costs beyond 1996. In Poland, the strike ferment has just been kept on hold for the period of the Presidential elections, ending Nov. 19.

In Austria, 15,000 farmers took to the streets of Vienna on Nov. 13, to protest the twofold shock of the transformation into the European Union agricultural policy, and the government's delay of crucial payments to the farmers.

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## ***EIR cited on British ties to Mattei's death***

For the second time this year, the Italian daily *L'Unità* cited *EIR's* exposé of the British intelligence role in the 1962 assassination of Enrico Mattei, the founder of Italy's national oil company ENI.

The article, published Oct. 26, reports that "already in 1992, the international conference organized by the Schiller Institute and by *Executive Intelligence Review* had called for re-opening the investigation" of Mattei's death. "Their reconstruction puts under scrutiny the British secret services and *rogue wings* of the CIA, representing a conspiracy analogous to the one that killed Kennedy." The article lists the *EIR* analysis as one of three "hypotheses, not necessarily in conflict with each other." The second one comes from Mafia witness Tommaso Buscetta, who insists that the Mafia killed Mattei under orders from the "Seven Sisters" oil mults.

The third hypothesis, formulated "by the Mattei family, calls for investigating in Italy and not abroad where, with Kennedy's help, Mattei was to conclude an agreement with the Seven Sisters." Mattei's nephew

Angelopoints to the role of "a former minister and a prominent representative of the Italian financial world."

After the positive results, earlier this year, of the examination conducted on a few pieces of Mattei's plane, the forensic laboratory test requested by Pavia prosecutors on Mattei's body, has also come up positive, corroborating the theory that a bomb could have been placed in the landing gear of Mattei's plane.

Mattei's twin-engine jet crashed over a tiny village near Milan's Linate airport on Nov. 22, 1962, shortly after the pilot communicated the start of the landing maneuver to the control tower. The crash was officially blamed on "bad weather."

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## ***Bankers' spokesman demands Aristide stay***

The president of the pro-drug legalization bankers' think-tank, the Inter-American Dialogue, Peter Hakim, is demanding that the Clinton administration agree to let Jean-Bertrand Aristide, of the narco-terrorist São Paulo Forum, remain as President of Haiti after his term expires in December.

In an op-ed published on Nov. 8 by Argentina's *La Nación*, Hakim writes that the U.S. government is rightfully concerned about the fragility of constitutional order in Haiti, and it doesn't want to give fodder to those who see Aristide as "an aspiring dictator ready to perpetuate himself in power." But, writes Hakim, "regardless of whether [Aristide] is committed to democracy or not, he continues to be extremely popular and would win any elections in a landslide."

While the United States should continue to press for the liberalization of Haiti's economy, including privatization of State industries, it should not condition basic aid—for health, education, conservation, etc.—to those reforms, he says. Finally, writes Hakim, the U.N. peacekeeping troops, which include 3,000 U.S. soldiers, should remain in Haiti past March 1, when their mandate expires, "as a precaution in case of a new cycle of violence, whether political or criminal."

# Briefly

● **RUSSIAN** President Boris Yeltsin, in his first interview from the hospital, said Nov. 14 he "wants" the Dec. 17 State Duma elections to take place, but avoided making flatly stating that they will. A statement made the day before by Yeltsin's parliamentary adviser fueled speculation that Yeltsin might let the elections take place, and then find a pretext for annulling them.

● **AFGHANSI** terrorist networks might be tied to the bombing in Saudi Arabia Nov. 13 which killed five American servicemen and a Filipino, the London *Independent* suggested Nov. 14. These networks, recently exposed in an *EIR Special Report*, are described by the *Independent* as: "religiously inspired young men who went to fight communism in Afghanistan and received training in arms and explosives from the CIA and other western intelligence services."

● **LORD** Peter Carrington, formerly NATO secretary general, will be among western has-beens getting engaged in a new "Transatlantic Commission" project, along with Swedish tycoon Pehr Gyllenhammar, Peter Sutherland (ex-GATT), Edzard Reuter (ex-Daimler Benz), Jacques Delors (former head of EU Commission), Howard Baker (formerly in Reagan White House staff), and David Anderson (Aspen Institute).

● **INKATHA** leader Dr. Mangosuthu Buthelezi was among those who had to be evacuated from an awards ceremony because of a bomb scare at the Gallagher Estate in Johannesburg Nov. 7, South African radio reported.

● **YITZHAK RABIN** was called a "reluctant peacemaker" in an article in the *Jordan Times* Nov. 6, by Michael Jansen. He believes that "Rabin was reluctant to take firm action against the messianic and ultra-nationalist settlers . . . reluctant to engage in battle with Israel's own 'terrorist' right. If Rabin had redirected the attention of Israel's formidable security apparatus to 'Jewish terrorists' he might be alive today."

## Russians to vote for Duma as economy continues to slide

by Gabriele Liebig

*Gabriele Liebig, editor in chief of the German weekly Neue Solidarität and a member of the Schiller Institute in Germany, visited St. Petersburg, Russia for a week in October.*

September two years ago was the last time I had been in St. Petersburg. The splendid palaces on the Neva River are still there, even though, upon close inspection, the fine ornamentation is crumbling away. But the city has been visibly marked by the so-called "reform process," as even a cursory survey makes abundantly clear: The population, including scientists, engineers, doctors, and teachers, has been plunged into poverty.

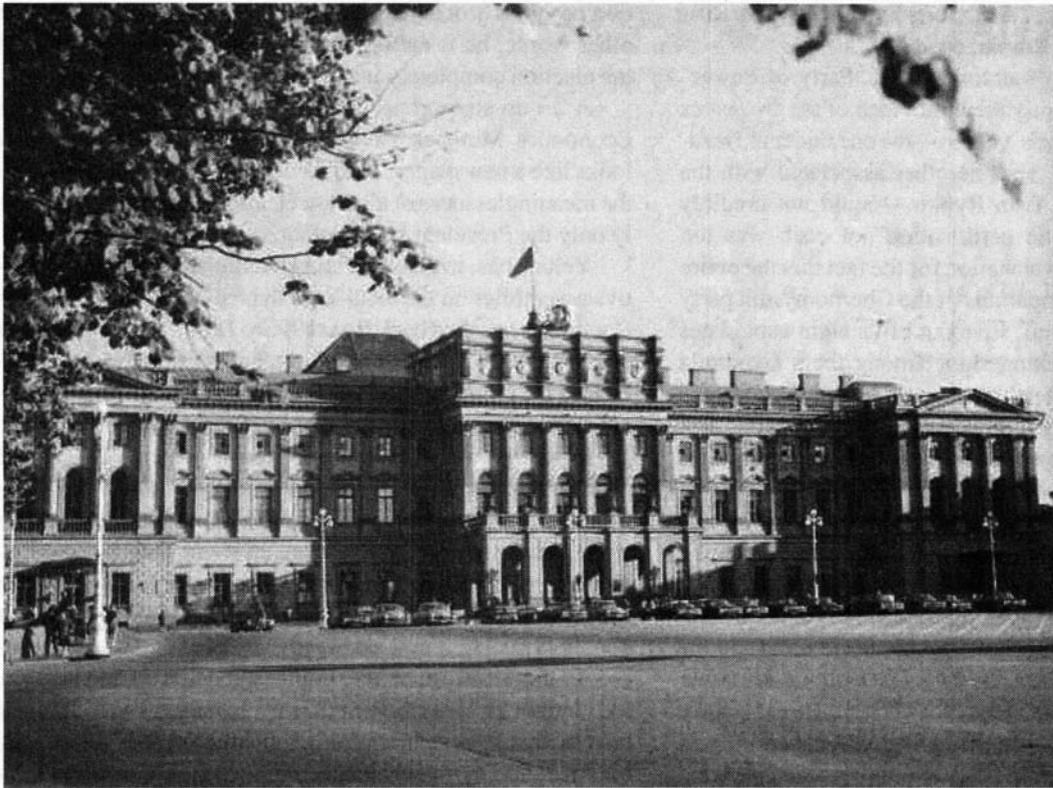
My host, a paterfamilias and chief physician at a St. Petersburg hospital, doesn't have a car, so we travelled by bus and subway. In 1987, it was decided to extend the subway system, and even though construction work had already been started, it was discontinued due to a shortage of funds. The decrepit buses are just about ready for the junkyard. When they do break down, there won't be any new ones to replace them. Consequently, every year fewer and fewer buses make the trip in and out of St. Petersburg, and the reach of the local public transit grid is becoming shorter and shorter.

Over 50% of the industrial concerns in the St. Petersburg area are already shut down. For this reason, all the streets in the business district, not just Nevsky Prospect, are decked with signs bearing western companies' trademarks alongside the Russian ones: Philipps, Bosch, Fuji-Film, Reebok, Burger King, Coca-Cola, of course, and lots of others, sometimes in cyrillic letters, sometimes not, as these giant billboards make an impression on one's memory of the general character of the city. My Russian friends find the advertising slogan of one western clothing company particularly grating: "You are what you wear."

At the same time, the living standards of the general population are deteriorating more and more. Even families of university graduates buy practically nothing other than food and the most essential necessities, such as soap, toothpaste, or shampoo. The State health care system is no longer able to guarantee the availability of adequate medical supplies. The shortage of medications has led to a situation where patients have not only to pay for their medicines, but even to procure these themselves. Many clinics are overcrowded, and even as many as 20 psychiatric patients sleep in a single dormitory hall.

Who shops in the stores, lit up with the western signs? Who plays at the "Fortuna Casino" on Nevsky Prospect, where the entrances, for safety reasons, are equipped on either side with two little roofed guard houses, manned by security personnel? Perhaps the speculators, or the employees of the 400-odd Russian banks established since 1991, most of which are seen, time and again, to be going bankrupt (in connection with which, more than 100,000 bank customers have already lost their deposits). Is it the former Communist Party functionaries, who, during privatization of formerly State-owned property, have pocketed gigantic sums in brokerage commissions?

Or, is it the big and small mafiosi, who shamelessly cash in on protection money extorted from businesses, shops, or restaurants? "They all pay it, even the big western concerns," was intimated to me. We pass by a restaurant, which had been managed by two brothers from Nigeria, who had lived in Russia for quite some time. One brother was shot by the mafia, because he didn't want to pay any protection money. A woman candidate for the State Duma arrived late for our discussion appointment, and, all out of breath, she reported that she'd gotten stranded: The streets had been closed off,



*Mariinsky Palace, where the St. Petersburg City Council has its offices. The author and St. Petersburg journalist Konstantin Cheremnykh met here with City Councilmen Aleksei Vorontsov and Leonid Romankov, discussing the upcoming elections and Russia's economic crisis.*

because of a bullet-riddled car bearing diplomatic license-plates standing in the middle of the road. Not one television station, no radio news report, no newspaper ever reported on whatever it was that had happened there.

People more often complain about the collapse of science and culture in their country, than about their miserable living standards. The movie theaters and television show exclusively western films, for the most part American, and of the lowest quality; maybe two years ago these held some fascination because of their novelty, but today, they simply leave people cold.

The underfunding of the scientific institutions is cause for concern about a double "brain drain": Not only are scientists emigrating to foreign countries; many who do stay in the country direct most of their energies into activities entirely divorced from scientific work. These are profit-making commercial pursuits, e.g., purchasing anything whatsoever at favorable prices and re-selling it at higher prices—according to the old Adam Smith principle.

Those of the old *nomenklatura* who still hold more or less equivalent posts today, enrich themselves by collecting commissions as intermediaries for all kinds of business deals, whenever the opportunity presents itself within their sphere of influence. This corruption goes hand in hand with the introduction of International Monetary Fund (IMF) policies in Russia. A lot of people who once supported those policies, would now gladly see them gotten rid of. Since their introduc-

tion in 1992, Russia's foreign debt has grown to \$130 billion, and the breakdown of agriculture has made Russia dependent upon western food imports. Since Russia needs even more credit for these, it is caught on the horns of a dilemma. As long as the political leadership is preoccupied within the power struggles of their low-brow group interests, there is no way out of this Catch-22.

### **Prognoses for the Duma elections**

The upcoming election of a new State Duma (national parliament) on Dec. 17 gives rise to a certain degree of hope for a change. The political analyst and radio commentator Vladimir Yeremenko (who moderates the Saturday interview broadcast "Opinion Interchange") makes the following prognosis: Assuming that the elections come off, they will produce an absolute majority for the renunciation of the IMF-dictated economic policies. The left opposition, consisting of Zyuganov's Communist Party of the Russian Federation and the Agrarian Party, together with the Congress of Russian Communities patriotic opposition bloc of Yuri Skokov, chairman of the Duma Economic Committee Sergei Glazyev, and Gen. Aleksandr Lebed, would probably attain the absolute majority in the next Duma. Vladimir Zhirinovskiy is evaluated as a political buffoon with no chance even worth mentioning. Yeremenko gives the party of Prime Minister Viktor Chernomyrdin "Our Home Is Russia" at most 10%; Yegor Gaidar's "Democratic Choice" at the very most 5%;

Grigori Yavlinsky's party, 7-8%; Boris Fyodorov's "Go Russia!", and the Women of Russia, each 5%.

Chernomyrdin's bloc was termed the "Party of Power" for a few weeks. Apparently the entire idea of the two blocs approved by President Boris Yeltsin—the one under the leadership of Chernomyrdin, and the other associated with the name of Duma Speaker Ivan Rybkin—could not credibly function, as the "despotic certification" of each was too strong. This is the only explanation for the fact that the entire St. Petersburg regional apparatus of the Chernomyrdin party voluntarily disbanded itself. Five out of its eight candidates have already left the sinking ship, among them Lyudmila Narusova, wife of St. Petersburg Mayor Anatoli Sobchak.

From discussions with representatives of the various parties, I got the impression that parties there are more like temporary practical alliances of people who want to do something or other together, than organizations with a clearly defined profile. Thus a supporter of the Social Democratic Movement, which belongs to the democratic-liberal camp, argues like a ringleader of the opposition. And it is difficult at first to distinguish a Zyuganov Communist from a supporter of Lebed and Glazyev,

Yet after a while, the tendency for uncritical nostalgia for the good old days of the bygone Soviet era, or for certain blood-and-soil ideas, is upsetting. It is to be welcomed that there is a general sense that the country's enormous crisis can only be overcome through a complete change in economic policy, as Glazyev has demanded: an end to the criminal privatization of the Russian economy, for which Deputy Premier Anatoli Chubais will be held responsible; the utilization of Russia's cheap raw materials, in combination with scientific-technological progress, the high educational level in Russia, and the construction of infrastructure; State intervention for endangered industries; the solution of the Russian banking crisis.

