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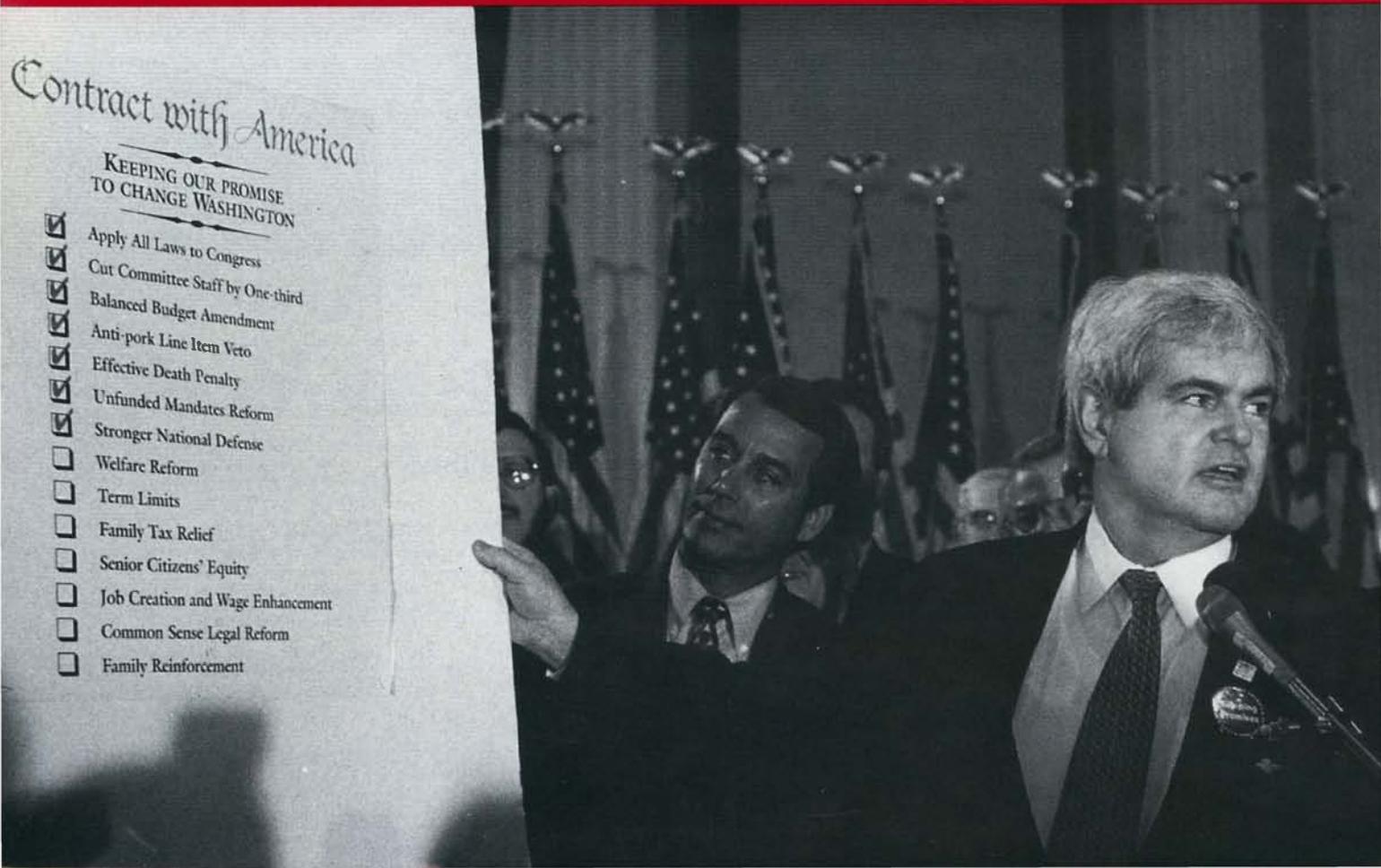
Executive Intelligence Review

October 4, 1996 • Vol. 23 No. 40

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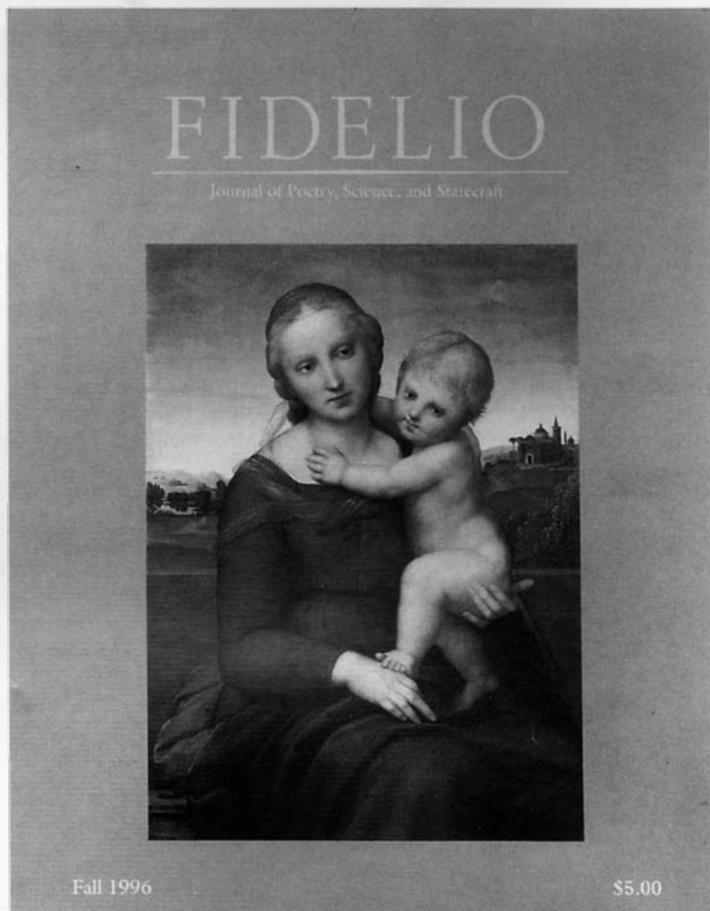
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EIR (ISSN 0273-6314) is published weekly (50 issues) except for the second week of July, and the last week of December by EIR News Service Inc., 317 Pennsylvania Ave., S.E., 2nd Floor, Washington, DC 20003. (202) 544-7010. For subscriptions: (703) 777-9451.

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

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

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

From the Associate Editor

With the new explosion of violence in Israel and the Palestinian National Authority, the international situation has taken a very dangerous turn. The Israeli government's insane decision to build a tunnel under Jerusalem's Dome of the Rock, in pursuit of the British freemasons' "Temple Mount" project, will certainly mean the end of the peace process with the Palestinians, unless other nations—particularly the United States—take resolute action to reverse the tragedy that is now set to unfold.

Meanwhile, the British intelligence services' intrigues against the Russian leadership have reached a new intensity. The Franco-British "Entente Bestiale" is conspiring to convince the Kremlin that *it is the United States that is to blame* for the crisis in which Russia finds itself—and thereby to prevent any potential, positive alliance between Washington and Moscow. See *International* for the story of how the London *Daily Telegraph* and other propaganda outlets have been "caught with their hands in the cookie jar," putting words into the mouths of Russian and German leaders.

These international events underscore the importance of defeating the ideologues of the Conservative Revolution in the U.S. elections on Nov. 5. As long as the British-controlled Newtzis have a stranglehold over the Executive and Legislative branches, there is no possibility for the United States to play an effective role in foreign policy, along the lines that President Clinton has done, or attempted to do, during the better moments of his Presidency. Articles in this issue provide fuel for this campaign:

- *EIR's Special Report*, "Would a President Bob Dole Prosecute Drug Super-Kingpin George Bush?" is circulating widely and drawing international press coverage. In *National*, Edward Spannaus shows why the target is and must be Bush—not the CIA.

- In the *Feature*, find a dossier on Gingrich's groupies at GOPAC, notably John Shadegg of Arizona, who has run into an unexpected challenge from LaRouche Democrat Maria Elena Milton.

- The latest in a series by Roman Bessonov on how the Conservative Revolutionaries are courting Russian "Democrats."

- A "market basket" analysis of the deadly effects of the new trend toward "managed health care" in the United States.

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Cover, Stuart Lewis. Pages 11, 15-16, 29, EIRNS/John Sigerson. Pages 27, 33, 56, EIRNS/Stuart Lewis. Pages 53, 65 (Salisbury), EIRNS. Page 65 (Poe), Library of Congress Prints and Photographs Division.

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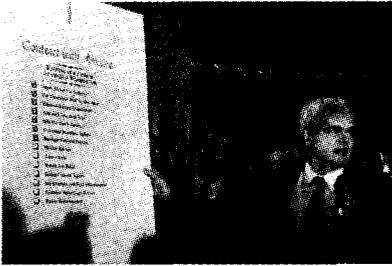
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Czech crisis shows idiocy of the Mont Pelerin model

by Lothar Komp

Every year, some 500 elite members of the ultra-free-market Mont Pelerin Society meet behind closed doors, discussing how to gouge more loot out of the world economy by unrestrained financial speculation and Chilean-style fascist austerity measures. This year's gathering of ghouls took place in Vienna, Austria, on Sept. 8-13, and elected Ed Feulner, the head of the Washington, D.C.-based Heritage Foundation, as the group's international president for the next two years. According to a leading Mont Pelerin source, the group intends to focus its activity on the United States during the immediate months ahead.