### Who would want to prevent the election?

Yeremenko is not alone in his apprehension that Yeltsin may postpone the Duma elections (and those for the Presidential election scheduled to occur next year) i.e., prevent them from taking place. "If anyone at all can convince Yeltsin, that he can get away with not holding the elections as scheduled, he will do so," Yeremenko thinks. The other possibility that has already come to mind is a large-scale, planned vote fraud carried out with the help of bought-in-America voting machines and computer systems; however, it is said that these could not be installed in time for the Dec. 17 election day. On account of this, Yeltsin is now pressing hard for the election to be completely postponed. Yeremenko also concludes this from the behavior of the head of the Election Commission, Reabov, who publicly lamented over the fact that, with 40 parties participating in the election, a short description of each would fill up an entire book. Many citizens would not vote anyway, and may throw all of the elec-

tion program brochures right into the waste-paper basket. In other words, he is calling the very meaning and purpose of the election completely into question.

A group supporting the President, from circles around Economics Minister Yasin, is circulating a document that looks like a newspaper, with the logo *President*. It deals with the meaninglessness of all these elections anyway, since really only the President is important.

Yeltsin has, in a decree, slyly recommended to the legislative assemblies on the local level that city council and similar elections be pushed back from 1996 to 1997. The city councils are said to be following this recommendation and would thereby lose the moral right to protest, if Yeltsin were now to postpone the Duma elections and/or the Presidential election.

Naturally we would like to know, which persons and groups have a special interest in sabotaging the Duma election. Yeremenko even names names: in particular those who should have the most to fear from an about-face in the privatization policy. Skokov's Congress of Russian Communities has announced its intent to have the criminal privatization contracts declared null and void. Those with the biggest secret fortunes to lose, or who could even wind up behind bars, like former privatization minister Chubais, would certainly have a great interest in avoiding such trouble. Defense Minister Pavel Grachov and other representatives of the "war party" in the conflict with Chechnya may also have reason to fear great damage. General Lebed spoke his mind right against the Chechnya campaign from the start, and a recent poll showed that more than 60% of Russians reject the conduct of the Chechnya war. In St. Petersburg, it is over 80%.

The dean of the History Faculty of the State University of St. Petersburg, I. Ya. Froyanov, commented in an interview (see below) that in the course of its long history, Russia has always reacted to the pressure of external threats to its existence, by strengthening central power over the allocation of commodities and necessities of life. The consolidation with respect to external threats always brought with it internal repression. One could say, that some of Yeltsin's security services are operating out of a kind of historical power-reflex. What so far continues to be unclear is their political objective. The fundamental question remains: Will the "consolidated Russia" grasp the decisive social and economic question of bringing the IMF policies to an end, in accord with the vital interests of the Russian population? Or will Yeltsin now go as far as he did in 1993, when he allowed the Parliament to be massacred in October 1993, because of the well-organized resistance being waged against the IMF shock therapy?

The disturbing processes in the Kremlin are also the result of a grave of miscalculation by those western strategists, who thought that they would be able to plunder Russia, as if it were some kind of Third World country. Perhaps it is still not too late, through a change of course in the West's Russia policy away from IMF-dictates and blackmail utilizing the food weapon, to avoid an even more evil calamity.

## Low wages causing our brain drain in science

*I. Ya. Froyanov is the Dean of the History Faculty of St. Petersburg State University. The interview was conducted by Gabriele Liebig of the Schiller Institute in Germany and St. Petersburg journalist Konstantin Chermnykh on Oct. 11, 1995.*

**EIR:** Can you tell us about the situation of the university, and the history department in particular? What kind of problems are students and teachers facing?

**Froyanov:** The situation in contemporary Russian science is gloomy. We are undergoing a very deep crisis, not only due to some obvious circumstances, but also due to subjective factors. For example, inflation is not a lawful by-product of development, but the result of the fact that fools are managing the State. But it would not be the worst thing, if the problem were just those fools. Unfortunately, I have come to the conclusion, that there are also people in our government, who are hired by some foreign forces exercising influence on our country in this way.

One need not be a great intellectual to see that our country is falling into an abyss. According to independent experts, since 1984, State financing of science in general has decreased more than *17.4 times*.

First of all, that led to the freezing of several science programs. Whole institutes are cut off from any finances. The worst thing is, that this situation forces our scientists to go abroad, where they try to find new employment. I'll give you an example at our university: A large number of our scientists go on leave for long "business trips," sign contracts, and work in other countries. And, of course, they earn there much more than here. As a result, our scientists teach students abroad, while our students lose that opportunity. Of course, the education of our students becomes much worse.

The very low wages of scientists in Russia leads to a double "brain drain": it forces scientists either to go abroad, or it forces them into some commercial activity, some speculation, in order to make some money. Of course, such activity has nothing in common with scientific work, and moreover it is totally alien to science. But it consumes a lot of energy potential that is not used for what it should be used—for making science! Thus, scientific morale is being destroyed by money concerns. This, in turn, influences the atmosphere within the university, the relations among scientific teachers.

Ruble or dollar, money usually doesn't unite people, but separates them. This is the problem for our university as well as for our high school education.

**EIR:** The Schiller Institute in the West, in collaboration with the Schiller Institute in Moscow and St. Petersburg, aims at expanding a dialogue between scientists and politicians in East and West. We have found, that western politicians and the western public just don't know enough about the problems that Russian society is facing, and we therefore invite Russian scientists or politicians to write in our publications, and speak about the Russian crisis, and how they think it could be solved.

**Froyanov:** It seems to me that there is a unity between your mass media, which don't tell the truth about Russia, and our liberal mass media here, which don't tell the truth either. I suspect a common interest here. The question is: Who is behind that common interest? In former times, the West wouldn't publish what we wrote, and we didn't publish what they wrote. But now we have this very strange concert. I cannot help but suspect behind this an interest that wishes my country ill. From a historian's point of view, I could say: The West never needed a strong Russia, that was formerly so, why should it be different today? And this, although the Russian people are very friendly and peaceful.

**EIR:** I think, it is not quite true, that "the West" in general, that all western governments have an interest in weakening Russia, even though I can understand that it may look that way. The problem is the hidden power which in part controls, and in part viciously opposes western governments: the financial oligarchy, which runs the global financial system.

**Froyanov:** That's exactly what I meant, when I spoke of a certain interest, certain circles standing behind the policy to weaken Russia. Of course, I didn't mean the governments or all politicians in the West.

Moreover, after a certain period of our so-called "reforms," I hear that many sensible politicians in the West say that the devastating result of these "reforms" is very dangerous for the world, and not only for Russia itself.

**EIR:** Therefore we think, that this dialogue with people in Russia, who can give a truthful analysis about the situation, and what can be done about it, can be very helpful to influence the political situation in the West. Our people have to understand, what went so terribly wrong in the former Soviet Union, and what can be done against this financial oligarchy, which is ruining the economies in the East and in the West as well. Because this is the fundamental question for politicians in the West: Do they have the courage to stand up against, and implement political measures that will curtail the power of that bankrupt oligarchy?

**Froyanov:** My question is: Who is stronger, the International Monetary Fund, or the politicians in the West?

**EIR:** You have to take into account, that the financial system represented by the IMF is bankrupt. It will collapse soon; in fact, the process of its disintegration is already underway, as the Japanese banking crisis exemplifies. The dynamic of financial speculation has reached dimensions which can't go on. Already you see banks collapsing around the world, in Taiwan, in Argentina, in Japan, even in Germany.

American economist Lyndon LaRouche has warned for a long time, that the global financial system is going to break down. The president of the Bank for International Settlements in Basel, Switzerland, Mr. Crocket, the unofficial chief of all European central banks, recently said that the control over financial events has proceeded "from the governments to the markets," in other words, the governments have lost control. And without proposing any valid measures to prevent it, he foresees another major financial crisis with losses going beyond anything in the past. We say, if that crash occurs, it is at the same time the crucial moment when the governments can and must regain control over economic and financial developments. At that point they have to make the financial system undergo an orderly bankruptcy reorganization and establish a new credit system that gives priority to the productive part of the national economies, to infrastructure, health care, and so forth.

**Froyanov:** I understand. I am a historian and not an economist, but it seems to me that this speculative financial bubble is only the visible aspect of an apparatus, which is based on certain secret societies. This is not only the problem of our country, but also for western countries.

**EIR:** We could mention the Mont Pelerin Society, or the less-known Club of the Isles, which we have described in an extensive report, entitled "The Coming Fall of the House of Windsor" [*EIR*, Oct. 28, 1994].

**Froyanov:** I saw a funny episode on television. When our economics minister, Yasin, was in the U.S. for talks with the IMF, he said (not thinking how strange it would sound back home): "Here in the U.S. the attitude toward our government is very good, much better than in Russia!" Of course.

Speaking of Russia in the 20th century, it has been tortured throughout the last 100 years. The Russo-Japanese War at the beginning of the century, World War I, the deterioration as a result of this war, the February Revolution, the October Revolution, again deterioration, Civil War, Stalin's repressions, the collectivization and killing of kulaks [wealthy peasants], the Second World War and the Great Patriotic War, the so-called reconstruction after the war, and now the "reforms"—what people can endure such sufferings?

But I am sure the Russian people will come out of it; that is a specific national feature: the ability to always rebuild, to regenerate. This also became evident in previous centuries. During wars, towns and villages often were destroyed and disappeared, but 20 or 30 years later, these places would come back to life. Or the rebuilding of the economy after World

War II: It was estimated that it would take up to 40 years to rebuild it, but it was already done in 15 years. This was not because of the regime of the Communist Party, but because the people have a certain quality. And I think, that after all this, we will overcome the devastating effects of the "reforms," too.

**EIR:** How do you think the situation can be changed politically, so that this "shock therapy," the IMF policy, is brought to an end, and Russia's economy can be rebuilt? Who will do what to bring about that change? What can you yourself do in that process?

**Froyanov:** That is a very complicated question. I am looking now for leaders among those, who are featured on the historical scene. I must confess, I haven't found such a leader yet. It seems to me that this is rather a question of spontaneous historical development. The prominent Russian historian Sergei Solovyov, who wrote about Russia of the late 17th [and early 18th] century, when Russia was facing the prospect of reforms, [wrote that] the people were ready to go forward to a new way of life, but they waited, waited for the leader. And then he came. Not everything is rational in history, and this leader can come earlier or later.

I also look with some suspicion at today's leaders. Those who made the "reforms" in Russia were pre-calculating very carefully what they were doing, and how. They organized it like a *Staffellauf* [relay race]. Their political activists are grouped in different echelons, one is replaced by the next. But they all represent the same team. People are told: Now there are new people, let's first wait and see, what they will do. It is a devilish game.

**EIR:** Could you give us a concrete example?

**Froyanov:** For example, we had [Yegor] Gaidar, now we have [Viktor] Chernomyrdin. And it is very much a possibility, that with [Yuri] Skokov, it will be the same, that he will just be the third echelon. With Yavlinsky, it is clearly the same. There are some people we don't know, but it is all a big circus. It is a tragedy. And this is all planned very carefully. They are considering many variants in this game: If one variant fails, we take this one, and so forth.

**EIR:** The Schiller Institute's objective, in both the East and the West, is to educate citizens to think as if they were responsible for governing their country. In this context, Mr. LaRouche discussed during our last conference the concept, that we must not look at "current events," but only at current history. And we have to locate current history within the larger context of the historical process. In this way, people must get used to thinking about their own actions in terms of how they affect history.

The educational system of Wilhelm von Humboldt, a close friend of Friedrich Schiller, pursued the same aims, also emphasizing the teaching of ancient languages and histo-

ry. Humboldt said: Education means to connect the individual with mankind. And we think it is very important to reintroduce these concepts into contemporary education.

Yesterday evening, we were talking with a friend about the problem of current history books in Russia, which are somewhat strange.

**Froyanov:** Yes, we have, for example, some textbooks that are not even written in Russia, but they were written abroad. Here is a history textbook, written by one Jeffrey Hoskin, Moscow edition, 1984; copyright J. Hoskin; title: *The History of the Soviet Union*. There are other textbooks which omit or distort important things. They are written by people who were writing textbooks as early as the Brezhnev period, but now they have changed their color. There are always such political chameleons; it is a very common phenomenon.

**EIR:** Can you give us an example of the falsification you are talking about?

**Froyanov:** The problem with foreign authors simply is that they don't know the history of our country as well, because they haven't grown up here.

But concerning our domestic falsifiers, I can give you two names that you probably know very well: Aleksandr Nikolayevich Yakovlev, former Central Committee member of the CPSU [Communist Party of the Soviet Union], and Prof. Yuri Afanasyev, former chairman of the Pioneers' [Communist children's] organization. Yakovlev, for example, speaks about the paradigm of "1,000 years of slavery." Afanasyev says that the Russian people only now have the chance to start a new, democratic life. This is either ignorance, or an outright lie, because we do have an old and strong democratic tradition in Russia. In the period of the Kiev Rus, the first foundations of democracy were laid. The commonwealth life, collectivism, political activity as well. Perhaps this is modified by the form of State of the Kiev Rus. There was a kind of direct democracy. Later, due to some political circumstances, all rights of the commonwealth were transferred to the monarch. And one has to say, that by and large, the Russian monarchs usually fulfilled that task.

During the 19th and beginning of the 20th century, this changed. And then quite suddenly the Russian people were confronted with the perspective of representative democracy. And here the split between the authorities and the people became clear. Many bad, evil people were elected to the first Dumas in the beginning of the century, and they didn't have any authority. So, the first thing to change the situation today, is to revive the spontaneous activity of the people in the tradition of this direct democracy. How to do this, is another question. But new politicians have to consider this. Most important is to give faith back to the people. They have lost hope now. That's why the present reforms don't function. In any case, all that is done far away in Moscow, they say. And therefore, at any moment, everything can be turned upside-down.