The secretive Mont Pelerin Society, with members from around the world, was founded in 1947 by Austrian free-market lunatic Friedrich von Hayek, to implement a global feudal order. It has emerged as the premier think-tank of the Conservative Revolution today. (See *EIR*, Feb. 17, 1995, "Phil Gramm's 'Conservative Revolution in America.'")

Yet at this year's meeting, as several of the Mont Pelerinites complained, they were accorded quite a "frosty reception" in Vienna. Neither mayor nor chancellor, vice chancellor nor President, bothered to put in an appearance. Never had the group been welcomed at such a low diplomatic level. There were other indications, too, that the Mont Pelerinites were having some difficulties. Various speeches noted the "decline of values" resulting from the functioning of a free-market economic system. It became all too clear, as Gerhard Schwarz, correspondent of the Swiss financial daily *Neue Zürcher Zeitung* pointed out, that free-market liberalism provides no answer to the question of how to develop the character of the citizen, since its advocates are "totally open-minded" toward any form of behavior whatsoever.

Klaus and the Czech model

The most devastating refutation of the Mont Pelerin free-market model, came with breaking developments in the Czech Republic, even as the conference in Vienna was under way.

In Vienna, the prime minister of the Czech Republic, Vaclav Klaus, could still be presented as a leading light of the Mont Pelerin Society. In his speech, he sang the praises of the "successes" of his neo-liberal experiments. The Czech Republic now has a free-market economy, and puts itself forward as an example to all other countries seeking economic reform. During a visit to Malaysia early in September, for example, Klaus said that his country could play the role of a bridge between Malaysian businessmen and Europe, adding that "the Czech Republic is also developing free-trade zones, which could benefit Malaysia and other export-oriented countries."

Klaus has long been the darling of the Mont Pelerin Society. Dr. Ljubo Sirc, director of the Center for Research into Communist Economies, headquartered in London at the Mont Pelerin Society's Institute for Economic Affairs, told a U.S. researcher earlier this year that Klaus is one of those whom they groomed in eastern Europe, to take over after the fall of communism. Klaus and others who attended the Mont Pelerin seminars in Hungary and elsewhere in the late 1980s "all became important persons in their own countries"—they became the "reform" governments, said Sirc. "It was all semi-planned, in a way," he boasted.

Financial shock waves

But Klaus's reputation as the darling of the British liberals (otherwise known as neo-conservatives) began to run into trouble just a couple of days after the Mont Pelerin Society

meeting ended. As the French daily *Le Monde* reported, "shock waves" hit "the political class in Prague," and the Czech financial system went to the brink. Worse still: There are more and more signs that Klaus's group has itself become embroiled in the fraudulent machinations of Czech financial jugglers, now that the financial sector has been freed, to a significant extent, from the burdensome chains of state regulation.

Already in August of this year, the crisis of Czech banking began to escalate. The Kreditni Banka Pilsen, the 11th-largest bank, out of 60 total in the country, went bankrupt. Behind the Kreditni Banka stands the largest Czech insurance company, Ceska Poistovna, in which innumerable Czech private households have invested their money. Panic was barely averted. It turned out that the losses of the Kreditni Bank exceeded \$474 million, particularly resulting from its investments in a mysterious financial group, the Motoinvest Investment Fund. Last year, Motoinvest bought up, in hostile takeovers, several Czech businesses and investment funds. This means that Motoinvest had bought up Czech industrial enterprises to the tune of \$3.4 billion. Yet nobody seems to know who the partners of Motoinvest are, and where they got the money for all these acquisitions.

The authorities at first seemed to have little interest in getting to the bottom of these financial scandals. But then, most likely, certain well-known figures of the international world of speculation put in an appearance. After President Vaclav Havel had requested the help of foreign experts in looking into the situation, the government finally proceeded to take action. On Sept. 13, Czech police arrested five leading figures of the collapsed Kreditni Banka, of whom two were also members of the management of Motoinvest. When the arrests occurred, more than \$114 million in illegal remittances of Motoinvest were discovered in secret bank accounts. On Sept. 16, Motoinvest Chairman Pavel Tykac, who had left the country, made it known that Czech politicians and central bank employees were embroiled in a banking scandal, and that he feared for his life.

Immediately after the arrests were announced, the Czech financial world recalled the fact that Motoinvest was very closely linked, not only with Kreditni Banka, but also with the biggest entirely privatized bank in the Czech Republic, the Agrobanka in Prague. Arrested Motoinvest manager David Knop-Kosta is also a member of the supervisory board of Agrobanka, while the fugitive Pavel Tykac is a member of Agrobanka's board of directors. Logically enough, the other Czech banks thought it advisable to break off business relations with Agrobanka. Agrobanka was refused the usual loans in interbank business, which led rapidly to an acute liquidity crisis.

But on the night of Sept. 17, members of government had to meet with central bank officials in crisis negotiations. In order to prevent a run on Agrobanka's deposits, the bank was placed under "temporary receivership." Agrobanka is the fifth

largest Czech bank, and had dealt particularly in the administration of state funds for health care and agriculture. The sudden collapse of the bank could have far-reaching consequences, not only for the financial system, but for the entire political system of the country.

Klaus's group under fire

It seems that some protégés of Vaclav Klaus have gotten deeply into the "economy of the criminals," as U.S. economist Isaac Ehrlich called it in his presentation at the meeting of the Mont Pelerin Society in Vienna. This means a strict "market model" of criminality, he said, in which the criminals' profit expectations are balanced against the societal demand for illegal goods and services—because these goods and services cannot be obtained any other way. This "market model" allows for a mass of criminal activity, which society tolerates, in order to maintain a "market balance" among the competing interests of the criminals, their victims, and the state.

But Klaus's much-touted "successes" are now falling into ill repute, or, as the Social Democratic Party head Milos Zeman put it, they have shown themselves to be a "Potemkin Village." Zeman is demanding the convening of a parliamentary commission of investigation, to finally find out "who here is stealing the taxpayers' money."

President Vaclav Havel himself stated that, because of the lax banking oversight, "tumors have grown" in the Czech banking system. Financial expert Michael Gregor warned in the Prague newspaper *Lidove Noviny*, that a catastrophic banking crisis threatens the foundations of democracy in the Czech Republic, which were built with such difficulty. Contrary to the soothing pronouncements of the central bank, the losses in the banking sector have reached "several hundred billion kronen," he said (100 billion kronen is about \$4 billion). "All of us" will have to bear this, he said. On Sept. 18, Zeman stressed that the crisis casts "a glare of light onto the jungle, which goes by the name of the market economy."

Shortly thereafter, the parliamentary opposition called for an investigation of Klaus's personal role in the development of the entire current crisis. The Social Democrats also called for either the instant dismissal, or resignation, of Finance Minister Ivan Kocarnik, because of his failure to act upon recent warning signals that a bigger systemic banking crisis was coming. The call for Kocarnik's replacement gained a certain degree of support among the Christian Democrats, the coalition partner of Prime Minister Klaus in the government. The chairman of their party, Josef Lux, said in Prague on Sept. 20 that they were not interested in keeping Kocarnik in place "at all costs."

Coming under heavy pressure, therefore, Kocarnik adopted a flight-forward attitude, putting all the blame on the Czech National Bank, for not having controlled the situation at the ailing banks, and for having reacted too late.

The Russian budget: smoke and mirrors

by Rachel Douglas

The uncertainty of leadership, with President Boris Yeltsin ill and power intrigues afoot among his deputies (Prime Minister Viktor Chernomyrdin, Chief of Staff Anatoli Chubais, and Security Council Secretary Aleksandr Lebed), has not been able to obscure the growing economic crisis in Russia. The Chernomyrdin government's 1997 draft budget was torn to shreds in public in early September, while economic emergencies arose in various spots.

Mikhail Kislyuk, governor of Kemerovo Province in south central Siberia, suspended payments to the federal budget on Sept. 9, declaring an economic emergency in the region, which includes the Kuzbass coal basin. According to ITAR-TASS, Kislyuk cited the non-payment of debts by industrial firms, and arrears on wages, pensions, and other social benefits. Almost 90% of Kemerovo's enterprises have resorted to barter deals, while monetary transactions conducted outside the province yield no revenue for the local budget. In late August, *Sovetskaya Rossiya* had reported a one-day warning strike in Kemerovo by coal miners, physicians, teachers, and other public sector employees, who demanded payment of overdue salaries totaling 530 billion rubles (about \$100 million).

The next wage protest, this time in Moscow, involved several hundred Ministry of Defense employees, who picketed government headquarters on Sept. 19. While they demanded 6.1 trillion rubles (\$1.2 billion) in back wages for civilian employees, other military protesters held strikes and rallies in the Far East and at Northern Fleet facilities in Murmansk. Total government debt to the military is estimated by the defense daily *Krasnaya Zvezda* at about 30 trillion rubles.

Over the weekend of Sept. 21-22, the Russian government held urgent discussions on "the shortage of food and fuel" in the far north, an event acknowledged by the *Financial Times* of London as "a sign of the government's fear that the often unpaid residents of the regions, where severe Arctic winter is already closing in, might join the striking power workers of the Far East, in a wave of protests that could jeopardize the country's newly won financial stability [!]." The *Financial Times* even acknowledged the link between the crisis in the north and the International Monetary Fund's pressures on Russia; "officials said there was no money in this year's tough budget" to fund winter energy and food purchases for the

north, while the IMF has praised this "tough budget," it reported.

A pre-busted budget

On Sept. 13, the daily *Izvestia* reported at length on Lebed's Aug. 29 letter to President Yeltsin on the draft budget's being a threat to national security. On Sept. 11, *Nezavisimaya Gazeta* published the critique of the budget by Sergei Glazyev, former chairman of the State Duma's Committee on Economic Policy and now Lebed's economics deputy at the Security Council.

The chairman of the Duma's Committee for the Budget, Taxes, Banking, and Finance, Mikhail Zadornov, also questioned the competence of the budget draft. At a Sept. 10 press conference, Zadornov (a member of G. Yavlinsky's Yabloko party) identified "three main problems": revenue, government bonds (short-term obligations equal to the equivalent of \$28 billion were issued in January-May 1996, at triple-digit interest rates), and "the structure of spending." In other words, the whole budget! The government's projected revenues were significantly higher than what could be expected in reality, Zadornov said, and it was unacceptable that only two areas of spending were slated to grow: defense, and debt service.

Glazyev, in *Nezavisimaya Gazeta*, said that Russia was about to fall below South Korea in absolute volume of output, and into the ranks of poor Asian and African countries in output per capita. Under present policy, he wrote, "The reality is that in the past five years, we have plunged from the level of a superpower, down to somewhere in the 'third league,' landing, to our own surprise, in a humiliating state of colonial dependence. This dependence . . . is manifested most of all, perhaps, in a helpless economic policy . . . conducted on the basis of drafts and recommendations from visiting experts of the International Monetary Fund."

Glazyev gave many examples of how the budget draft guarantees further collapse, including in the area of investment. Without investment in the physical economy, there can be no growth; given the collapse of investment to below the critical level in Russia, he proposed that there must be at least a 15% increase in investment overall next year, and a 33% increase in investment in machine-building. The government budget provides for a 2% increase.

In addition to state interventionist proposals he has made before, Glazyev called for "creation of a special subsystem for the circulation of 'investment' funds, mediating the flow of savings and amortization deductions into the productive sector . . . a supply of 'investment monies,' defended from the danger of flowing into the speculative sphere. Finally, it will be possible to create a system of development institutions—investment banks and funds—to provide credit for long-range projects."

Without such measures, Glazyev warned, "The result will only be a loss of the independence of a great world power, created by our fathers—a disgrace for our generation."

Menem's austerity dismembers Argentina

by Cynthia Rush and Gonzalo Huertas

On Sept. 18, President Carlos Menem finally succeeded in getting the Argentine Chamber of Deputies to approve a package of harsh austerity measures dictated by the International Monetary Fund (IMF). The lower chamber, in which Menem's ruling Justicialista, or Peronist, party has a majority, had balked on passing the measures since their mid-August unveiling by Finance Minister Roque Fernández. Reflecting widespread popular anger and disgust with the government's convertibility plan, modeled on the British colonial policy of a currency board, legislators hesitated to approve measures that will further gouge wages and living standards in order to reduce a fiscal deficit that could reach more than \$6 billion this year.

Passage of the austerity package, based on raising taxes and eliminating family subsidies, is central to a new standby agreement the IMF will sign with Argentina, which is to include a waiver for non-compliance of fiscal goals for 1996-97. The Fund itself has already concluded that Argentina will be unable to pay the \$14 billion in debt which comes due in 1997, even though the government's 1997 budget allocates more than 40% to debt service.

It took all the bribery, threats, and blackmail the government could muster in order to get the package approved; orders were even given to legislators who were otherwise too ill to attend, to show up for the vote—or else. Opposition deputies were excluded from the speakers' list, so no remarks against the package could be heard.

A week earlier, on Sept. 12, Menem had suffered an embarrassing defeat in the same Chamber, when all opposition legislators plus 14 from the Peronist party, failed to show up for a vote; without a quorum, the austerity package was left in limbo. Menem was enraged.

This occurred despite a deployment of heavy guns into the country from the international banking community. On Sept. 7, IMF Managing Director Michel Camdessus flew into Buenos Aires on an unscheduled visit to warn that continued international support for the country was contingent on the package's approval. A day earlier in Montevideo, Uruguay, Camdessus admitted publicly that the IMF's policies applied in Ibero-America had produced "no miracles . . . only problems of poverty, insufficient growth, and decomposition of the social fabric." But in Argentina, he singled out for special praise Menem's cutting of "useless expenditures," by which he meant elimination of family subsidies and labor benefits.

'They are coming to squeeze us'

Just a few days later, on Sept. 11, Chilean Tomás Reichman, the head of the IMF delegation visiting Argentina at the time, barged into the lower Chamber with his delegation in tow, and arrogantly ordered congressmen to vote up the package. As Oscar Lamberto, president of the Budget Commission, correctly observed, "They are coming to squeeze us." When the hoped-for vote failed to materialize, the enraged Reichman and his delegation packed their bags and left the country earlier than planned.

In early September, in his crazed drive to secure votes for the IMF package, Menem baldly stated that "there are no other proposals in Argentina, no other proposals in Latin America, and *the Argentine model is catching on in many parts of the world.*"

The Argentine model is catching on in many parts of the world? No. The reality is that the model, so praised by the fascist Mont Pelerin Society, is crumbling—along with the international financial system. Menem's hysteria is the product not only of the growing political opposition to these policies, evident in the Congress and in the General Confederation of Labor's (CGT) mobilization for a general strike Sept. 26-27, but also in the collapse of the physical economy. A 20% unemployment rate and deepening recession are only the tip of the iceberg.

Menem's current attempt to transform the once highly-skilled and well-paid Argentine labor force—which also has a strong Catholic tradition—into a mobile, slave-labor force, bereft of all benefits or even a minimum wage, is not driven by the success of his policies. Rather, the IMF and its purportedly Catholic director Michel Camdessus demand that Argentina and its people be looted to the bone in a vain attempt to keep the model afloat and debt service coming into their coffers.

To boost its failing program, on Sept. 23, the government even dragged in another alleged Catholic, Gary Becker, a Mont Pelerin Society member and 1992 Nobel Prize laureate in economics. A former University of Chicago professor who had taught Finance Minister Roque Fernández, on whom he lavished praise, Becker argued for "labor flexibility," the term these fascists give to their plan to eliminate collective bargaining, severance pay, and the minimum wage. Drug legalization proponent Becker told the daily *Clarín* that Argentina's high unemployment rate is due "in part to recession, but also to labor restrictions," i.e., to labor benefits. The British-inspired convertibility plan must be maintained, and deregulation accelerated, he added.

Seineldín statements widely covered

Recent publicity given to statements by Col. Mohamed Alí Seineldín, the hero of the 1982 Malvinas War who is now serving a life sentence on charges stemming from the Dec. 3, 1990 nationalist uprising against the Army high command, reflect growing recognition that "the model"—and Menem—can't last much longer. Argentine media reported in some

detail on Seineldín's Aug. 22, 1996 letter to Carlos Menem, requesting a pardon for his jailed fellow officers—not himself—while two local radio stations ran a lengthy interview with him on Sept. 19 (see *Documentation*).

Why Seineldín? Although unable to mobilize major forces from his Campo de Mayo prison cell, at a moment of political and economic collapse, the nationalist officer represents a moral authority which the Argentine, and Ibero-American, people desperately need. Throughout his career, Seineldín has stood unflinchingly for defense of Argentina's national sovereignty, and its founding institutions, particularly the Armed Forces. He has been jailed for over five years, not for breaking the law, but for *telling the truth*. And the international oligarchy dreads the day he might be free to organize in Argentina, or Ibero-America.

In his August 1991 statement before the Buenos Aires Federal Court, and again in his Sept. 19 interview, Seineldín charged that the policies of the Menem government which provoked the December 1990 uprising, had one purpose: to bring Argentina into George Bush's "new world order"—the same George Bush *EIR* has now exposed as a leading international drug kingpin. Specifically, that meant destroying the military as the "armed branch of the Fatherland, and safeguard of the highest interests of the nation," while imposing an IMF-run financial dictatorship on the country. This was the reason, he said, for the bloody repression of the 1990 uprising, the order to execute Army nationalists "suggested by the government of the United States," whose President was then George Bush, and Bush's own arrival in Buenos Aires on Dec. 4, 1990, to gloat in the name of "democracy" over the smashing of the Army patriots.

Seineldín warned Menem in 1991 that were he to dismantle the Armed Forces, this would result in the "dislocation" of every other aspect of national life. These warnings have now come to fruition. The President is moving frantically to dismember what remains of the nation-state, proposing to divide the country into six semi-autonomous regions, to introduce legalized casino gambling (and by implication dirty money laundering), while killing off the most defenseless sectors of the population through privatization of health and social services.