**EIR:** We in the Schiller Institute look at history as a constant struggle between two fundamentally opposed systems: on the one hand, there is the oligarchical system, in which a small group of people exploits the rest of the society by usury or slavery, as in Babylon or in Sparta. The other system is the republican nation-state, or in the case of Athens the city-state, which is organized around the idea of the commonwealth, that the common good has to be promoted. In European history, there has been a symbiosis of both systems for a long time. In the better periods, the republican system had the upper hand, and when the oligarchical system prevailed, major disasters were the result.

We have to recognize that in the last 30 years, the oligarchical system has taken over—speculation, the New Age, the rock-drug-sex counterculture, Satanism—all serving the purpose of the anti-science, anti-industrial progress paradigm shift promoted by the financial oligarchy. We think, in order to evoke new hope in people, we have to promote the positive ideas of the republican commonwealth system. And we have to educate citizens who are able to judge the overall political situation responsibly.

**Froyanov:** The standard of our higher education is even appreciated in some western countries. In the last period, we are seeing some efforts to impose on us the so-called "multi-level education," the system of bachelors degrees, masters degrees, etc. It is copying the system of the West, and ruins the system we used to have that was working so well. We have to deal not only with a deterioration in science, but also in education. But without science and education, we don't have a future. We try to do something against it. In the history faculty, we have been able to preserve the old education tradition. How long we will be able to withstand, I don't know.

The contradiction you mentioned [between oligarchical and republican systems] may be more important in western Europe. For Russia, the most important confrontation was between Russia and the steppe, the world of the nomads to the east of Russia. At the same time, we had to defend our borders against the West, especially since the 13th century. There was the Teutonic Order, the Poles and Lithuanians, who created tensions on the western border. Russia was under attack from two sides, and sometimes the nation's very existence was threatened. The contradictions within the society were secondary, because in this kind of danger, the nation had to be consolidated. And the Russian State became the instrument of that consolidation.

Maybe for that reason, the State in Russia developed in a stronger way than was actually necessary. State power often suppressed the initiatives not only of individuals, but of whole social groups, such as the peasants or the noblemen. But, in any case, society understood that this was somehow necessary. Ugly things happened, but at the same time, the State also played the role of a social protector. When the liberals today say, everybody must take care only for himself, this is totally against the historical tradition. Is it possible in the

West, that people put money in some bank, and when the bank goes bust, people get angry at the government and demand that the government return them their money? That is rooted in a historical habit: People have been used to the fact that the State somehow takes care of these things. The liberals call it “dependence,” but it has historical roots. Unfortunately our previous leaders didn’t know our history very well, our peculiarities, and today’s leaders know them even less.

**EIR:** Internationally, there is a vehement campaign against the idea and the institution of the nation-state. But I think we must differentiate between nation-state and empire. A lot of wars came about, because empires were fighting against each other for territory, natural wealth, spheres of influence. On the other hand, the ideal situation would be an entente of sovereign nation-states, each striving to improve the life of their citizens and engaging in cooperation for their mutual development.

**Froyanov:** What is an empire?

**EIR:** Roughly, you speak of an empire, if a group within a nation-state comes to power which engages in a policy to extend the territories, economic wealth, etc., beyond the legitimate interests of that nation-state, and does that at the expense of the legitimate interests of other nation-states. As the British Empire, for example, used to do this, and, in this process, always pursued a policy of playing one nation against the other, following the famous recipe of “divide and conquer.”

**Froyanov:** Does that mean that an empire usually has colonies? Look at the British Empire with its colonies thousands of kilometers away, and compare that to Russia: Russia has a compact territory, and the Russian people don’t take anything away from others. Of course, there were occupations of other territories in various periods of history. But it also happened that other peoples appealed to the Russian czar to take their country under his protection. In the last century this was the case with Georgia. And those nations, like Georgia, Armenia, or some Siberian peoples, of course wanted to retain their national identity within Russia. In the last century, there was a war in the Caucasus, and Georgia became part of Russia, as did Armenia. Certain enclaves developed in the Caucasus that were not natural. And the Caucasus was a region that many powers took an interest in: Turkey and Great Britain. But to give them the Caucasus, would have meant to open the southern borders of Russia. So the circumstances demanded this occupation. And when [Aleksandr] Solzhenitsyn now says, we should keep out of the Caucasus, this is childish. Take Central Asia: It’s again Turkey and the British. If we give up Central Asia, we lose all of Siberia. From another standpoint, you could call it not occupation, but defense of legitimate national interest. Generally we can say: There was pressure from the West and pressure from the East. And under this pressure these territories united in some

kind of organic union. And thus the Russian empire was founded.

Geopolitically it is a very important region; it is a bridge between the West and the East. And if this so-called empire were destroyed, this would be very bad for the West and the East. And it seems to me that some realistic people in the West are already starting to understand this. This geopolitical space is very important for the global situation.

**EIR:** Isn’t the factor of national economic security right now even more important for Russia than the question of territory?

**Froyanov:** One is connected with the other. Not for 70 years, but for many centuries we were connected with each other, not only politically, but also economically. Also from this standpoint, this space has an organic cohesion. To break it up, means just to hurt everybody. What happens to those peoples now outside the borders of Russia? They either kill each other, or try to get under the wing of the West, or they just don’t know what to do with their sovereignty. There is the war between Armenia and Azerbaijan, for example; a war in Central Asia; the fight in Georgia is actually a civil war inside Russia. I think, in the course of history, they will tend to reintegrate with Russia.

**EIR:** Nevertheless, I think, the solution only lies in the field of solving the economic crisis of Russia.

**Froyanov:** Of course, the centralization of the Soviet Union was too strong. Of course, a certain sovereignty should be given to the regions, but not in such an unnatural way as to create “Ural republics” or “Volga republics.”

**EIR:** May I come back to the question of direct democracy as opposed to representative democracy, or did I misunderstand you?

**Froyanov:** I am not against representative democracy. I just said, that our first attempts with it were not very successful. It was badly managed. Maybe representative democracy can be combined with forms of direct democracy, so that people can understand, that they are in charge and become themselves involved in the political process.

My impression is that most people in Russia look at the political process of power from the outside. Moscow and St. Petersburg are not all of Russia. I often travel to the provinces and I talked with village people, because it was interesting for me to find out their attitude toward what is going on in the country. Their attitude is to watch it from outside. I asked: “What is the most difficult problem for you right now?” They said: “We somehow got used to the previous power, and we have to get somehow used to the present power. And this is difficult.” This means they really don’t care, they don’t participate in it. Under those conditions, *any* reform will fail. I remember in the writings of Marx, that he says: An idea becomes a material power when it involves the masses. I think, in this point he was right.

## St. Petersburg city deputies discuss effects of global financial crisis

*Prof. Aleksei V. Vorontsov, PhD, and Leonid P. Romankov, PhD, are deputies of the St. Petersburg City Duma (city council). Dr. Vorontsov chairs the City Duma Committee on Science and Higher Education, and Mr. Romankov chairs the Committee on Education and Culture. Vorontsov is running in the State Duma (lower house of the national parliament) elections on Dec. 17 as an independent candidate, but is supported by Zyuganov's Communist Party of the Russian Federation, the Agrarian Party, and the trade union bloc "Labor Union." Romankov is a member of Yegor Gaidar's liberal party "Democratic Choice," representing its post-dissident faction that disapproves of St. Petersburg Mayor Anatoli Sobchak and other "new nomenklatura people." The interview was conducted by Gabriele Liebig of the Schiller Institute in Germany and St. Petersburg journalist Konstantin Cheremnykh, on Oct. 12, 1995 at the St. Petersburg City Duma.*

**Liebig:** The last time that I visited St. Petersburg and had discussions with members of its City Council, was two years ago. What has changed here in the meantime, for the better or worse? What are your abilities to shape policy for the town and the region now, in comparison to the days of the old Leningrad Soviet [city council, in the Soviet period].

**Vorontsov:** There were significant changes during the last two years, because the whole situation in the country has changed. A new period has started for the country, which is called "transition to a market economy," but nobody can really define it clearly. We have neither a socialist society, as we had before, nor a capitalist society, with democratic rule, sharing of power, as you have it in the West. It is a mixture, and probably this situation will last for a long time. I am personally opposed to this course, which is promoted by the President and the government. It seems to me, we are just mechanistically copying the western way of life, forgetting our own national traditions.

It has become much more difficult to work now. The St. Petersburg City Council used to have 400 councilmen, now we are 49. But not only has the quantity changed, but also the functions. As long as the old Soviet existed, until the end of 1993, the legislative branch was regarded as the main power in the country. Under the one-party system in the

Soviet Union, the party, together with the Soviets on the national, regional, and local level, managed everything, all spheres of life in society. From August 1991 till October 1993, we already had a multi-party system, but the legislative power, the Soviets, were the supreme power according to the Constitution, and took responsibility for everything, including property questions. But since the new Constitution was adopted in December 1993, we city councilmen have only two functions: distribution and control of the budget, and preparation and adoption of draft laws on the regional level.

The situation is very difficult for us, because the citizens, when they have complaints, when they need something, when something has to be repaired, they come to us. Previously, they could come to the local CPSU [Communist Party of the Soviet Union] committee, which was prepared to deal with such questions. The CPSU had a well-developed system of special departments with people to deal with complaints, etc. Now we have only the executive power, which is—to say it frankly—not always attentive to the needs of the people. So, all those people come here to us. Many people have not understood the changes. They come here, when their water tap is not functioning, when the heating doesn't work. They come to us as they did 15 years ago, when the party was still responsible for everything; and it is difficult to explain to them that now there is nobody who can help them.

Two years ago, every city district had a local legislative body consisting of 150 people each. This was eliminated at the end of 1993. This body did not just monitor things, but also made decisions on a local level. And if such decisions are taken in a larger body, they are usually more reasonable than if they are taken by one person alone. With the previous system of local Soviets, the local administration had many fewer possibilities to violate State laws and to become corrupted than now, and the local authorities were also much more accessible to the citizens.

Now the President has, at last, issued a statement on local self-management, and we are going to adopt such a law on the local level. We will insist that after the next election there will be at least 100 people in the City Duma.

It looks funny, but although we have 49 people in the City Duma, we have 14 commissions: the commission on social affairs, the commission on culture and education, on

science and higher education, on economic reform, on finances and budget, or the commission to draft laws. Fourteen in total, with five or six people on each commission.

The commission that I head, deals with problems of science and higher education. We created an expert council, which monitors the situation in science and higher education in St. Petersburg. We have 49 State institutions of higher education and 16 private ones. Since the abolition of the Soviet Union, it has become more difficult for students from newly independent States like Uzbekistan or Tajikistan to study in Russia, than it used to be. And thus, the attendance at these schools has decreased. We are faced with the problem, what to do with those schools that are financed by the State budget. We are told: Eliminate superfluous schools, or combine two into one! There are proposals, that only 29 institutes of higher education in all of Russia should be financed by the State. All others should be financed by the local authorities, if they so wish. We resist such a course. And I must say that our commission on science has a unified position on that point.

It is a hard period for Russia now. We think this painful process will end one day, and there will be a time when people from other countries, such as Belarus, Ukraine, or Kazakhstan, will again be able to come here and study at our institutes. I am sure there will never again be a Soviet Union as it was before, but there will be a kind of confederation among several strong countries.

**Liebig:** Who determines the overall size of the budget, that the City Duma is supposed to distribute?

**Vorontsov:** The mayoralty counts the tax income and then gives it to the City Duma. But you have to take into account that more than 50% of the industry in the St. Petersburg region has been closed down, so the tax flow has become smaller and smaller.

**Liebig:** This reminds me of the municipal situation in Germany.

**Vorontsov:** Yes, especially in East Germany.

**Liebig:** In West Germany it is not much better.

**Vorontsov:** I don't know the situation in Germany well, but for Russia, science and education suffer the most in this situation.

**Liebig:** Mr. Romankov, what is the situation in your sphere, in culture?

**Romankov:** The cultural situation has really changed. Before perestroika there was only socialist realism, and the State gave money only to this kind of artist. The result, I think, was very bad, because a lot of artists went abroad, others were even sent to Siberia for a short time. It was an ugly period, when people were only allowed to paint portraits of Lenin or pictures of heroic veterans. With perestroika this

changed; we have now an equal rights situation in the sphere of art. There is no problem with indulging in post-modernism or avantgarde art, but there is no more money from the State. And this creates another kind of crisis: It is our idea to help these people, because art is an important aspect of human life. We try to allocate money from the budget for support of independent artists, or at least give them tax privileges or lower the rents for artists. We try to regulate the privatization process to that end. If State property is privatized, the economic criteria are not the only thing that should be considered, because in that case State property is just sold to banks or casinos.

If we do that, we may lose the cultural aura of our city. We need to have on Nevsky Prospect, not just casinos or brothels, but we need cinemas, bookstores, theaters. We coined a special term: "socially important enterprises," that can be hospitals, book stores, libraries. We made about 20 decisions like that. Maybe we were not too successful, but we do what we can.

**Liebig:** How much money is spent on culture now?

**Romankov:** Only 2.5% of the city budget is spent on culture. The federal law says, that the municipalities should spend 6% on culture, but given the overall financial situation, in practice, this is never done.

**Liebig:** Mr. Romankov, what do you say about the reduction of the St. Petersburg City Council at end of 1993?

**Romankov:** Before Yeltsin's Decree 1400 of Sept. 21, 1993, we had many more functions and possibilities, maybe too many. But afterwards we went to the other extreme. Now the executive branch has many more functions, and we have very few. Our task is to achieve a normal balance. We should adopt a law of state administration, a charter of the city. Generally, if you define democracy as the possibility for people to influence the political decision-making process, I regard the process nowadays as going in the direction of democracy. Very soon, on Sept. 16, 1996, in less than in a year, there will be elections for local officials, mayors, etc. And our mayor has to be elected, too, then. Now we are getting ready for the State Duma elections. It is a normal, healthy, democratic process, but there is a danger that it will be stopped.

**Liebig:** Who will win the elections for the State Duma?

**Romankov:** The Duma elections will bring a big success for the communists and Gen. Aleksandr Lebed and Mr. [Sergei] Glazyev of the Congress of Russian Communities. General Lebed is very popular, especially in the southern part of Russia, bordering the Caucasus. Hopefully, Mr. [Vladimir] Zhirinovskiy cannot repeat his earlier success. But, it is a pity that the democratic parties will not be very strong; I pray, that they will gain more than 5%. Some people say, the democrats are in power in Russia; that is not true. Who else

is there except Mr. [Anatoli] Chubais?

**Cheremnykh:** So you say, there are no democrats in power?

**Romankov:** Yes, it is a great mistake to think there are. The people now in power are nomenklatura people, former directors of military-industrial factories, etc.

**Cheremnykh:** St. Petersburg Mayor Anatoli Sobchak, for example, is a professor at the State university.

**Romankov:** Who can tell me that he is a democrat? Democracy is not only a name, it is a way to organize life. Someone who wants to take all decisions by himself, is not a democrat. It is very easy to say: I am a democrat. Don't judge by words, but by actions and results! In this city government, only one man dictates all the decisions, and people are afraid to express their disagreement, because they fear being ousted. Nevertheless, Sobchak is not the most typical example of a nomenklatura politician. Maybe Yuri Luzhkov, the mayor of Moscow, or Mr. Oleg Soskovets [first deputy prime minister] are more typical.

**Cheremnykh:** Some people say, that Luzhkov does more for the city of Moscow than Sobchak does for St. Petersburg, in terms of the city infrastructure, construction activity, etc.

**Romankov:** Luzhkov is a better expert in economy. But there is also no democracy in the relations between Mayor Luzhkov and the Moscow City Council. But as a person who knows how the city economy functions, he is a better administrator.

**Vorontsov:** The situation of the people in Moscow is much better than in St. Petersburg and in Russia generally. Moscow is the only city where the housing situation has not deteriorated.

**Liebig:** When I was here two years ago, I spoke with a colleague of yours about the policy of the International Monetary Fund toward Russia. I remember that we were in full agreement that this so-called "shock therapy," promoted by such people as Jeffrey Sachs or Anders Åslund, was a disaster for Russia. What do you think about it, and what will you do about that problem?

**Vorontsov:** I fully agree. You always hear people talking about the "Monetary Fund, Monetary Fund, Monetary Fund," as if it were God. Especially [former Prime Minister Yegor] Gaidar keeps talking about what we have to do, so that the IMF gives us a \$15 billion credit. We are losing \$40 billion every year due to this policy. We have gotten \$1.5 billion in credits, and now \$10 billion are promised, which means it will in reality be not more than \$5-6 billion.

**Romankov:** As a member of Gaidar's party, of course, I can't agree. I think, maybe not all, but some conditions of the IMF seem rather reasonable. For example, we don't need to invest in ineffective plants. And it is no use to spend too much money for the administrative apparatus. Otherwise it

will be like in Nigeria or some other African countries, which get money from the IMF, and this money is wasted by high officials for luxuries, while the people get nothing. So you have to be more precise.

**Liebig:** Just think about the ruble collapse due to the free-floating exchange rate. Think about the criminal handling of privatization. Moreover, the IMF policy is designed to prevent exactly those economic measures that could lead to a revival of the production process: namely, State investments in large-scale infrastructure projects, in cooperation with other nations on the Eurasian continent: railways, roads and highways, energy production facilities, water projects, which would not only improve the infrastructure situation, but also increase the economic productivity. The development corridors on either side of such transport connections would have exactly the locomotive function for the productive economy that is so much needed now. But the IMF's policy is in favor of speculation, and against productive investments. Never mind the fact, that the neo-liberal policies of the IMF, the deregulation and uncontrolled speculation, have brought the entire global financial system to the brink of disintegration.

**Vorontsov:** I hope very much, that the outcome of the State Duma elections will have a signal effect to change also the economic policy in our country.



## LaRouche Campaign Is On the Internet!

Lyndon LaRouche's Democratic presidential primary campaign has established a World Wide Web site on the Internet. The "home page" brings you recent policy statements by the candidate as well as a brief biographical resumé.

**TO REACH** the LaRouche page on the Internet:

<http://www.clark.net/larouche/welcome.html>

**TO REACH** the campaign by electronic mail:

[larouche@clark.net](mailto:larouche@clark.net)

Paid for by Committee to Reverse the Accelerating Global Economic and Strategic Crisis: A LaRouche Exploratory Committee.

## Clinton calls Gingrich's bluff on federal shutdown

by Ronald Kokinda

The federal government shutdown went into its third day on Nov. 16, with no signs that President Clinton would capitulate to the terrorist tactics of House Speaker Newt Gingrich and his crew, who are holding federal government operations and U.S. credit hostage in an attempt to force through their Conservative Revolution agenda.

On Nov. 13, President Clinton vetoed a Republican-authored continuing resolution, which was needed to finance government operations because Congress has failed to pass most appropriations bills, because it contained provisions, including deep cuts in Medicare and a demand for a balanced budget in seven years using figures worked out by the Republican-controlled Congressional Budget Office, which were unacceptable to the President. The provisions were added to the continuing resolution in an attempt by the Gingrich crew to do an end-run around the Executive branch, to force the President to accept into law provisions which the Congress has not voted on in its appropriations process, in order to avoid a government shutdown and a default on U.S. debt.

President Clinton has called Gingrich's bluff. "Today the Congress is considering a bill I find objectionable because once again it requires acceptance of the congressional Republican budget as a condition of reopening the government," he said at a press conference on Nov. 16. "Holding the government, the federal employees, and the millions of Americans who depend upon them, hostage to the congressional Republican budget is not the way to do this work. . . . I have proposed a plan to balance the budget without undermining Medicare and Medicaid, education, the environment or working families' incomes. If I were to sign their seven-year plan, in effect I would be approving these cuts. I won't do that because I believe it would be bad for America."

### 'A form of terrorism'

White House Chief of Staff Leon Panetta said that the Gingrichites are putting "a gun to the head of the President and head of the country, saying, 'If you don't accept what we want to do to Medicare and Medicaid or what we want to do to education—we're going to blow you apart.' That's a form of terrorism."

Democratic Presidential candidate Lyndon LaRouche agreed. "What Gingrich has done, is to take budget legislation, which he *could not get through* the legislative process over a veto. He hasn't got the votes in either the Senate or the House . . . to override a veto; he couldn't get this budget legislation through, legitimately," LaRouche said in a radio interview on "EIR Talks" on Nov. 16. "So, he gets people to write his budget legislation, or parts of it, into a continuing resolution. . . . Gingrich pulls a swindle, and says, 'No, you've got to settle the budget, you've got to concede the budget point, in advance, before the debate; otherwise, we won't let you have any money to run the government.'

"In a period of wartime, this guy would get shot. He's using *terrorist methods* against the White House, in an effort to break the Constitution."

In commenting on his veto at the Democratic Leadership Council, President Clinton underlined the constitutional issues involved: "The Congress passes bills. The President signs or vetoes them. Then the Congress can either override the veto or work with the President to find a bill that either the President will sign or then can get two-thirds of the Congress to support so they can override the veto. That is the wisdom of the Founding Fathers. . . . This strategy is nothing more or less than an attempt to evade that system."

Paralyzing the government, LaRouche said, is "the *intent*

of a group in the United States which is openly steered from London, by such people as those around the *Daily Telegraph*, the Hollinger Corp. of Conrad Black, which is the Canada-based branch of British intelligence; and the former chief editor of the London *Times*, Lord William Rees-Mogg, who is the controller and backer of Newt Gingrich, as well as [James Dale] Davidson of the National Taxpayers Union, and people like that.”

Unfortunately, LaRouche said, “Sen. Bob Dole, who normally, I think, would not go along with this, but who is in a fierce competition to get votes for his primary election, for the nomination, is going along with it. And thus we have a very dangerous situation, which might set off the biggest world depression in modern history, if this continues too long.”

### **We must get growth**

“If Clinton backs down to Gingrich, he’s finished,” LaRouche warned. “But you look on the other side, and you take the *Time* poll, the ABC poll, then you look at the popularity of Gingrich himself, and you see that Gingrich’s desperation in this tactic is actually partly caused by . . . the fact that he’s losing. . . . The President has got the support of the majority of the voters on the issue of this budget. People don’t want an unbalanced budget. But, you say, ‘Do you want to balance the budget by the following methods?’ They say ‘No, no, no, there’s got to be another way.’”

“The President is saying the same thing: He wants to balance the budget, but not *this way*, another way. And the President, I think, instinctively knows that he has to get *growth*, that the problem here with the budget is not that we’re spending too much money. We’re not spending any more money than we programmed to spend, back in the 1960s. The difference is, the tax-revenue base has collapsed, and it’s collapsed precisely because of the kinds of methods,” i.e., cutting the budget, which have been attempted so far.

Meanwhile, extraordinary measures are being taken to avert a U.S. default on credit obligations. On Nov. 15, Treasury Secretary Robert Rubin announced that he had used funds in federal retirement accounts: “I have taken actions today to prevent default, for the first time in our history, on the full faith and credit of the United States of America. Absent these actions, we could not pay \$25 billion in interest payments due today. Had Congress passed a clean debt limit extension, I would never have been forced to take these actions.”

Rubin said that his actions “involve replacement of an interest-paying government security for a non-interest-bearing cash balance on the books of the federal government. There is no reduction in assets, and under these statutes, interest is fully restored. . . .”

“These actions are extraordinary, they are costly, but they are infinitely preferable to default. This is no way for a great nation to manage its financial affairs.” Rubin said that the actions would enable the government to meet its obligations through the end of December.

On Nov. 9, Rubin had indicated that failure to act could trigger a crisis in financial markets. Gingrich’s monied friends, however, such as Soros Fund Management Director Stanley Druckenmuller, were assuring congressmen that the markets would be only too happy about a U.S. default, if this meant the country were moving toward balanced-budget austerity. Some analysts noted that Soros may have already “gone short” on Treasury bills in hopes of a speculative windfall.

### **‘Cry-baby’ Newt**

The hostage-taking of government operations and U.S. credit-worthiness has been planned by Gingrich and his jacobin cohorts for some time. Gingrich had time and again in the last few months elaborated on his strategy:

*Washington Times*, April 3, 1995: Gingrich “vowed yesterday to create a titanic legislative standoff with President Clinton by adding vetoed bills to must-pass legislation increasing the national debt ceiling.”

*Time* magazine, June 5, 1995: Gingrich on the President: “He can run the parts of the government that are left [after the budget cuts] or he can run no government. . . . Which of the two of us do you think worries more about the government not showing up?”

*Washington Post*, Sept. 22, 1995: Gingrich: “I don’t care what the price is. I don’t care if we have no Executive offices and no bonds for 60 days—not this time.”

However, with twice as many people blaming the Republicans for the impasse than the President, Gingrich has begun to whine. The Nov. 16 *New York Daily News* headline read, “Cry Baby—Newt’s Tantrum: He Closed Down the Government Because Clinton Made Him Sit at Back of Plane,” referring to Gingrich’s complaint that he wasn’t accorded sufficient respect by the President on the plane trip to Israel for Yitzhak Rabin’s funeral. Said Newt: “When you land at Andrews and you’ve been on the plane for 25 hours and nobody has talked to you, and they ask you to get off by the back ramp so the media won’t get pictures of the Senate majority leader and the speaker of the House returning from this [funeral] . . . you just wonder, where is their sense of manners?”

The paper printed a cartoon of a pudgy baby, with blow-dried white hair, a baby bottle, and in diapers, crying while stamping his feet. The article portrayed Gingrich “doing a good imitation of Capt. Queeg at the end of *The Caine Mutiny* court-martial, slowly unravelling into resentment and self-pity.”

“The extraordinary tale Gingrich told yesterday morning at a *Christian Science Monitor* breakfast is either comedy or tragedy, or a junior high school cafeteria intrigue, take your pick. It surely was not what you expect to hear from the stewards of your government,” the paper said.

The White House exposed Gingrich as an outright liar, releasing a photo on Nov. 16, showing Gingrich aboard Air Force One, seated across a table from the President, discussing Middle Eastern affairs with him.

# Neo-conservatives use SDI against Clinton's Russian diplomacy

by Marsha Freeman

Six days before President William Clinton met with Russian President Boris Yeltsin at President Franklin Roosevelt's home in Hyde Park, New York on Oct. 23, a group of congressmen, backed by the Center for Security Policy, introduced H.R. 2483, the Defend America Act of 1995. This legislation is not meant to, and will not defend America. It is one in a series of initiatives by the Center to try to destabilize the foreign policy of the President, to undermine any U.S. working relationship with the Russian Republic, by continuing George Bush's policies of weakening, while provoking, the States of the former Soviet Union.

The bill calls for the President to give notice to the Russian government that the United States will withdraw from the bilateral 1972 Anti-Ballistic Missile (ABM) Treaty, and within one year of passage, the Department of Defense is mandated to carry out at least one test of a defense system that will violate the treaty. This last provision was characterized by a former member of the Reagan cabinet, who was instrumental in President Reagan's Strategic Defense Initiative (SDI) announcement on March 23, 1983, as a "stick-it-in-your-face" demonstration.

This proposed unilateral withdrawal from the ABM Treaty is supposedly being put forward to counter threats from rogue States. In his statement of support for the legislation, a self-professed agent of the British Crown, Henry Kissinger, wrote that, "as one primarily responsible for the negotiations of the 1972 ABM Treaty, I nonetheless believe the time has come to review whether the treaty stands in the way of our developing necessary defense to deal with the proliferation of long-range ballistic missiles, particularly by Third World nations."

Unilateral withdrawal from the ABM Treaty—regardless of its provisions, or the number of times the treaty was violated by the former Soviet Union—will not make the United States safer. But it will set back the diplomatic overtures being pursued by the President, to engage the Russian government in a constructive dialogue in order to resolve strategic issues, such as Russian participation in Bosnian peacekeeping, or U.S. objections to the sale of nuclear reactors to Iran.