Standing in stark contrast to Mont Pelerin's "Social Doctrine of Satan" is the combative and optimistic outlook Seineldín expressed in his Aug. 22 letter to Menem—one which causes severe anxiety in the City of London and on Wall Street. "The time which has passed since I was sentenced to life imprisonment, far from depressing me, has strengthened the profound convictions which led me to undertake the military actions which are publicly known, both nationally and internationally. The ideals I defended and shall continue to defend until my death, have to do with 'an ethical consideration of the human being, the family and society.' "

Documentation

The following are excerpts from the Aug. 22, 1996 letter to Argentine President Carlos Menem, from jailed Army nationalist Col. Mohamed Alí Seineldín.

I remain convinced that you well knew that the political and economic instability you found when you were sworn in as President, urgently required, among other things, changing the country's prevailing military situation. . . .

The deficit that had to be covered, as you recognized, required the strengthening of the Armed Forces as a fundamental institution of the republic, at the same time that they were brought into play in the process of industrializing the country. . . . What you said then, is fully valid today: "In a democratic system, the military potential applies to the development of a national military doctrine, as well as to an industrial production of their own. . . ."

Even more important was what you said when you attacked the [Raúl] Alfonsín administration's attitude of de-Malvinization. Your words then were: "De-Malvinization is a crime against our ancestors and our sense of nationhood, it offends the community, it distorts history and is an attempt to replace the principles and interests of the Nation, with the convenience of the colonialist powers. . . ."

The foregoing, and developments following the Dec. 3 1990 [nationalist uprising], are undisputed proof that by that time, there was already a military crisis that had been worsening since the Alfonsín government. That situation was extremely dangerous for the peace of the Republic and for the defense of its legitimate interests. That reality impelled us to mobilize to save the Fatherland, the honor of the military, and "the respect of the institutions and their principles." It was, to our mind, the correct path to take to affirm the functioning of democracy and to lend stability to the authorities elected by the people. . . .

The time that has passed since I was sentenced to life in prison, far from depressing me, has strengthened the profound convictions that led me to undertake the military actions that are publicly known, nationally and internationally. . . .

It has been proven that we were not attempting a coup, and this was recognized by the judges who sentenced us to prison. Starting from the need to unify and revive the Armed Forces, we sought to consolidate the integration of the nation and to strengthen human rights through political and economic sovereignty with social justice, in accordance with the [principles established] by the government that was inaugurated on July 8, 1989. Time has demonstrated what our real aims were, and the contrary views—that not only confused

public opinion, but prevented an open debate about the national interest—have been discredited. . . .

To make it perfectly clear, I again reaffirm that in August 1995 I learned, through the press and through official statements, that the possibility of granting us a pardon was threatened by contrary demands coming from international entities of varying ideologies, which explicitly opposed my release. . . .

Because of this, I request, Mr. President, that you exclude me from any possible pardon you may grant to those who participated in the military actions referenced in this letter. This is in order to make it easier for you to make a definite decision on this issue.

In light of the foregoing, I formally request that the President of the Nation exercise the powers vested in him by the national Constitution, and pardon all my comrades who were sentenced for the military uprising of Dec. 3, 1990.

Excerpts from radio interviews Colonel Seineldín gave to Radio El Mundo and Radio F.M. Horizonte on Sept. 19. Some of the questions have been paraphrased.

Q: Regarding the issue of the Dec. 3, 1990 uprising against the Army high command.

Seineldín: “We were sentenced that same day, to be shot at 4 in the morning. . . . Those were the orders that the national government had received, at the suggestion of the U.S. government. . . . The United States could not have Argentina join [the new world order] unless it had a submissive Armed Force. . . .

“[Carlos Menem] was totally in agreement that we should be put in front of the firing squad. . . .”

Q: When the United States invaded Panama, you strongly protested and suggested that the U.S. pretext was just that—a pretext. Do you believe that was also part of the plan for a new order?

Seineldín: “. . . I learned about that plan during a conference held in Panama, sponsored by the United States, which was attended by delegates from all countries. . . . I was sent to Panama by the Argentine government to try to strengthen the police . . . that is to say, to transform the police into a strong military force, because the Torrijos-Carter Treaties required General Noriega, or the government of Panama, to have a strong armed force to defend the canal. I was given that task, and when the job was nearly completed, seeing how easily they were handling their transformation into an effective force, they invaded, using the pretext of General Noriega, that’s the pretext. . . .”

Q: What have the Argentine Armed Forces become today?

Seineldín: “Their mission is that of international cops. . . . The controls that the new world order has imposed on the

Armed Forces will continue to tighten until they have a National Guard in this country, and that National Guard will be placed under the hegemony of the United States. It will be an army styled as a military police, because the defense of the Fatherland is no longer necessary, since sovereignty is limited. That’s why we nationalists are [considered] antiquated; that is, the Fatherland as a Fatherland, the great home, is ceasing to exist, and we will live under a sort of limited sovereignty. . . .”

Q: Regarding the war against terrorism waged by Argentina’s previous military government.

Seineldín: “. . . In 1976, during the military regime, I strongly expressed my view that the *Proceso* [National Reconstruction Process, the name for the military junta] was going to affect the institution of the Armed Forces, as well as the country itself. . . . I told [my superiors] that it was no longer necessary for a military government, which had already defined the operative order for the war against subversion with perfect clarity, to continue, and that it would be better to carry out the war against subversion with a constitutional government, as Peru intelligently did, learning from our experience, instead of through a military government. . . .”

Q: Why are nationalist military linked to a sort of radical anti-Semitism?

Seineldín: “This is a total fabrication. . . . I am a descendant from the People of Israel in two ways: One, through Abraham, because Arabs are descended from Abraham, and the other, because of my conversion to Christianity, through Christ, who comes from the House of David. So that belies the slander of [anti-Semitism]. It’s a term that is totally missapplied. . . . It’s a total fabrication. What I can tell you, is that I am against extremist organizations, for example, those which killed Yitzhak Rabin, who was a brilliant general. . . .

“Those who are constantly leveling those sort of charges are organizations such as B’nai B’rith, an organization which has nothing to do with the Jewish religion nor the state of Israel, and which is constantly spreading views that truly affect us, but which have nothing to do with anything. . . .”

Q: Where will the decision-making center be?

Seineldín: “. . . As you know, the new constitutional reforms have yielded a Constitution that is more international than national; it has eight international treaties included. Thus, by being included in the United States’ bloc, America, the United States will directly—in the manner you now see the International Monetary Fund doing—be monitoring all our reserves, our wealth, what we have left of the economy, or the FBI will come and install itself here. In a word, the controls will be permanent. . . .”

Book Reviews

The Dec. 3 uprising, an eyewitness account

by Gonzalo Huertas

Por qué Rebeledé

by ex-Maj. Hugo Abete

Librería Huemul, Buenos Aires, 1996, \$15

In Buenos Aires on Aug. 29, *Why I Rebelled (Por que Rebeledé)* was presented to more than 500 guests by a group of people who speak for both the military and civilian nationalist currents in Argentina: Col. Jorge Toccalino, Patricio Videla Balaguer, and Ricardo Paz. The book's author, ex-Maj. Hugo Abete, was one of the primary protagonists of the events of Dec. 3, 1990, when Army nationalists—known as the *Carapintadas*—under the leadership of the now-imprisoned Col. Mohamed Alí Seineldín, rebelled against the high command and its policy of dismantling the Armed Forces. Along with Colonel Seineldín and several other officers, Major Abete is serving an 18-year sentence at the Campo de Mayo military prison, for what happened that day.

The author describes the events which led up to the Dec. 3 uprising, the origin of which goes back to a showdown with the Armed Forces that was initiated by the social democratic then-President, Raúl Alfonsín, who governed from 1983 to 1989. That policy has been continued and even intensified by the present administration of Carlos Saúl Menem.

Under the stigma of the 1985 trials and punishment of Argentina's Armed Forces for having fought against subversion and confronted British imperialism in the 1982 Malvinas conflict, the military was rendered virtually incapacitated, with an inadequate budget and the arbitrary denial of a mission. The military institutions saw their *raison d'être* called into question, and with it, their very existence. In the face of the high command's inaction, the intermediate levels of the military hierarchy responded, giving rise to the nationalist *Carapintadas*, "painted faces," so named for the camouflage paint used by combat troops.

Carlos Menem's initial rise to power appeared to augur a change. He drew support from the figure of Colonel Seineldín and what he represented, by signing a defense project which promised the development of military and security forces, in

defense of sovereignty and the national interest, and supporting the productive revolution which he had advocated in his 1988-89 election campaign speeches. But the new President's automatic alignment with the policy of U.S. President George Bush and his "new world order," quickly dashed the illusions of those who had backed this project, while Menem then pursued the destruction of the *Carapintadas*.

One by one, Menem's promises were broken: Military industries were dismantled; strategic projects were annulled; the budget was strangled; and units and commands of the military deployed throughout Argentine territory were shut down, to give priority to the "new order" army, the United Nations forces, over and above the National Army. The nation remained defenseless in the face of a growing regional imbalance in weaponry, while a ferocious administrative persecution was unleashed against nationalist officers and non-commissioned officers, who were removed from active duty. This is the context for the events of Dec. 3, 1990.