## **The perfidy of the Center for Security Policy**

Frank Gaffney, who established the Center for Security Policy in 1988, occupied various positions in the Department of Defense during the Reagan administration, including Deputy Assistant Secretary of Defense for Nuclear Forces and Arms Control, under Richard Perle, from 1983 to 1987. Gaffney seems to fashion himself as a younger version of Henry Kissinger. "Talking with the Russians hasn't gotten us anywhere, but cost us money and protracted the situation," he stated in an interview. The United States "won't be able to move Russia in the direction of defense against third parties by sweet persuasion and diplomatic initiatives."

Attached to the press release put out by the Center announcing the introduction of the Defend America Act, was a list of over 60 high-level, mainly retired military and policy officials, whom, the press release asserted, support this legislation. Calls to a number of these people revealed that they had not been shown the legislation, nor had they been asked to endorse it. All they had been asked to sign was a more general statement in support of strategic defense, one year ago, to try to pressure the new Republican majority in Congress to reassert such programs in their agenda.

One former Reagan administration cabinet member, whose name was listed as a supporter, when shown the legislation, angrily stated that the original concept of the SDI was to "bring the Russians into the game." The idea, he said, was to engage all the nuclear nations in developing a global defense to protect every nation. It is "anathema to me to be so provocative," he said, concluding that it is "politically a mistake."

## **Sabotage in other arenas**

These antics concerning strategic defense are coherent with the Center's efforts in other policy arenas. In just the past two months, the Center has called for Russia-basher Lady Margaret Thatcher to be the new head of NATO; for the U.S. Congress to refuse to fund the Palestinian National Authority; for the United States to increase sanctions against Cuba; and in a Nov. 8 press release, warned the Congress not to engage in "impluse memorializing," following the

assassination of Israeli Prime Minister Yitzhak Rabin, by charging ahead with the peace process.

On Nov. 13, the Center issued a press release praising the legislation introduced by Rep. Joel Hefley (R-Colo.) to prohibit the use of funds appropriated to the Department of Defense in the deployment of ground forces for peacekeeping in Bosnia, which undermines President Clinton's authority in trying to negotiate a peace settlement.

But not everyone who is listed as a supporter of the Defend America Act had their names put on without their knowledge. Some have signed onto the idea of resurrecting strategic defense, and are working with Gaffney's neo-cons, not understanding that international terrorism and economic collapse—which are fueled under the guise of supporting “democracy” and the “free market”—are the real threats to global security.

### The immediate danger

As Lyndon LaRouche explains in his recent Presidential campaign policy document, *The Blunder in U.S. National Security Policy*, “The most immediate source of the danger to U.S. security, globally and in the hemisphere, comes from the continued toleration of the 1989-93 Thatcher-Bush policy toward the emergence of a post-Soviet eastern Europe.

“That free market policy, under the rubric of meeting IMF [International Monetary Fund] conditionalities by eastern European debtors, transformed Russia and Ukraine, rapidly, from scientific-industrial powers, into starving Third World nations, stripped of industry and agriculture, living on the sales of exported raw materials to Anglo-Dutch financial

interests—at bargain prices.”

The continuation of these policies is a leading feature of the global strategic crisis, LaRouche states. A transformation of U.S. policy toward Russia, along the lines of rebuilding that nation's scientific and industrial potential, is the framework under which discussion of strategic defense must be subsumed.

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## Documentation

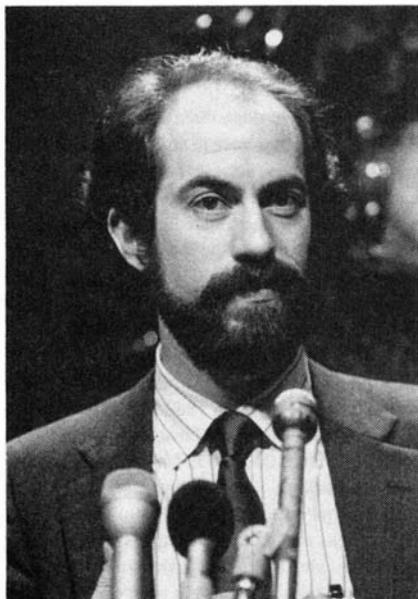
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*On Oct. 11, 1995, the Committee to Reverse the Accelerating Global Economic and Strategic Crisis: A LaRouche Exploratory Committee, released the report The Blunder in U.S. National Security Policy, written by Presidential candidate Lyndon LaRouche. Under a section on the origin of the SDI, LaRouche discusses both his public and private activities in formulating what became the SDI program. These policy formulations were directly opposed to those circulated by the Heritage Foundation and High Frontier, the which contributed to the death of the SDI effort.*

### The origin of the SDI

The immediately relevant issue of Russia's economy today was implicitly defined by the preceding activities around the policy known as the “SDI.”

The origin of what was later announced as a “Strategic



*Neo-conservative saboteurs of the nation's defense, left to right: Frank Gaffney, founder of the Center for Security Policy, who styles himself as a youthful Henry Kissinger; Lt. Gen. Daniel O. Graham (ret.), former head of the Defense Intelligence Agency; former Assistant Secretary of Defense Richard Perle.*

Defense Initiative" (SDI) in President Ronald Reagan's March 23, 1983 TV broadcast, was a series of developments from the 1974-77 interval, including 1977 exchanges with the then recently retired Air Force Maj.-Gen. George Keegan. What was to become known as the SDI, was first presented in programmatic outline in August 1979, as a policy-paper of this present candidate's campaign for the Democratic Party's 1980 Presidential nomination. Later, during a period from February 1982 through February 1983, the same policy was the principal topic of a series of back-channel exploratory chats between this writer, acting in the interest of the U.S., and the Soviet government. What President Reagan offered Moscow initially, in the approximately five-minute segment of the March 23 broadcast, was a confirmation, point by point, of the proposed policy which this candidate had outlined to the Soviet representatives during the exploratory chats.<sup>1</sup>

There were three leading considerations which, taken in combination, prompted and guided the present author's 1974-77 development of the proposal which became known later as the SDI. The first consideration, was the accelerating shift toward "forward basing" of strategic ballistic missiles, by both NATO and the Warsaw Pact. Advanced positioning of NATO missiles in Europe, and Soviet strategic-missile-launching submarines off the U.S. Pacific and Atlantic coasts, are notable examples. Second, was the increased precision in targetting. Third, was the implications of controlled use of an effect called "electromagnetic pulse." Continued development in these three directions, was bringing the world close to the possibility of what was termed "thermonuclear first strike"; worse, the use of warheads which enhanced an electromagnetic-pulse effect, in forward-based strategic missiles, implied a situation in which the detection of a small number of forward-based missiles aimed at air-space over either the U.S.A. or Soviet Union could be sufficient to prompt a full-scale launch of strategic nuclear counter-strike by the targeted party.

This trend defined precisely the condition under which the Pugwash-designed,<sup>2</sup> Kissinger-negotiated ABM Treaty

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1. Later, after March 1983, under pressure from the Heritage Foundation and other interests, the SDI policy underwent significant changes, and this candidate was frozen out of the policy-shaping as a result. However, through and beyond 1986, it was the LaRouche version of the SDI, which the Soviet government believed to be the real SDI policy of the U.S. government, and Moscow reacted accordingly.

2. The first formal announcement of an ABM treaty-design was made by Bertrand Russell's agent, Dr. Leo Szilard, at the Second (Quebec) Pugwash Conference of 1958. Szilard's lunatic address there established him as the title-role-model of the Stanley Kubrick *Dr. Strangelove* film. Kissinger had been brought into the Russell-Szilard thermonuclear one-world designs through the sponsorship of McGeorge Bundy; Kissinger served as Pugwash during the 1960s, and carried Szilard's policy into its form as SALT I and the 1982 ABM Treaty.

of 1982 could become the cause of general thermonuclear war. Without the means to destroy incoming missiles, the U.S. President was left with no option but freezing like a scared rabbit, or full-scale counter-strike, a totally unacceptable situation. The trend toward a growing first-strike risk could be reversed only by revoking, or outflanking that ABM Treaty. It was at that point of the investigation, that the implications of strategic ballistic missile defense became very interesting.

High-speed interceptor rockets, or kindred so-called "kinetic energy weapons," were not a solution. They lacked the speed, they lacked absolutely the economic efficiency needed to give a decisive strategic advantage to the defense over the offense. However, both superpowers had the beginnings of technologies, typified by powerful lasers, which had the inherent advantages of speed and potentially of economy, needed to equip the strategic ballistic missile defense with an effective economic advantage over the strategic nuclear offense.<sup>3</sup> 1982 researches showed, that there was a provision for the development of precisely such technologies of strategic ballistic missile defense in the initialled version of the 1982 ABM Treaty: "new physical principles." The political problem was, that such defensive weapons-technologies could be developed only through a science-driver type of "crash program," like the World War II Manhattan Project, or the 1960s Kennedy Aerospace "crash program."<sup>4</sup>

These points were presented to a heavily attended, two-day conference in Washington, D.C., during February 1982, shortly before the beginning of the exploratory "back-channel" discussions with the Soviet representative. The gist of the policy issue was outlined in a published paper of March

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3. On the Soviet side, this point had been made in the 1962 edition of Marshal V.D. Sokolovsky's *Soviet Military Strategy*.

4. To clear away a popularized, false mythology circulated about SDI, the following should be noted here. One does not wish to attack gratuitously the Graham who subsequently suffered a severe illness; but, the policy issues are clear and of importance to the present day. During the Summer of 1982, until the announcement of March 23, 1983, the leading opponent of the future SDI was a spokesman for a pseudo-scientific book, called *High Frontier: A New National Strategy* (Washington, D.C.: High Frontier, [Heritage Foundation] 1982), Lt.-Gen. USA (ret.) Daniel O. Graham, former head of the Defense Intelligence Agency. Graham had been an opponent of then Air Force Intelligence chief Maj.-Gen. George Keegan's efforts to bring the importance of "new physical principles" to the attention of the President Ford administration. Graham's Autumn 1982 attacks on Lyndon H. LaRouche, Jr. and also Dr. Edward Teller, were fanatically irrationalist, even explicitly anti-science. After March 23, 1983, Graham was put forward, with Heritage Foundation backing, as the originator of the SDI! Later that year, Graham put heavy pressure on Dr. Teller to write a letter denouncing LaRouche's 1982 attacks on Graham's lying about LaRouche; Graham repaid Teller for this by wide public circulation of a fraudulent representation of Teller's letter. Graham was consistent on one point; before and after March 23, 1983, he continued to do his utmost to attempt to prevent any work on "new physical principles" as a basis for strategic ballistic missile defense.

1982, which presented the proposed strategic ballistic missile defense policy as a means for freeing the United States of the disastrous foreign policy assumptions installed under Secretary of State Henry Kissinger.

The beautiful irony of strategic ballistic-missile defense based on "new physical principles," was, that that requirement for a "crash program" could be key to securing agreement between the two principal super-powers. Just as the 1960s "crash" aerospace program had repaid the United States more than ten cents for each U.S. government penny spent, a science-driver program of the type required for a "strategic ballistic missile defense," would supply a very large, and equitable technological boost for both superpowers and their allies, at a time when all these economies were in the midst of a prolonged and deepening slump.

On all of these points, the Soviet government agreed; it agreed on the scientific-technical feasibility of the outlined program, and concurred that the economic "spill-over" benefits would be significant. Nonetheless, in a February 1983 meeting, the Soviet representative indicated other reasons his government would reject a U.S. offer based upon this author's description. Nonetheless, a month later, President Ronald Reagan delivered exactly that offer.

There was an additional point of discussion during that February 1983 meeting with the Soviet representative. It was during that meeting that this candidate for the Presidential nomination advised the Soviet government that, unless some such agreement on a "science-driver" program were reached, the Soviet economy would collapse in approximately five years; the reasons for this doleful estimation were supplied on that occasion.<sup>5</sup> It actually took six years, not five. The seeds for the later "productive triangle" proposal of 1989, were already present in that discussion of the future of the Comecon sector's economy.

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5. There were three reasons for this writer's February 1983 estimate, as delivered to his Soviet opposite number, that the Soviet economic system would collapse in about five years. First, was the general situation, that the Warsaw Pact system, a war-economy based upon what the famous Soviet economist E. Preobrazhensky had once termed "primitive socialist accumulation," would collapse from a combination of wear-and-tear and also a suicidal, post-1983 infusion of "information theory" and "systems analysis" from the West. Second, the capital-investment cycle indicated that a breakdown, from lack of renewal of infrastructure and productive investment, would overtake the Comecon in about five years time, especially in the critical East Germany keystone sector, setting off chain-reaction effects throughout the bloc, including the Soviet economy proper. Third, it had become clear that Moscow, under the military leadership of Marshal Nikolai Ogarkov, was preparing for an independent war-winning potential against NATO; this would strain the weakened Comecon economy to the limit. After the dissolving of the East Germany Communist regime, NATO discovered the Warsaw Pact had been in preparation for an early overrunning of western Europe, right up to the point, during 1989, the Wall crumbled politically.

## Spannaus hits 'Contract' in campaign for Senate

by L. Wolfe

Vowing to provide leadership to the citizens of the Commonwealth of Virginia in a moment of grave political and economic crisis, LaRouche Democrat Nancy Spannaus threw her hat into the ring for the Democratic nomination to challenge incumbent U.S. Sen. John Warner (R).



Spannaus made her formal announcement on Nov. 15 at a press conference in Leesburg, the county seat of Loudoun County, where both she and Lyndon LaRouche live, and again the following day in the state capital, Richmond. In both places the message was the same: That she was the candidate best suited "to lead the necessary fight in the elections that will determine whether our country survives into the next century."

Spannaus stated that she was the strongest possible candidate who could stand against the "fascist austerity onslaught encapsulated in the 'Contract on America' program" being pushed by House Speaker Newt Gingrich (R-Ga.), and pushed in the state by Gov. George Allen, whom she called "Baby Newt."

### Her credentials

She cited her credentials as a "political brawler," pointing to her successful effort as the leader of the fight in the Senate race against that "Son-of-a-Bush," Oliver North, in 1994. "What I did was essential in leading the charge against Ollie," she reminded people. "I said and did what had to be said and done. We beat Ollie to the ground with our attacks, and then some other people jumped in to finish the job. If we had not made our intervention, Oliver North, not Chuck Robb, would have been our other U.S. senator."

Locally, Spannaus pledged to lead the fight against the powerful oligarchical families of western Loudoun, whom, she said, her supporters here helped kick in the local elections by crushing Sheriff John Isom, Commonwealth's Attorney Bill Burch, and defeating Kristen Umstadd, the Dem-

ocratic candidate for chairman of the Board of Supervisors. "That trio weren't really Democrats, but were operatives of an establishment that sits above the parties. I intend to help, in whatever way I can, to see that the corruption they represent is rooted out. I shall also offer programmatic leadership in dealing with the economic crisis."

Spannaus is likely to be in a three-way battle for the nomination with former Virginia Democratic Party chairman Mark Warner, who has announced his intentions to run, and former Del. Leslie Byrne, who hasn't yet. Spannaus said that she welcomes a full political debate that will sort out both the issues facing the voters and who is willing to stand up for the traditions of the Democratic Party, as embodied in the type of social policies championed by Franklin Roosevelt during the 1930s New Deal.

Spannaus said that she was relieved with the results statewide of the recent elections, which saw the Democrats barely hold on to the control of the General Assembly in the face of an attack led by Governor Allen. However, she said, "most Democrats, and probably many Republicans, are relieved that the Confederates did not take Richmond this fall. But now more needs to be done."

## Two key issues

"There are two critical issues in this campaign," said Spannaus in a written statement. "Most fundamental is the disintegration of the world financial system, which, unless reversed by orderly bankruptcy reorganization led by the United States, will lead to the destruction of civilization as we know it, into a New Dark Age. The immediate threat is that the anti-government ideologues of the Mont Pelerin Society and other British think-tanks—the lunatics who created the current crisis—will impose policies like those of Gingrich and [Sen.] Phil Gramm [R-Tex.], in the name of solving the financial crisis, which will impose murderous austerity. This is what's behind the draconian cuts in social welfare spending for the elderly, disabled, and poor, which Gingrich and Gramm are trying to ram through the Congress.

"The second major issue, which is essential to creating the political freedom to fight the first, is the criminal corruption of the permanent bureaucracy at the Department of Justice," she said. "The bureaucracy has acted with impunity to carry out political targeting against enemies of the financial establishment—from labor, to African-American politicians, to Lyndon LaRouche and his associates—to name just a few. The culprits, like [Deputy Assistant Attorneys General] Mark Richard and Jack Keeney, have to be exposed and kicked out.

"This issue is even more critical in Virginia, where five associates of Lyndon LaRouche are still being held as political prisoners," Spannaus stated. "Michael Billington, Anita and Paul Gallagher, Laurence Hecht, and Donald Phau have been in prison for more than two years in Virginia, victims of this corrupt cabal, which worked with corrupted Virginia

officials like Mary Sue Terry and others.

"The warnings which I raised in my Democratic primary fight with Senator Robb in 1994, should still be in people's minds. I warned about the threat of the derivatives blowout—which has now become a matter of global anxiety—and the speculation eating like a cancer at the real economy," the Democrat continued. "I warned about the British-led threat to President Clinton—a threat which was unfortunately more than confirmed by the series of assassination attempts on him, in the midst of a more general terror wave by British-deployed assets. And when the primary campaign ended, I threw my all into exposing the cat's paw for the Bush networks of drug and weapons runners, Oliver North.

"This coming election requires the same kind of passionate fight on the most fundamental issues, not an embrace of 'fiscal conservatism,' or other mimicking of the Republican platform," she said. "As Sen. Ted Kennedy said in early 1995, the last thing we need is two Republican parties, and Democrats who run as 'nice-guy' Republicans are going to lose.

"The truth of this prediction was borne out in the recent elections, here in Virginia and elsewhere," she said. "Where there was a sharp fight by Democrats on the issue of how Gingrich and Allen are out to cut off the poor and elderly, there were victories. This is not a question of money, just as the North campaign was not. It is a question of telling the unvarnished truth, and mobilizing the population, door to door, street to street."

## A positive 'LaRouche factor'

"This November's election wiped out another myth which has dogged my previous election campaigns—the myth that association with LaRouche is the kiss of death to any campaign," she pointed out. "To the contrary. In Loudoun County's elections this year, anti-LaRouche Democrats in the offices of sheriff and commonwealth's attorney were swept out of office. This occurred even after the corrupt Sheriff Isom had sent out a mass mailing saying that his opponent was a 'spokesman' for LaRouche, and demanding that Loudouners reject him. Instead, Isom was rejected.

"What this shows is that the reign of terror against citizens who know that LaRouche's policies are right, and want to support him and his associates, like myself, is finally breaking apart," the candidate explained. "It's a good thing—because to defeat the Gingrich and Gramm onslaught on our nation, LaRouche's leadership is going to be needed. And political leaders like myself, who share his vision, are going to have to be put into office, where that vision can be realized."

(LaRouche is a candidate for the 1996 Democratic nomination for President.)

Spannaus said today that she was hopeful that there would be a series of campaign debates, which would feature all the Senate candidates.

# U.S. State Department fingered LaRouche to Muslim Brotherhood

by Edward Spannaus

In December 1979, while pan-Islamic terrorists were holding Americans hostage in Iran, and while the Iranian branch of the Muslim Brotherhood was sending out assassination squads to Europe and the United States to kill its enemies, the U.S. State Department was passing lies about Lyndon LaRouche to the Muslim Brotherhood in Egypt.

Some of the information about LaRouche, contained in a Dec. 29, 1979 State Department cable, had been provided by the FBI from its files—even though FBI dissemination of such information to anyone other than a government agency had been barred by a court order entered nine months earlier, in March 1979.

These actions of the FBI and State Department were reminiscent of the FBI's 1973 operation in which—according to official FBI documents—it attempted to effectuate the “elimination” of LaRouche, using the good offices of the Communist Party, U.S.A.

## ‘Reassure your contact’

The classified State Department cable was sent from Washington to the U.S. Embassy in Cairo, and is captioned “Subject: Anti-Muslim Brotherhood Propaganda.” (See *Documentation*).

The cable contains information from the FBI and supplemented by slanders from the Anti-Defamation League (ADL), laundered through the *Washington Post*, on Lyndon LaRouche and the philosophical association he founded, the National Caucus of Labor Committees (NCLC), “which has reportedly circulated [the] anti-Muslim Brotherhood pamphlet” which was cited in a previous cable to Washington from the U.S. Embassy in Cairo.

The cable describes the NCLC as the creation of one man, LaRouche, and as having been characterized as “Marxist-Leninist.” The political arm of the NCLC was the U.S. Labor Party (USLP). The cable lies that LaRouche had stated that the USLP “supports Russian Communism because the Soviet Union is the only power which can assure world peace.”

The ADL's contribution to the cable's lies is the statement that LaRouche and the U.S. Labor Party had recently “swung violently to the right” and that the USLP is now “authoritarian and anti-semitic among other things.”

Astoundingly, the State Department says that this information can be passed to the Muslim Brotherhood, and then tells the Cairo Embassy that they can “reassure your contact”

that most Americans would not take LaRouche seriously.

The FBI's formulation about LaRouche supporting the Soviet Union is particularly significant, in light of the fact that Carter's National Security Adviser Zbigniew Brzezinski was openly promoting Islamic fundamentalism as a “bulwark against communism.”

## ‘Treason in Washington’

The “pamphlet” to which the cable refers is most likely the one published about a month earlier by Citizens for LaRouche, Lyndon LaRouche's campaign committee for the 1980 Presidential elections. The pamphlet was entitled “Treason in Washington: Who's Behind the Mad Khomeini?” It targeted Zbigniew Brzezinski, Cyrus Vance, and other Carter administration officials, as well as private citizens such as Henry Kissinger, for acting on behalf of the European oligarchy and British intelligence to bring Khomeini to power in Iran. The lower levels of the operation were defined as Bernard Lewis and Richard Falk of Princeton University, and others who functioned as the “political intelligence controllers who maintain the interface between the [Carter] administration and the Muslim Brotherhood.” (Bernard Lewis was British intelligence's author of the infamous “Bernard Lewis Plan,” a blueprint for breaking up the Middle East along religious and ethnic lines, and which called for promoting the most fanatical elements within Islam.)

The back cover of the LaRouche pamphlet called for two types of action to be taken. First, that Congress begin an investigation into the Iran crisis, leading to the arrests of Brzezinski, Vance, Kissinger, and others on charges of treason; and, second: “Hold the Muslim Brotherhood responsible for Khomeini's bloodshed. Lyndon H. LaRouche has stated that if a ‘single American is hurt in Iran, every member of the Muslim Brotherhood must be relentlessly hunted down worldwide.’ The Muslim Brotherhood is the semisecret organization, controlled by British secret intelligence, which brought Khomeini to power and controls him now. In the United States, the members and collaborators of the Muslim Brotherhood are working with officials in the U.S. government to jeopardize the lives of American citizens in Teheran.”

On Nov. 4, 1979, the U.S. Embassy in Teheran had been taken over by Iranian “students,” and 62 Americans were taken hostage. Fifty-three of the hostages were held captive

for over a year, until they were released on the day of Ronald Reagan's inauguration as President, Jan. 20, 1981.

Besides holding the American hostages in Iran, Muslim Brotherhood networks were also carrying out acts of terrorism internationally. On Dec. 8, Ayatollah Khalkali of the Fedayeen-e Islam, the Iranian branch of the Muslim Brotherhood, announced that he had sent killer squads into the United States to assassinate leading U.S. political figures and "enemies of the revolution." On Dec. 4 in Paris, the nephew of the Shah of Iran was assassinated. Khalkali and the Fedayeen took credit for the killing.

Iranian sources told *EIR* at the time that, in the period after the takeover of the U.S. Embassy in Teheran, numerous armed and trained Iranian terrorist personnel had entered the United States on false passports. In an interview with the Paris newspaper *Libération*, Khalkali boasted that his hit teams had been trained in the Middle East and in the United States itself. And on Dec. 20, Khalkali was reported to have sent a Fedayeen squad to Panama to assassinate the Shah.

Six months later, on July 22, 1980, the former Iranian press attaché in the United States, Ali Akbar Tabatabai, was shot to death in a Washington suburb. His killer, an American black Muslim named David Belfield, escaped and is reported to be living in Teheran to this day.

The alleged banker for the Tabatabai assassination, Iranian oilman and arms dealer Cyrus Hashemi, was protected by both the Carter administration and the Reagan-Bush administration for years. During this time, Hashemi's lawyer and business partner in illegal arms shipments was Stanley Pottinger, a former Justice Department official and close friend of George Bush.

### Yesterday's and today's terrorists

On Dec. 12, 1979, President Carter had ordered the expulsion of 183 Iranian diplomats from the United States. But on Dec. 19 (ten days before the State Department cable was sent), *EIR* had discovered that Capt. Siavash Setoudeh, the Iranian military attaché, was operating out of an Arlington, Virginia building used by the Office of Naval Research, under the Office of Naval Intelligence, with a 16-man staff still coordinating arms and spare parts deals with the Khomeini regime. *EIR* and its sister publication *New Solidarity* exposed the Setoudeh operation beginning on Dec. 24. Setoudeh quietly disappeared from sight.

This was the context in which the U.S. State Department provided information from FBI files on a U.S. citizen, who was also a U.S. Presidential candidate, to the Muslim Brotherhood.

This is reflective of the fact that official U.S. policy at the time was to cultivate pan-Islamism. This is the same time frame in which the U.S. government was promoting virulent anti-western Islamic "fundamentalism" in Afghanistan—even prior to the Dec. 24, 1979 Soviet invasion. This was to spawn the legions of today's "Afghansi"—the core of the current form of international terrorism.

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## Documentation

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*Following are relevant portions of the classified State Department cable, dated Dec. 29, 1979.*

O 291717Z DEC 79  
FM SECSTATE WASHDC  
TO AMEMBASSY CAIRO IMMEDIATE  
CONFIDENTIAL STATE 333773  
SUBJECT: ANTI-MUSLIM BROTHERHOOD PROPAGANDA  
REF: CAIRO 25635

1. (C) Following is information supplied by FBI (unclassified) and supplemented by recent column in Washington Post on Lyndon LaRouche and the National Caucus of Labor Committees which has reportedly circulated anti-Muslim Brotherhood pamphlet cited reftel.

2. (U) National Caucus of Labor Committees (NCLC) is an organization which at least at one time was characterized as Marxist-Leninist. . . . The NCLC is primarily a creation of one man—Lyndon Hermyle LaRouche, Jr., also known as Lynn Marcus. The political arms of the NCLC is the United States Labor Party (USLP). LaRouche has been the candidate of that party in past elections. LaRouche has stated that the USLP supports Russian Communism because the Soviet Union is the only power which can ensure world peace.

3. (U) According to a column in Washington Post 12/19/79 by Richard Cohen, LaRouche and the USLP have more recently swung violently to the right and USLP is now authoritarian and anti-semitic among other things. According to Cohen, Party publications state, "Zionist circles funded the founding and continuation of the American Nazi Party," that LaRouche is targeted for assassination and the chief conspirator against LaRouche is Zbigniew Brzezinski.

4. (U) In current election campaign LaRouche is running for president as a 'Democrat.' According to Cohen this is to take advantage of regulations governing the distribution of matching contributions from the USG to presidential candidates. . . .

5. (C) Paras. 2-4 may be passed to Muslim Brotherhood official cited reftel. Bottom line, of course, is that LaRouche at best represents small fringe group in U.S. Moreover, most Americans noting manner in which he throws about accusation and names of public figures as in quoted pamphlet would hardly take him seriously. We trust details provided will be sufficient to reassure your contact.

Christopher.

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## Book Reviews

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# Targeting injustice on too low a level

by Marianna Wertz

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### **Circumstantial Evidence: Death, Life, and Justice in a Southern Town**

by Pete Earley

Bantam Books, New York, 1995

416 pages, hardbound, \$23.95

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*Circumstantial Evidence* is the story of Walter McMillian, an African-American who was framed and convicted for the murder of two white teenage girls in Monroe County, Alabama in 1986, by a white racist establishment that needed to convict somebody, for political reasons. It is the story, too, of McMillian's exoneration and liberation in 1993, after six years on death row, through the heroic efforts of Bryan Stevenson, a Harvard-educated attorney who gave up a lucrative career to head the Alabama Capital Representation Resource Center and has devoted his life to stopping the execution of poverty-stricken, mostly black death-row inmates.