With revealing anecdotes, the account stitches together the countless meetings which Colonel Seineldín held with Menem and with most of his aides, as well with other prominent figures. Next, using the testimony of Colonel Seineldín and the principal leaders of the Dec. 3 uprising, the book describes the process leading up to the events and operations of that day.

Abete also analyzes what happened in the aftermath of those events, including the trial before Argentina's highest Military Tribunal as well as before the federal courts, which perfected the persecution imposed by the government and foreign power centers. The personal stories of those in jail, suffered with such dignity, oblige us to confront the fact that they, who are imprisoned, are yet truly free in spirit.

Lessons for the future

Major Abete's last reflection is on what would happen if *Carapintadismo* were to die. It is both a question and an affirmation, not only for Argentines, but for all of Ibero-America, which, to varying degrees, has suffered and is suffering under the same aggression and deprivation in all aspects of national life; these are policies imposed from abroad and implemented by corrupt administrations which favor the looting of their nations, for the sole purpose of enriching themselves. They herd their people toward a one-world order that eliminates borders, sovereignty, dignity, culture, and identity.

This is why *Carapintadismo* has been the expression which brings together all those who resist dishonor, injustice, corruption, and the surrender of their homelands, and thus it is a cry of hope for the Americas.

This book is indispensable for understanding what really happened on Dec. 3, 1990, and strongly suggests the type of behavior that should be displayed by those not inclined to submit to the murderous schemes peddled by Argentina's anti-patriotic forces.

'Managed' care is destroying medicine, and killing people

by M.M. Baker, J. Hoefle, A.K. Wikrent

In the early 1970s, at the time of the shift of the U.S. economy to the "post-industrial" policy of decline and decay, the U.S. health care system likewise began a process of degradation. For example, whereas in 1970 there was an average ratio of community hospital beds per 1,000 people of close to 6.0, by 1994 this ratio had fallen to 3.7. Everything that went with hospital beds (physicians, nurses, diagnostic equipment, and treatment) has likewise fallen below levels of per population ratios considered as the modern medical standard.

At the same time, in the early 1970s, the "post-industrial" argument was made, that lower ratios of health care logistics per household were acceptable in the general economy, because "experts" could be brought in to make decisions on how to "manage" health care provision, so as to "maintain" health for a subsection of people who signed up for this "expert" service. This rhetoric rationalized the creation of the new structures called "health maintenance organizations" (HMOs) and similar "managed care" entities, such as "preferred providers," by mostly major insurance and international financial networks, out to make a financial killing off the declining health care base of the nation.

Even if you didn't swallow the rhetoric, millions of Americans signed up with HMOs, because, relative to their paycheck, the costs of medical care and the costs of traditional insurance (Blue Cross/Blue Shield and similar programs) were going up so fast, that the relatively cheaper HMO member fees seemed to be the only alternative, and therefore worth the risk.

Figure 1 shows the percent of population now insured by some form of HMO, by state. Nationwide, the number of people enrolled in HMOs grew from fewer than 5 million in the 1970s, to over 60 million today. The prominent HMOs are shown in Table 1.

The HMOs took over in spectacular ways. They picked over traditional hospitals (city, county, and state; religious, philanthropic), as the latter fell into financial distress over the 1970s-90s, with the loss of tax revenues and donations, and high costs.

The HMO mandate is to restrict the care available to the subscriber, and thus make profits off the "cost efficiencies." HMOs range in operation from merely managing networks of participating medics and facilities, to owning and running medical centers. As traditional hospitals and clinics faced

FIGURE 1
Percentage of population in HMOs

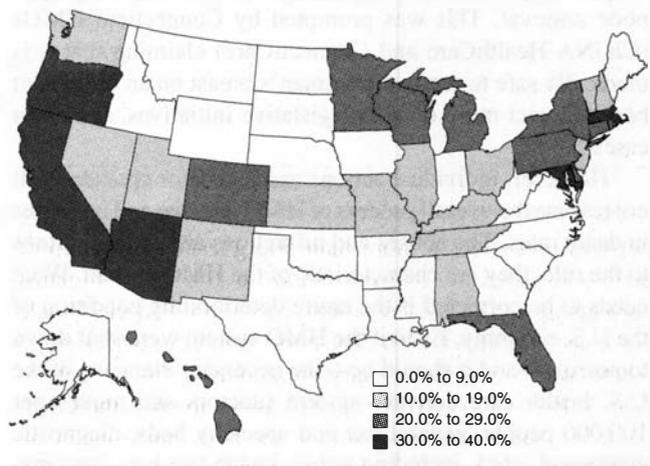


TABLE 1
The top national managed care firms
(ranked by enrollment, as of July 1993)

Firm (No. of Plans)	Enrollment (Number of Individuals)
1. Kaiser Foundation Health Plans, Inc. (12)	6,598,644
2. Blue Cross and Blue Shield System (76)	6,187,444
3. U.S. Healthcare (8)	1,475,543
4. Prudential Health Care Plans, Inc. (29)	1,430,457
5. Cigna Healthcare Plans, Inc. (45)	1,180,379
6. United Healthcare Corporation (18)	1,157,337
7. Health Insurance Plan of Greater New York (3)	1,133,972
8. Aetna Health Plans (25)	1,059,403
9. Humana, Inc. (18)	1,051,384
10. PacifiCare Health Systems, Inc. (5)	1,045,670
Others of note, shown in rank order of enrollment:	
22. MetLife Health Care Management Corp. (14)	269,572
31. Travelers Health Network, Inc. (8)	98,298
Total enrollment for above 12 firms:	22,688,103
Percent of national Health Management Organization total enrollment:	57%

Source: The InterStudy Competitive Edge, Vol. 3, No. 2., March, 1994

ruin, the HMOs picked over the assets, in waves of mergers, acquisitions, and takeovers.

The result? People are suffering and dying; and HMOs are posting record rates of profit. The courts are full of cases, showing HMO non-treatment, or malicious lack of attention. And 33 states this year alone have passed legislation to correct various specified HMO life-threatening "routine" cost-cutting practices.

On Sept. 24, Congress passed legislation requiring insurance companies (mostly HMOs) to pay for at least a 48-hour hospital stay for mothers giving birth. U.S. Rep. Rosa DeLauro (D-Conn.) is now drafting legislation to require insurers (meaning, in fact, HMOs) to pay for a minimum 48-hour hospital stay for a mastectomy, and a 24-hour stay for lymph-node removal. This was prompted by Connecticut HMOs (CIGNA HealthCare and ConnectiCare) claiming that it is medically safe to remove a woman's breast on an outpatient basis. Expect more of such legislative initiatives, and court cases.

However, individual actions and legislator crusades will not reverse the overall process of HMO damage and increases in death rates. The abuses and infractions are not exceptions to the rule, they are characteristic of the HMO system. What needs to be corrected is the entire deteriorating condition of the U.S. economy. Even if the HMO system were shut down tomorrow—and it should be—the necessary elements of the U.S. health care delivery system (doctors and nurses per 100,000 people, general use and specialty beds, diagnostic equipment, etc.), including public health services (vaccinations, x-ray equipment, etc.), do not exist at the ratios needed to deliver standard care to the population.

How to replace HMOs? Look at the economy in the mid-1960s, when, whatever the problems, it still functioned. At that time, the U.S. health care system was characterized by an active public health program (for dealing with communicable diseases, for example, the anti-polio program, and for preventive care, and so on), by a network of government and private hospitals and clinics, and by a working population, whose employers or, who, themselves, were able to afford health insurance. Hospitals could, in turn, care for indigent in the community. And to assist the process, in 1965, Medicare and Medicaid were set up.

In this report, we provide an initial picture of today's "managed care" menace, and we give a few key elements showing the decline in the U.S. health care medical delivery system overall. *EIR* has periodically reviewed the decline in the U.S. economy, most recently, in the survey, "U.S. Market Basket Is Half What It Was in the 1960s" (see *EIR*, Sept. 27, 1996).

To illustrate the general point, we turn to examples from Pennsylvania and Arizona, because each is in the forefront of the national political policy fight to restore the economy, and medical care in particular. In Pennsylvania, an impeachment campaign is under way against Gov. Tom Ridge (R), for the

decision he forced through the legislature, to eliminate state medical care benefits for 220,000 Pennsylvanians in need. The consequences of this will be, within six months, 3,500 needless deaths, according to an analysis of similar cuts in California, published in the *New England Journal of Medicine*.

In Arizona, Congressional candidate Maria Elena Milton (D) is leading the campaign to defeat her opponent, freshman incumbent John Shadegg (R-4th C.D.), because he is promoting, as chairman of GOPAC and an associate of similar groups, the HMO-serving policies of privatization and deregulation that are killing people (see p. 26).

Rise of HMOs

In 1980, HMOs covered approximately 5 million Americans. In 1986, those enrolled in HMOs rose to 26 million; in 1995, the total reached 53 million. As of September 1996, 60 million Americans are enrolled in HMOs.

In the meantime, the number of Americans with no health insurance rose from 31.026 million in 1987, to 39.718 million in 1994, according to the U.S. Department of Commerce Bureau of the Census. Again, the culprit was the general economic collapse, or "economic restructuring," as the pundits call it, which has thrown millions out of work. In 1987, 75.5% of Americans were medically insured by private plans, but as the economy was "downsized," this percentage steadily declined, reaching a low of 70.2% in 1993, and barely budging upward to 70.3% in 1994. Medicare, Medicaid, and the military health care system have not been able to take up the slack: The percentage of Americans with government medical insurance increased only 3.5%, from 23.3% in 1987, to 26.8% in 1994, not nearly enough to make up for the 5.2% decline in private coverage. There is some overlap in the numbers and percentages, because some of the 24 million insured by the government's Medicaid plan are now covered by private plans, for which Medicaid pays.

The top ten-largest managed care firms, as of summer 1993, when total enrollment in HMOs was about 45 million nationwide, are shown in Table 1. At that time, these companies—plus a couple other notables—accounted for 22,688,103 people enrolled in HMOs.

Since then, a wave of mergers and acquisitions has created an even more elite selection of names controlling the HMO trend, which is dominated by mega-insurance firms. For example, the 1993 No. 3 ranked company, U.S. HealthCare, has recently merged with the No. 8 company, Aetna Health Plans, to form an HMO group with 3.3 million enrollees.

Mega-insurance companies

The major insurance companies which write general insurance, including life, casualty, property, with subdivisions represented in the HMO line-up, include: Prudential of America, CIGNA Group, Aetna Life and Casualty, Metropolitan Life, and the Travelers Group. In addition, there are an-

other several hundred health insurance entities of various kinds; and there is the nationwide system of 73 Blue Cross/Blue Shield plans, many technically classified as not-for-profit.

As of 1993, for lobbying purposes, the insurance companies were organized roughly into these groups: 1) Alliance for Managed Competition, the association of the giants (Aetna, CIGNA, Prudential, Metropolitan Life, Travelers); 2) the Health Insurance Association of America (HIAA), with 270 mostly medium- and small-sized companies. Blue Cross/Blue Shield are outside these action groups. Some 65 million Americans are insured by one of the HIAA companies, and over 65 million, or fully one-third of the market, are under the five giants of the Alliance for Managed Competition group, either in HMO or non-HMO programs. Another 70 million Americans are covered under Blue Cross/Blue Shield.

HMOs reap huge profits

The profit growth of HMOs has been phenomenal. The average growth rate of 12 HMO firms for which data for revenues in 1990 and 1995 are readily available, was 617.4% between those years. That means that average revenues were more than doubling each year.

Look at the spectacular growth rate of Oxford Health Plans, Inc., not the largest, but strategically placed in providing Medicare and Medicaid plans, and third-party administration of employer-funded medical benefit plans, as well as traditional HMO functions. Oxford's number of enrollees was 1.2 million, in New York, New Jersey, Connecticut, Pennsylvania, and New Hampshire, at the end of March 1996. From \$60.3 million in revenues in 1990, Oxford grew 2,827.7%, to revenues of \$1.765 billion in 1995. Profits grew even faster—5,200%, from \$1 million in 1990, to \$53 million in 1995.

There are other, similar cases. For example, HealthSource, Inc., which operates HMOs for 404,300 enrollees in the Northeast, and 423,800 enrollees in the South. HealthSource also provides third-party administration for another 1.7 million people, and wrote indemnity group health insurance for 390,000 people. Revenues of \$61.4 million in 1990, grew by 1,800%, to reach \$1.167 billion in 1995. Profits grew "only" by 578.3%, however, from \$8.3 million in 1990, to \$56.3 million in 1995.

Even the big HMOs enjoyed impressive growth. U.S. HealthCare Corp.'s 1990 revenues of \$1.330 billion almost tripled, to \$3.610 billion in 1995. U.S. HealthCare's profits did even better, increasing fivefold, from \$77.5 million in 1990, to \$380.7 million in 1995. Revenues of FHP International Corp., one of the more notorious HMO operators, jumped fourfold, from \$980.4 million, to \$3.909 billion; but profits "lagged," jumping only from \$34.0 million to \$83.9 million.

The HMOs are making money so fast that the *Wall Street Journal*, in December 1994, ran a front-page feature entitled "Money Machines: HMOs Pile Up Billions in Cash, Try to

Decide What to Do with It." Leading the pack was United HealthCare Corp., which had amassed \$2.6 billion in cash and investments. United HealthCare is 6% owned by the Equitable Co., and another 6% owned by Metropolitan Life Insurance Co. WellPoint Health Networks, which owns and operates the managed care business of Blue Cross of California, had socked away \$1.918 billion. The HMO of Kaiser Permanente, which also operates hospitals, had \$1.347 billion lying around. U.S. HealthCare, Inc. had a stash of \$1.164 billion. And Humana, Inc., which is 5.3% owned by J.P. Morgan and Co., had piled up \$887 million.

HMO methods

The HMO *modus operandi* involves all manner of looting the basis of medical care—doctors, nurses, staff, facilities, and patients alike.

Start with the method by which HMOs select enrollees, which begins to explain their huge build-up of cash. By "cherry picking," the HMOs selectively deny care for the seriously ill or injured, and look to insure the well. At present, about 80% of the general population is considered relatively healthy, and requires few medical services other than regular checkups, and a few prescriptions for colds, flu, and so on. Statistically, in 1993, for example, 19% of Medicare enrollees cost nothing, and 53% cost less than \$500 each. HMOs have developed methods of recruiting to ensure that the 20% of the population more prone to chronic illnesses and medical problems, is not enrolled.

When recruiting the elderly, for example, HMOs have mailed out free dance tickets as incentives to attend meetings—to select out those who are immobile.

The other side of the HMO coin, is to limit or even deny medical care to its enrollees. In the 1960s and before, hospitals and doctors were paid for what they did: The more patients they admitted and treated, the more surgeries and other procedures they performed, the more medicine and other treatments they dispensed, the more they were paid. The physician, therefore, had every financial incentive to fulfill the Hippocratic Oath, and do everything he or she possibly could for the patient.

In the new regime of HMOs, however, the less physicians and other health care "providers" do, the more they are paid. HMOs generally pay a "capitation" fee to a doctor or provider (a flat fee for every patient under the care of the physician or provider), and also set aside a "bonus" pool of money. The HMO then sets strict limits on how much can be spent on the "average" patient. If more is spent on a patient than the limit, the excess amount is deducted from the bonus pool.

For example, on Jan. 8, 1996, *Time* magazine reprinted the limit clauses for one physician's contract with U.S. HealthCare Corp. The contract stipulated that if the 925 people under the doctor's care averaged fewer than 178 days in the hospital per year, the doctor would be paid a bonus of \$2,063 per month. If there were more than 363 patient-days, the doc-

tor would be given no bonus. In all, therefore, the doctor could have no more than 121 patients stay in the hospital for three days, and, preferably, less than half that many patients.

HMOs' deadly record in Arizona

As shown in Figure 1, the highest percentages of the populations enrolled in HMOs, in rank order, are in California (38.3%), Oregon (37.5%), Maryland (36.2%), Arizona (35.8%), and Massachusetts (35.2%). California, Florida, and Arizona have a high percentage of retired people enrolled. Wherever the enrollment is high, the reports of mistreatment are high.

Among the ranking HMOs in Arizona, according to *U.S. News & World Report's* Sept. 6, 1996 survey, are Inter-group of Arizona (305,608 enrolled), CIGNA HealthCare-Phoenix (170,703), CIGNA Private Practice Plan (129,632), HealthPartners-Tucson (112,462), HealthPartners-Phoenix (52,430), and CIGNA HealthCare-Tucson (45,640).

In Arizona, according to a review by the U.S. General Accounting Office, one case of lack of access to proper care resulted in death. The GAO stated, "The physician diagnosed the [89-year-old] enrollee as suffering from a lack of oxygen in his blood 14 days after being discharged from a hospital following ankle surgery. The elderly enrollee was not readmitted to the hospital until two days after the diagnosis was made, and died on the day of admission."

According to the Health Care Financing Administration (HCFA), the federal agency that administers Medicare, about one-fifth of the elderly who sign up with HMOs for their Medicare treatment, called "Medicare Risk HMOs," then ask to drop out of these plans. Depending on which HMO they got into, elderly drop their coverage at a rate that ranges from 6% to 46%, to avoid bad care.

Reflecting this, the National Committee on Quality Assurance (NCQA), the foremost independent reviewer of managed care, has denied accreditation to many Medicare Risk HMOs, particularly in Florida, California, and Arizona, where the largest groups of the elderly reside. The NCQA has pointed to the way the HMOs shorten hospital and nursing home stays, and frequently refuse to honor claims for senior citizen treatment.

Five Arizona Medicare recipient residents have filed a class action lawsuit against HCFA for care allegedly denied them by their HMO. Their suit charges that the HCFA failed to take action when their HMO denied them care in the early 1990s. Their HMO, Family Health Plan (FHP, second nationwide in number of Medicare enrollees), is contesting. California and Oregon plaintiffs have now joined those from Arizona. Among their complaints:

- A 71-year-old woman, Grigoria Grijalva, claims that her HMO left her in a wheelchair. She has diabetes and high blood pressure, and suffered congestive heart failure, anemia, and a uremic bladder, which made her wheelchair bound. Her lawyers state, "Her right leg was amputated at the knee after her Family Health Plan doctor failed to respond to her com-

plaints of pain in her foot until amputation was required."