In his introductory statement, author Pete Earley, a former *Washington Post* reporter, writes, "This book describes a simple death penalty case. I believe that what it has to say about our system of justice and how it is dispensed should frighten us all." Indeed, were the United States today a civilized nation, our justice system would frighten us all, as did Harper Lee's *To Kill a Mockingbird*, the 1960s autobiographical novel of injustice and racism also set in Monroe County, Alabama, to which Earley often refers. However, *To Kill a Mockingbird* was written before the Conservative Revolution took control of Congress.

In the barbarism of today's America, McMillian's case is almost normal. Were we civilized, we would not tolerate dozens of similar cases occurring *every year*; 44 men on death row would not have been found to be innocent since 1976; the O.J. Simpson show-trial would never have occurred. *Newt Gingrich would not be elected in a civilized nation*.

America will not be a civilized nation until we eradicate *at its source* the injustice which is reflected in the McMillian case. The source of that injustice is not Southern racism, but the agents of an oligarchic elite centered in the permanent bureaucracy of the Department of Justice. Their evil is best

seen in the targeting of *EIR* Founder Lyndon LaRouche. I spoke briefly with Earley on Nov. 14, to see if he was familiar with the LaRouche case; he said he was not.

The real corruption inside the DOJ was spotlighted on Aug. 31, when a blue ribbon panel of elected officials, convened by the Schiller Institute, met in Vienna, Virginia to take testimony in LaRouche's and three other cases: 1) the hundreds of black elected officials nationwide who have been targeted for harassment and imprisonment by the FBI's Operation Frühmenschen ("early man"); the case of John Demjanjuk, the retired Cleveland auto worker whom the DOJ wrongfully extradited to Israel to be prosecuted for war crimes, knowing that he was innocent; and the case of former Austrian President Kurt Waldheim, wrongly accused by the DOJ of complicity in Nazi war crimes, in order to discredit his policy, as U.N. secretary general, of opening to the Palestinian cause (see *EIR*, Oct. 6).

The McMillian case intersects this blue ribbon panel in an interesting way. Co-chairing the panel was Alabama attorney and civil rights crusader J.L. Chestnut. Chestnut and fellow African-American attorney Bruce Boynton, the son of Schiller Institute Vice-Chairman Amelia Boynton Robinson and a crusading civil rights fighter in his own right, were the lawyers in McMillian's initial trial, in which he was convicted of murder and sentenced to death.

In *Circumstantial Evidence*, Chestnut and Boynton are depicted, perhaps unwittingly, virtually as shysters, more interested in getting their attorneys' fees from McMillian's family than in getting to the truth. Perhaps this is how it appeared to the McMillian family. Perhaps Pete Earley was uncomfortable with Chestnut and Boynton's reputation for fighting injustice on the level it must be fought—outside the courtroom. In any case, this depiction must not be allowed to stand unchallenged.

Chestnut described to the blue ribbon panel how he has fought injustice throughout his career. Discussing his strategy to defeat indictments by the Reagan-Bush Justice Department against 126 black Alabama leaders in 1985, he said: "We got our folk together. Those who were charged, we reminded them of what had occurred in Alabama in the 1960s; that they had to be ready to die, if necessary, go to jail, whatever, they had to be ready to turn a town inside out, upside down. We had to be prepared to boycott, march, demonstrate." Chestnut ultimately won these cases in the courtroom, but he won them first through political action.

To be fair, Earley's heart is in the right place. He wants to see justice done. He opposes the death penalty, and *Circumstantial Evidence* serves to discredit its use. The problem remains, however, that such investigative journalism will never end injustice in this nation, because its target is too low. Southern racists are the mere arms and legs of a much greater evil—an evil which now runs the U.S. Congress and has inhabited the Justice Department for more than 30 years. That is the evil that Lyndon LaRouche has in his sights.

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# National News

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## Gov't employees' union pins crisis on Congress

The American Federation of Government Employees (AFGE) reacted angrily Nov. 13 to the shutdown of the federal government, placing responsibility for the crisis squarely on the Republican-controlled Congress. The union asked its members not to go home when furloughed, but to go directly to their congressmen to give them a piece of their minds. AFGE members were also advised to "jam the phone lines" to Congress and send thousands of telegrams.

AFGE President John N. Sturdivant declared in a press release, "Congress has callously neglected the needs of all Americans." He predicted that "this irresponsible act of Congress will create a renewed sense of political activism." He warned, "We will not be passive victims and be held hostage. Taxpayers are paying for our services and Congress has taken them away."

The AFGE also filed suit against the government, charging that 60% of its federal workers had been illegally required, as "essential" employees, to continue working without being paid.

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## Labor's new leadership builds strike support

The newly elected leadership of the AFL-CIO has moved quickly to reassert labor's interests on a national level. President John Sweeney, Secretary Treasurer Richard Trumka, and Executive Vice President Linda Chavez-Thompson led a rally Nov. 12 in Everett, Washington, in support of a five-week-long strike by 23,500 machinists against the Boeing aircraft company. The union is fighting the company's cuts in workers' health benefits, and its subcontracting of manufacturing parts for commercial airliners to cheap-labor suppliers from other countries.

The International Association of Machinists called the strike on Oct. 6 to "draw a line in the sand . . . to stop the loss of decent family-wage jobs," following

18,000 Boeing layoffs over the past five years. "This [strike] is a symbol of what is going on around the country. American workers are in a crisis, and job security is a major issue," President Sweeney told the rally, estimated at up to 7,000 people, at Everett's Memorial Stadium. The National Labor Relations Board ruled Nov. 6 that the company has failed to bargain in good faith.

Secretary Treasurer Trumka has also made repeated visits to Detroit, in support of a four-month-old strike forced upon 11 unions against the *Detroit News* and *Free Press*—one of the bitterest and bloodiest in recent memory. The two papers are owned by the same company, which claims its scabs are "permanent replacements" for the unionized workers.

In Boston on Nov. 13, hundreds of Massachusetts senior citizens and welfare recipients joined with labor union members, for a rally outside a fundraising dinner addressed by First Lady Hillary Clinton, under the slogan "Veto Gingrich." The rally was organized by the Coalition for a Responsible Budget, backed by the Massachusetts AFL-CIO and dozens of organizations. Its purpose was to "deliver a loud and clear message to the President . . . to stand firm on his commitments to both veto the Republican budget and to fight against tax cuts for the rich financed by spending cuts in health care, education, and other essential services."

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## Black churches follow up on 'Million Man March'

The Congress of National Black Churches (CNBC), representing the 19 million members of eight historically African-American religious denominations, concluded a three-day leadership conference in Washington Oct. 20 by issuing an agenda for political action.

In its press release following the meetings, the CNBC declared, "On the heels of the 'One Million Man March' in the nation's capital, 300 of America's key Black religious leaders from eight denominations gathered to devise an action plan for the nation's 68,000 congregations of the African-American free church."

The leadership conference called for a "year-round" campaign of voter education, registration, and "get-out-the-vote mobilization," as well as an "accountability" campaign "for all elected officials . . . on a quarterly basis." The conference declared it was "launching immediately the mobilization of a telephone campaign across the nation to insist that President Clinton veto welfare legislation presently being shaped in the Senate and the House."

The African-American religious leaders also announced plans, "in response to President Clinton's Austin speech on racial tensions," for "a Day of Reflection and Resolution slated for the 1996 Martin Luther King, Jr. birthday celebration. The conferees [plan] to invite President Clinton, the U.S. Congress, and members of the nation's churches, synagogues, and mosques to join the African-American Church in this initiative."

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## Religious leaders decry child welfare cutbacks

Representatives of the major U.S. religious denominations issued a joint statement Nov. 9, urging their members to voice their opposition to proposed cutbacks in child welfare programs. The Christian and Jewish leaders declared they were "united by our belief that the very moral fabric of our nation would be torn, by the proposed dissolution of our 60-year-old promise to be the protector of last resort for poor, disabled, and abused children.

"We fear that this will make countless children more poor, sick, hungry, or at risk of abuse and neglect, while at the same time providing tax breaks of at least \$12,000 to the richest 1% of Americans," the statement continues. "We call on the faithful to examine their consciences faithfully. If they are convinced, as are we, that this legislation violates the tenets of faith, mercy, and justice, we urge them to call the President to say we must not end our nation's promise of protection to children. Unholy legislation . . . must not be signed into law by President Clinton.

"America is not a mean-spirited nation. Deeply rooted in our history as a nation, and

## Briefly

in the faith traditions that have flourished here, is a commitment to protect the poor, the vulnerable, the children. Our nation is more than the sum of its 50-state parts. . . . Our national government is the bearer of our covenant as Americans one with the other. Our nation must ensure minimal standards of safety and just opportunity for every child, regardless of the state or family in which [he or she] chanced to be born. This is what it means to be a democratic nation. . . . The very soul of our nation is at risk."

The joint statement was issued by: Bishop John Hurst Adams, founder and chairman emeritus, Congress of National Black Churches; the Rev. Dr. Joan Brown Campbell, general secretary, National Council of the Churches of Christ in the USA; Rabbi David Saperstein, director, Union of American Hebrew Congregations; Bishop Joseph M. Sullivan, auxiliary bishop of the Roman Catholic Diocese of Brooklyn, New York; and Rabbi Mordechai Waxman, past president, Synagogue Council of America.

### N.Y. governor demands rent from homeless

The administration of New York "Conservative Revolution" Gov. George Pataki has ordered homeless shelters across the state to collect rent from homeless people who have any income or assets beyond a basic welfare grant, according to the Nov. 9 *New York Times*. Rent would be gouged from any homeless persons with jobs or bank accounts (no matter how low-paying or how small), and those who receive checks for Social Security, Supplemental Security, or government programs for the aged, disabled, and blind.

The Pataki administration issued the new regulations in the second week of November on an emergency basis—thereby short-circuiting the normal public review process. Caseworkers would also be required to deny shelter to anyone considered to have other housing options. "It's clear the governor has no interest in hearing what the public really feels about a state effort to turn poor people into the streets," said Steven Banks of the Legal Aid Society's Homeless Family Rights Project.

### Kevorkian victim was not dying of cancer

Serial killer Jack Kevorkian took the life of his 26th "assisted suicide" victim Nov. 8 by carbon monoxide poisoning. The body of Patricia Cashman was found in the back seat of Kevorkian's car, in a parking lot outside the Oakland County, Michigan, Medical Examiner's office. Geoffrey Fieger, the attorney for "Dr. Death," told the press that the victim "suffered horribly from metastatic breast cancer."

Oakland County Medical Examiner L. Dragovic and Dr. Kanu Virani reported, however, "The autopsy did not reveal any gross presence of cancer. . . . This was not a patient that was about to die from the disease." The county coroner ordered that additional tests be made on the victim's spine and brain tissue.

### Iowa declares grain transport emergency

With tons of corn and soybeans left on the ground after weeks of stalled rail shipments, Iowa Gov. Terry Branstead declared a state-wide grain transport emergency at the end of October. The situation in northern Iowa is "like Russia," according to local residents.

Throughout the recent years of domination of the grain trade by commodity and shipping cartels, grain storage capacity has plummeted; and the amount of railroad track and rolling stock has shrunk dramatically. The resulting storage and shipping emergency in Iowa threatens the center—along with Illinois—of U.S. corn and soybean production.

During the 1980s, *one-third* of the rail track in Iowa was abandoned. In 1940, there were 8,950 miles of track; today there are about 4,326 miles. Rail company mergers also led to reduced service by major carriers such as Union Pacific—which cannot provide even the locomotives needed to move the loaded grain sitting in Iowa.

● **THE U.S. SPACE SHUTTLE** executed a perfect docking maneuver Nov. 15, linking up with the Russian Mir Space Station. The successful mission represents a giant step in the international space effort. The Shuttle delivered a Russian-built docking module, which will be permanently attached to the space station to facilitate its further development by expeditions from Earth.

● **NEWT GINGRICH** conceded on NBC's "Meet the Press" Nov. 12 that, in the event of a Presidential election showdown between himself and Bill Clinton, "There's no question in my mind, if it's about personalities, he'd win." The interviewer then rattled off the latest voter polls, suggesting that Newt faced massive Republican opposition to his nomination, that he would lose to Clinton anyway in a landslide, and that "70% of all Americans say they would never vote for you for President under any circumstances."

● **BOB DOLE**, the Senate majority leader, has some blunt advice for Phil Gramm. In a *Time* magazine interview published Nov. 13, Dole said, "I'm all for burying the hatchet. In him." Dole said of the Texas senator, "He's like a bug you step on that keeps crawling around no matter how hard you squish him."

● **U.S. CATHOLIC BISHOPS** issued a letter to all congressional offices Nov. 13, declaring that proposed cuts in welfare and the earned-income tax credit "will mean more poverty and more desperation for the most vulnerable in our society." Appealing to President Clinton, the bishops added, "If the Congress does not reject this fatally flawed legislation, we urge the President to veto it."

● **EARTH FIRST!** is tired "of people denouncing us in the press and then smoking our pot around the campfire." The eco-terrorists' Nov. 1 journal whines, "Are people only willing to associate with us in the dark of night?"

## Editorial

### *Why Newt Gingrich is finished*

More and more Americans are coming to recognize the similarities between the Speaker of the House and America's other Dr. Death, Jack Keivorkian. To be fair to Jack, his victims are still numbered in the tens, whereas Newt is planning to terminate the lives of a huge section of the elderly population in the United States by his measures to severely curtail their access to adequate medical treatment; Social Security is also scheduled for the chopping block, if he prevails.

It is reassuring that the temporary insanity which allowed American voters to bring the gaggle of home-grown fascists into the Congress in the last election, appears to be abating. Polls show conclusively that Americans are solidly behind President Clinton in opposing this lunacy, which he has aptly dubbed the contract *on* America. Yet it is still extraordinary that decent human beings could have endorsed the criminal idea that financial concerns—in this instance cutting the budget deficit—should have priority over human life.