- A 92-year-old woman, Ms. Knox, who had a broken hip, was denied payment for physical therapy. According to her lawyers, "FHP advised Ms. Knox's guardian that physical therapy for an Alzheimer's patient would not be productive because 'she could not follow commands.'" In fact, medical experts on disability say that this HMO denial of payment for therapy is a pervasive pattern, and medically unwarranted.

- Ms. Lea, a woman in her 80s who broke her hip while at home, was denied payment by FHP to cover an ambulance journey to the hospital; her daughter drove her instead. The emergency room x-rays showed possible multiple fractures, but FHP refused to cover Ms. Lea's admission to the hospital.

In Arizona, Stuart Grabel of the Pima Council on Aging in Tucson, says his office gets three or four complaints a week from Medicare recipients enrolled in HMOs. "They range from the deadly serious, to 'I can't get my medication,'" he says.

The National Council on Aging records many instances of HMO malfeasance. In one published case, a woman with Parkinson's disease called her HMO's primary care physician after falling down at home. The doctor sent her to the HMO's specialist, who scheduled additional tests with another specialist. The primary care physician decided the additional tests were unnecessary, so the HMO refused coverage. In the end, because of receiving no further treatment, the woman's legs deteriorated to a point that she required a wheelchair. Then began a new round of requests to the HMO; a month passed from the time of authorization, until a wheelchair was delivered—of the wrong type.

Horrors in Philadelphia hospitals

In Pennsylvania, 21.5% of the population is covered by HMOs. The ranking HMOs, according to the Sept. 6 *U.S. News & World Report* survey, are: Keystone Health Plan East (436,247 enrolled), Keystone Health Plan West (155,497), Keystone Health Plan Central (153,217), HealthAmerica Pennsylvania-Pittsburgh (148,737), HMO Blue-Newark (139,685), First Priority Health (101,490), HealthAmerica of Central Pennsylvania (99,997), and smaller HMOs associated with Prudential and CIGNA.

The indirect and direct effects of the degrading of the Pennsylvania medical system are evident throughout the state. One aspect is the reduction in nurse-to-patient ratios.

Recently, the deadly consequences of this reduction in Philadelphia hospitals were reported to the Pennsylvania House Health and Human Services Committee, by Laura Gasparis Vonfrolio, a registered nurse for over 20 years, who also teaches and publishes a national journal. She stated, "There is a redesigning of health care in the name of profit," and "hospitals are relying on two strategies to cut costs: substitute cheaper labor for RNs, and increase their work responsibilities. . . . Cost-cutting hospital administrators are replacing nurses with individuals with no training and expertise in caring for the sick."

Vonfrolio stressed that the unskilled “technicians” being hired to replace nurses are clearly not qualified to handle patients in need of acute care—which is now almost all patients in hospitals, since previous years’ cost-cutting has already reduced the length of hospital stays. Vonfrolio testified that she had received phone calls from hundreds of nurses from 16 Philadelphia hospitals. (Her testimony will be published in a forthcoming issue of *EIR*.) Some instances reported:

- Medical College of Pennsylvania and Hahneman Hospital (part of Allegheny University Hospital Centers). A registered nurse noticed a patient suffering an adverse reaction to an intravenous medication, and turned off the valve. Shortly after, a “technician” noticed the valve closed, and turned it back on. As a result, the patient suffered kidney damage.
- Misericordia Hospital. A “technician” with two weeks of training, failed to note that a patient’s catheter had become misplaced in a wedge position. Since no corrective action was taken, the patient developed a pulmonary infarction.
- Temple University Hospital. A “technician” assigned to report abnormalities to a registered nurse, overlooked a post-operative patient’s symptoms, imparted no urgency, and the patient suffered cardiac arrest, and expired due to fat embolus.
- Krozer Chester Hospital. A patient died when no one noticed, and no one called a “code” (resuscitation) cart.

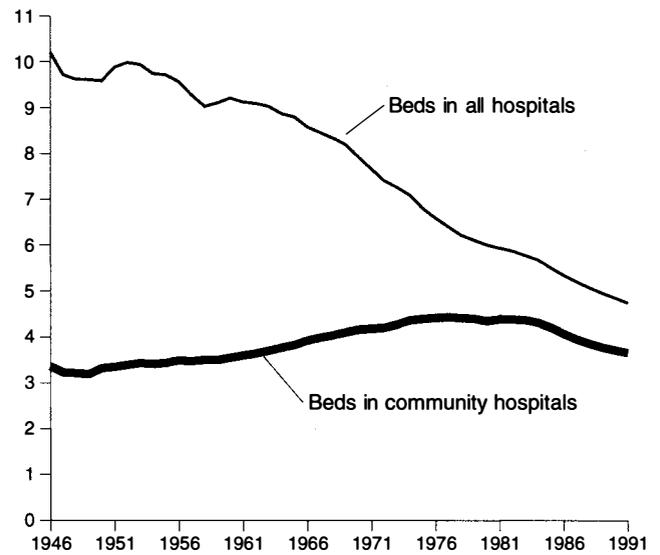
Decline in U.S. medical market basket

The “market baskets” of essential medical goods, services, and infrastructure are no longer being produced or consumed in the U.S. economy at the levels obtaining in the late 1960s. This decline in the U.S. health care system is coherent with the same decline of all other market basket “essentials” (water, power, consumer goods, food, producer goods, and so on), which overall are being produced and consumed at about half the per household level of the late 1960s. In many dramatic ways, the declines in one sector reinforce declines elsewhere. For example, as the U.S. rail and mass transit system declined per household (in less track length, frequency of service, and other measures), highway accidents came to rank as one of the largest burdens on hospital emergency rooms, and staff and bed-use ratios.

Here we look at per population ratios of community hospital beds as a “marker” for the national medical care system. The beds ratio is commonly used in this way, because adequate hospital bed numbers imply the presence of other essentials of the general public “market basket” of medical care—physicians and nurses, x-ray equipment, biochemical analysis laboratories, bassinets and incubators, nuclear medicine machinery and staff.

In fact, by all these basic parameters, the U.S. health care system is declining. Fewer than 50% of all children under age are fully vaccinated against preventable diseases. Only 38% of women in the relevant age brackets (50 years old and over) are getting annual mammograms—which, if done, would de-

FIGURE 2
Hospital bed availability, 1946-91
(beds per 1,000 people in the United States)



Sources: U.S. Statistical Abstracts; Historical Statistics of the United States.

tect the most common breast cancer earlier, and save lives and billions of dollars and facilities-use of the medical system.

Availability of beds declines

Figure 2 shows the numbers of hospital beds in the U.S. (community, and all-types, including specialty) over 1946-90, shown as a ratio of beds per 1,000 people. Look at the community beds curve. First, the ratio of beds per 1,000 rises through the 1970s, reflecting the impact of the 1946 “Hospital Construction Act,” known as the “Hill Burton Act,” after co-sponsors Sens. Lister Hill (D-Ala.) and Harold Burton (R-Ohio).

The Hill Burton Act, only nine pages long, specified a beds-ratio goal for every community, of about 4.5 to 5.5 beds for “general hospital” use, plus 5 for mental hospitals, and 2 for chronic diseases of all types. The large number of non-general hospital beds shown in the graph for the 1940s and 1950s reflects the beds for tuberculosis, polio, and war-related medical needs. The average of 12 beds per 1,000 people was maintained in many regions.

However, after about 1970, the turning-point marking the decline in maintenance of essential levels of “hard” infrastructure systems (water, power, transport), the desired number of beds per 1,000 people fell below the 5.5-community-bed standard (and way below the 12-bed margin for all uses), as similar declines set in for all types of “soft infrastructure” (schools, research, etc.).