What does it mean to consign the elderly and the supposedly terminally ill, to a death with "dignity," i.e., without investment in prolonging their life? After all, every human being is ultimately a "terminal case." It is but a short step from the fiscal concerns to which Gingrich and his supporters give priority, and Hitler's policies to get rid of "useless eaters" and the ethnic groups that he despised.

The neo-conservatives who wish to do away with social benefits for the poor, would in fact force people who presently get a bare subsistence from welfare benefits, into situations as grim as those in the Nazi labor camps which led inexorably to the death camps. How can it be then, that the American people were willing to vote for the political supporters of an aspiring mass murderer like Dr. Death Gingrich, and his SS congressional gang? That this could happen, that a Gingrich could have even temporary credibility, testifies to a moral decline in the population.

Americans have allowed themselves to be fooled into accepting their degradation as liberation. No long-

er are we to be guided by the moral values of our forefathers, which are expressed in the U.S. Constitution and which explicitly endorse the responsibility of all citizens not only to their fellow Americans now alive, and to be born in the future, but to all humanity, to the posterity of all nations.

Forget this, and the next step is to allow the destruction of those values that are the bedrock of a viable civilization. Replace the norm of the child-centered family, by a hedonistic notion that anything goes as long as it is fun, and the young and the elderly will no longer be cherished.

It is a brutal reality today that it is barely possible for two working adults to support the physical well-being of children born to them, far less provide them with an appropriately nurturing environment in which they can develop their human potential. The elderly, as well as the young, are victims of the destruction of the family. No longer supportable by their families, the indigent elderly are to be forced to early death, if the satanical priesthood of the balanced budget has its way.

Poor or rich, the elderly are being deprived of their rightful role as guides and teachers for the society of which they are still a part. Instead, those fortunate enough to still have financial means are supposed to retire to some hedonistic existence, outside of the mainstream of life. And more and more individuals fully capable of maintaining a productive working life are being defined as *seniors*, and forced into early retirement in a form of barely disguised unemployment. Thus, the entire fabric of society is being destroyed.

A society which does not cherish its elderly will not protect its young; and its capability to reproduce itself will accordingly be destroyed. American voters are rejecting Newt Gingrich, but they must also reject the assumptions which they had accepted over the years, regarding those petty, hedonistic values which they have come increasingly to accept, over the past 30-odd years.

# SEE LAROCHE ON CABLE TV

All programs are *The LaRouche Connection* unless otherwise noted.

## ALASKA

- ANCHORAGE—ACTV Ch. 40  
Wednesdays—9 p.m.

## ARIZONA

- PHOENIX—  
Dimension Ch. 22  
Wednesdays—9 a.m.

## CALIFORNIA

- E. SAN FERNANDO—Ch. 25  
Saturdays—10 a.m.
- LANC./PALMDALE—Ch. 3  
Sundays—1:30 p.m.
- MARIN COUNTY—Ch. 31  
Tuesdays—5 p.m.
- MODESTO—Access Ch. 5  
Fridays—3 p.m.
- ORANGE COUNTY—Ch. 3  
Fridays—evening
- PASADENA—Ch. 56  
Tuesdays—2 & 6 p.m.
- SACRAMENTO—Ch. 18  
2nd & 4th Weds.—10 p.m.
- SAN DIEGO—  
Cox Cable Ch. 24  
Saturdays—12 Noon
- SAN FRANCISCO—Ch. 53  
Fridays—6:30 p.m.
- SANTA ANA—Ch. 53  
Tuesdays—6:30 p.m.
- STA. CLARITA/TUJUNGA  
King VideoCable—Ch. 20  
Wednesdays—7:30 p.m.
- W. SAN FERNANDO—Ch. 27  
Wednesdays—6:30 p.m.

## COLORADO

- DENVER—DCTV Ch. 57  
Sat.—4 p.m.; Mon.—6 p.m.

## CONNECTICUT

- BETHEL/DANBURY/  
RIDGEFIELD  
Comcast—Ch. 23  
Wednesdays—10 p.m.
- NEWTOWN/NEW MILFORD  
Charter—Ch. 21  
Thursdays—9:30 p.m.
- WATERBURY—WCAT Ch. 13  
Fridays—11 p.m.

## DISTRICT OF COLUMBIA

- WASHINGTON—DCTV Ch. 25  
Sundays—12 Noon

## IDAHO

- MOSCOW—Ch. 37  
(Check Readerboard)

## ILLINOIS

- CHICAGO—CATN Ch. 21  
*Schiller Hotline-21*  
Fridays—6 p.m.  
*The LaRouche Connection*  
Tue., Nov. 28—8:30 p.m.

## INDIANA

- SOUTH BEND—Ch. 31  
Thursdays—10 p.m.

## KENTUCKY

- LOUISVILLE—TKR Ch. 18  
Wednesdays—5 p.m.

## MARYLAND

- BALTIMORE—BCAC Ch. 42  
Mondays—9 p.m.
- MONTGOMERY—MCTV Ch. 49  
Weds.—1 pm; Fri.—8:30 pm
- PRINCE GEORGES COUNTY—  
PGCTV Ch. 15  
Thursdays—9:30 p.m.
- WEST HOWARD COUNTY—  
Comcast Cablevision—Ch. 6  
Daily—10:30 a.m. & 4:30 p.m.

## MASSACHUSETTS

- BOSTON—BNN Ch. 3  
Saturdays—12 Noon

## MICHIGAN

- CENTERLINE—Ch. 34  
Tuesdays—7:30 p.m.
- TRENTON—TCI Ch. 44  
Wednesdays—2:30 p.m.

## MINNESOTA

- EDEN PRAIRIE—Ch. 33  
Wed.—5:30 pm; Sun.—3:30 pm
- MINNEAPOLIS—MTN Ch. 32  
Fridays—7:30 p.m.
- MINNEAPOLIS (NW Suburbs)  
Northwest Comm. TV—Ch. 33  
Mon.—7 pm; Tue.—7 am & 2 pm
- ST. LOUIS PARK—Ch. 33  
Friday through Monday  
3 p.m., 11 p.m., 7 a.m.
- ST. PAUL—Ch. 33  
Mondays—8 p.m.

## MISSOURI

- ST. LOUIS—Ch. 22  
Wednesdays—5 p.m.

## NEW JERSEY

- STATEWIDE—CTN  
Sundays—6 a.m.

## NEW YORK

- BRONX—BronxNet Ch. 70  
Saturdays—6 p.m.

## BROOKHAVEN (E. Suffolk)

- TCI—Ch. 1 or Ch. 99  
Wednesdays—5 p.m.

## BROOKLYN

- Cablevision (BCAT)—Ch. 67  
Time-Warner B/Q—Ch. 34  
(call station for times)

## BUFFALO—BCAM Ch. 18

- Tuesdays—11 p.m.

## HUDSON VALLEY—Ch. 6

- 2nd Sunday monthly—1:30 p.m.

## ITHACA—Pegasys

- Wednesdays—8:05 p.m. Ch. 57  
Thursdays—7 p.m. Ch. 13

## MANHATTAN—MNN Ch. 34

- Sun., Nov. 26—9 a.m.  
Sun., Dec. 10 & 24—9 a.m.

## MONTVALE/MAHWAH—Ch. 14

- Wednesdays—5:30 p.m.

## NASSAU—Ch. 25

- Last Fri., monthly—4:30 p.m.

## OSSINING—Continental

- Southern Westchester Ch. 19  
Rockland County Ch. 26  
1st & 3rd Sundays—4 p.m.

## POUGHKEEPSIE—Ch. 28

- 1st & 2nd Fridays—4 p.m.

## QUEENS—OPTV Ch. 57

- Fridays—1 p.m.

## RIVERHEAD

- Peconic Bay TV—Ch. 27  
Thursdays—12 Midnight  
1st & 2nd Fridays—4 p.m.

## ROCHESTER—GRC Ch. 15

- Fri.—11 p.m.; Sun.—11 a.m.

## ROCKLAND—P.A. Ch. 27

- Wednesdays—5:30 p.m.

## STATEN ISL.—CTV Ch. 24

- Wednesdays—11 p.m.  
Thurs.—2 a.m.; Sat.—8 a.m.

## SUFFOLK, L.I.—Ch. 25

- 2nd & 4th Mondays—10 p.m.

## SYRACUSE—Adelphia Ch. 3

- Fridays—4 p.m.

## SYRACUSE (Suburbs)

- Time-Warner Cable—Ch. 13  
1st & 3rd Sat. monthly—3 p.m.

## UTICA—Harron Ch. 3

- Thursdays—6:30 p.m.

## WEBSTER—GRC Ch. 12

- Wednesdays—9:30 p.m.

## YONKERS—Ch. 37

- Fridays—4 p.m.

## YORKTOWN—Ch. 34

- Thursdays—3 p.m.

## OREGON

- PORTLAND—Access  
Tuesdays—6 p.m. (Ch. 27)  
Thursdays—3 p.m. (Ch. 33)

## TEXAS

- AUSTIN—ACTV Ch. 10 & 16  
(call station for times)
- DALLAS—Access Ch. 23-B  
Sun.—8 p.m.; Thurs.—9 p.m.
- EL PASO—Paragon Ch. 15  
Thursdays—10:30 p.m.
- HOUSTON—PAC  
Mon.—10 p.m.; Fri.—12 Noon

## VIRGINIA

- ARLINGTON—ACT Ch. 33  
Sun.—1 pm; Mon.—6:30 pm  
Tuesdays—12 Midnight  
Wednesdays—12 Noon
- CHESTERFIELD COUNTY—  
Comcast—Ch. 6  
Tuesdays—2 p.m.
- FAIRFAX—FCAC Ch. 10  
Tuesdays—12 Noon  
Thurs.—7 pm; Sat.—10 am
- LOUDOUN COUNTY—Ch. 3  
Thursdays—8 p.m.
- MANASSAS—Ch. 64  
Saturdays—12 Noon
- NEWPORT NEWS—  
Cablevision Ch. 96  
(with box: Ch. 58 or 01)  
Wednesdays—7 p.m.
- RICHMOND—Conti Ch. 38  
(call station for times)
- ROANOKE—Cox Ch. 9  
Wednesdays—2 p.m.
- YORKTOWN—Conti Ch. 38  
Mondays—4 p.m.

## WASHINGTON

- SEATTLE—Access Ch. 29  
Tues., Dec. 5—12 Midnight  
Mon., Dec. 11—5 p.m.
- SNOHOMISH COUNTY  
Viacom Cable—Ch. 29  
(call station for times)
- SPOKANE—Cox Ch. 25  
Tuesdays—6 p.m.
- TRI-CITIES—TCI Ch. 13  
Mondays—11:30 a.m.  
Tue.—6:30 pm; Thu.—8:30 pm

## WISCONSIN

- WAUSAU—Ch. 10  
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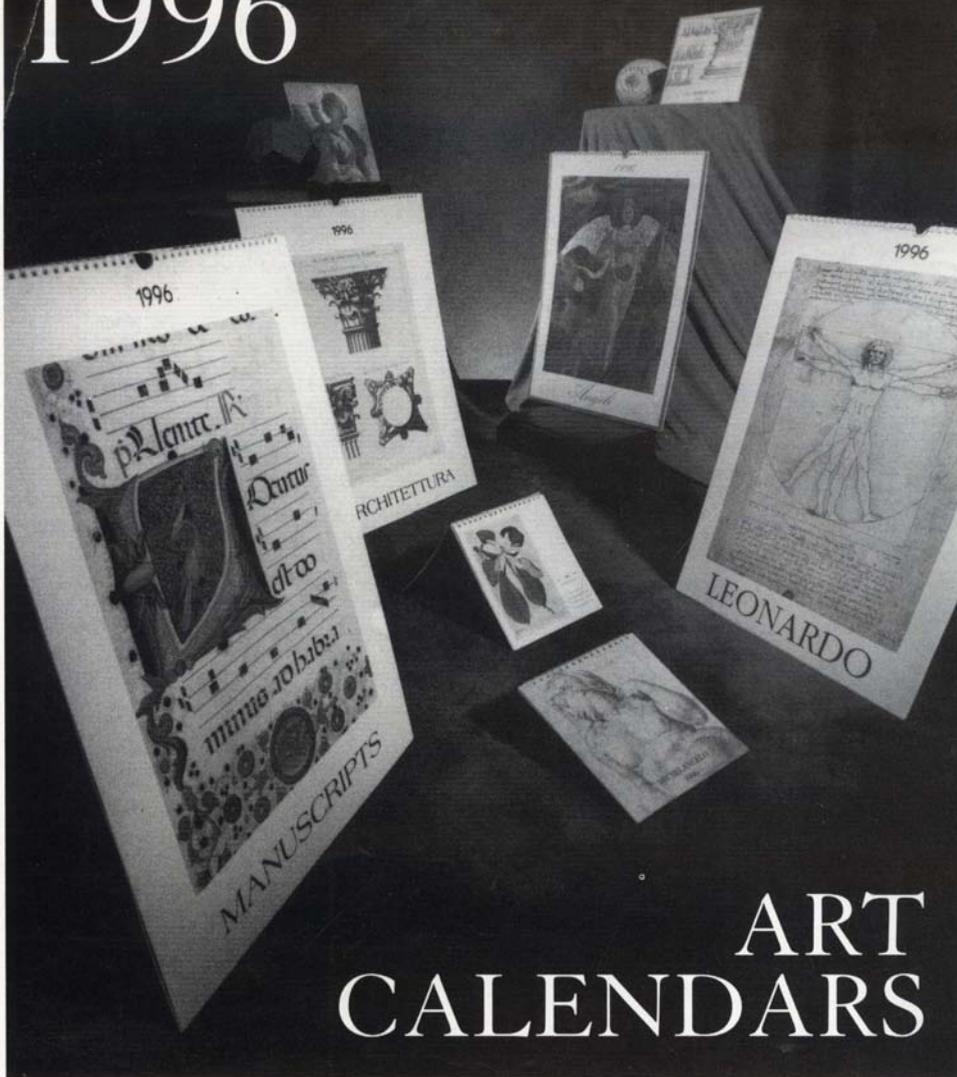
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