In 1972, the national U.S. average of beds per 1,000 persons was over 4.5. Then, in the post-industrial shift, the Hill

FIGURE 3

Arizona: hospital beds per 1,000 population

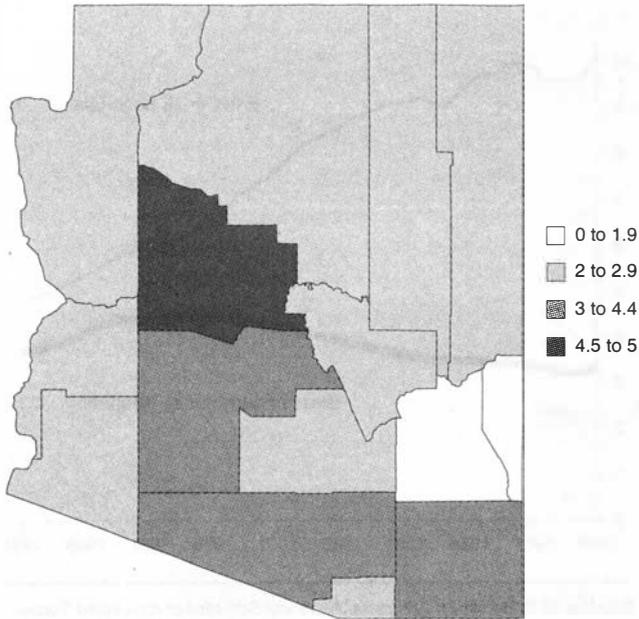
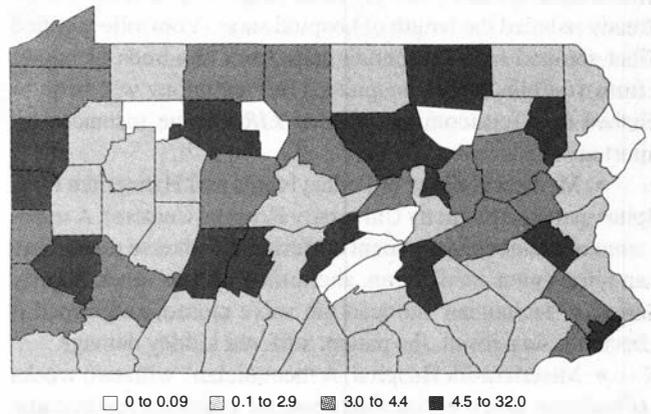


FIGURE 4

Pennsylvania: hospital beds per 1,000 people

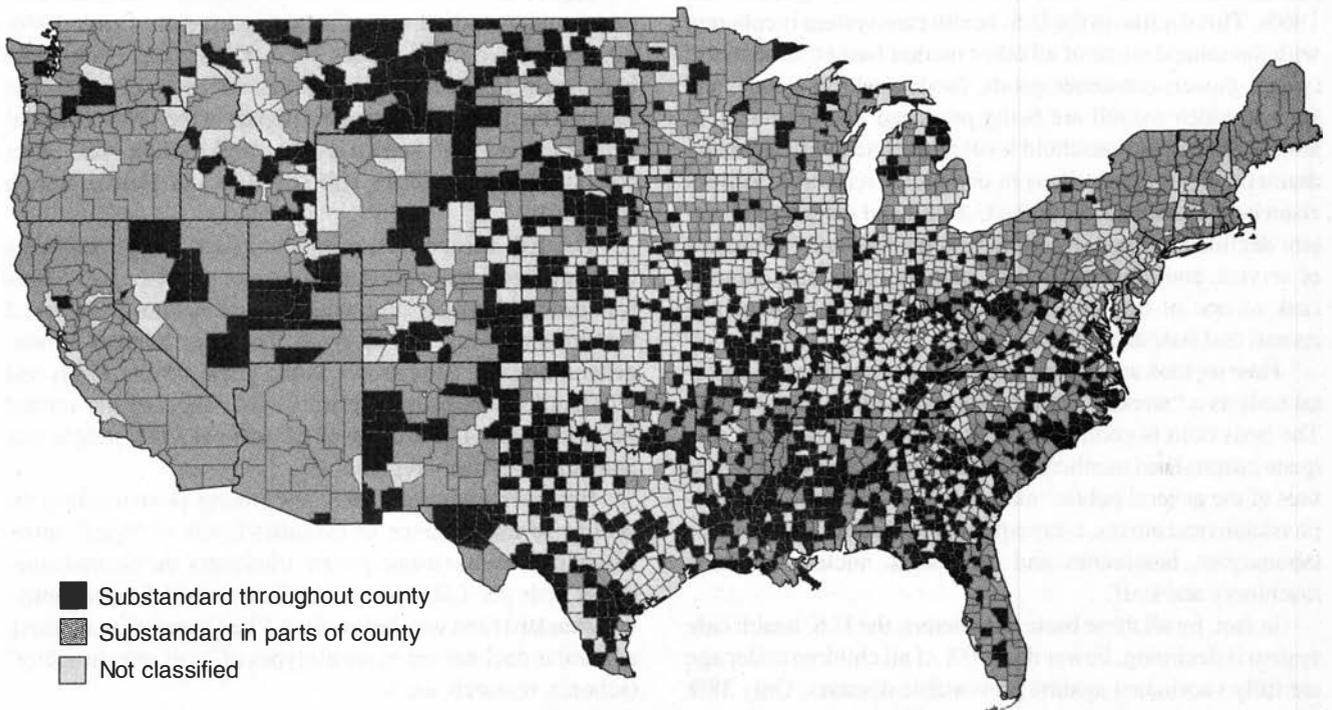


Burton Act was abandoned in law and in spirit. Bed ratios fell. Today, the national average for community hospital beds is below 3.7 per 1,000 people.

The import of the declining availability of beds is *not* that outpatient care and healthier people have made beds redun-

FIGURE 5

Classification of U.S. primary medical care, March 1994



dant. Far from it. People just aren't getting care. A bogus argument has been advanced that hospital stays have been replaced by outpatient treatment. In 1972, there were about 219 million outpatient visits in the United States; in the late 1980s, this was up over one-third, to 336 million visits. But, at the same time, the beds for all kinds of routine (e.g., childbirth) and specialty (e.g., orthopedic) needs are no longer there.

Over the 1980s alone, 761 hospitals were shut down across the country. Every week, some rural and inner-city area sees the downsizing, or outright shutdown of a hospital. What the national average beds ratio means on a local level, is that millions of Americans, especially in inner-city areas and rural counties, do not have adequate facilities for their medical needs, no matter whether they are insured or not.

Figures 3 and 4 take two examples, Arizona and Pennsylvania. The statewide average of beds per thousand in Arizona is only 2.5 (as of 1992). This rate is among the lowest in the nation. The statewide average in Pennsylvania is 4.3.

Now look at the disparity of availability of beds shown by the county averages of beds per 1,000 population, for the 15 counties of Arizona, and the 67 counties in Pennsylvania. Arizona's population overall as of 1994, was only 4,075,088. In the two eastern mountainous counties of Greenlee (population 9,035) and Graham (28,876) there are, respectively, no beds, and 1.3 beds per 1,000. It is to be expected in a state nicknamed the "Grand Canyon State" that there are wilderness locations with neither people nor medical facilities. Yavapai County (the darkest tone) with 4.5-5 beds per 1,000, reflects the centralized location of certain medical centers. However, the statewide average ratio of 2.5 beds per 1,000 shows a serious lack of medical care provision in Arizona.

In Pennsylvania (population 12,052,410), forty-nine of the state's 67 counties fall below the desired ratio of 5 beds per 1,000 people, of which seven have no community beds at all (one county of which, to be sure, is the home of the Allegheny National Forest). The highest average bed ratios in the state are at the level of 8 per 1,000, in rural Bradford, Clinton, and Elk counties. (Montour County has 32 beds per 1,000, because Geisinger Medical Center serves a multi-county region, requiring long drive times.)

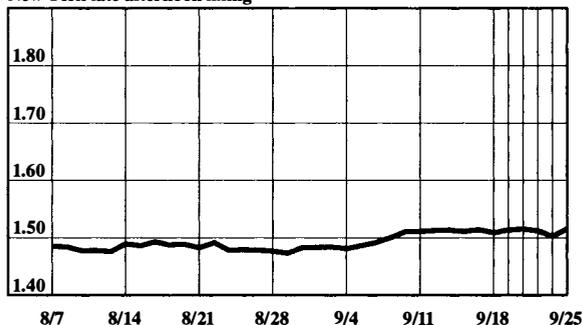
Pennsylvania's county beds ratios are worsening radically, as hospitals face the consequences of Governor Ridge's elimination of state medical assistance for 220,000 Pennsylvanians, which means the immediate lack of revenue for hospitals and medics in the state, that will downsize and shut down facilities.

Figure 5 is a map of the 3,076 counties across the country, shaded differentially to reflect a measure of the adequacy of physician availability. The map was prepared by federal agencies, and released by Sen. Jay Rockefeller (D-W.V.) in August 1994. Darker tones signify counties in which local officials reported a countywide health care inadequacy. Medium tones indicate counties with localized problems. The remaining counties did not report any problems.

Currency Rates

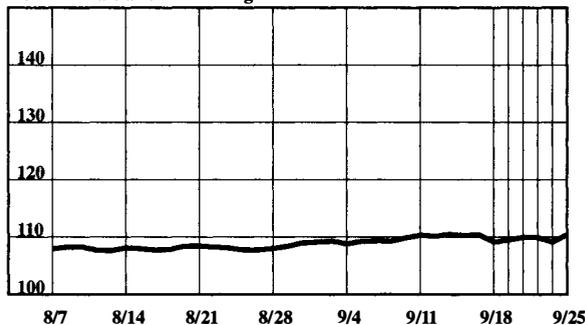
The dollar in deutschemarks

New York late afternoon fixing



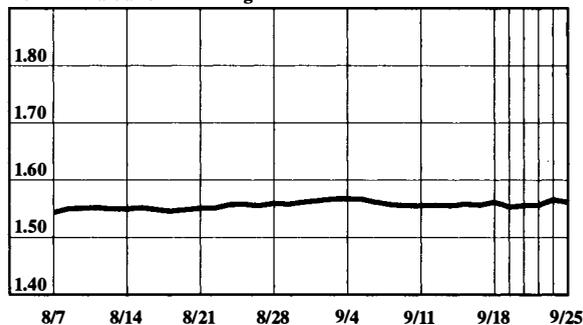
The dollar in yen

New York late afternoon fixing



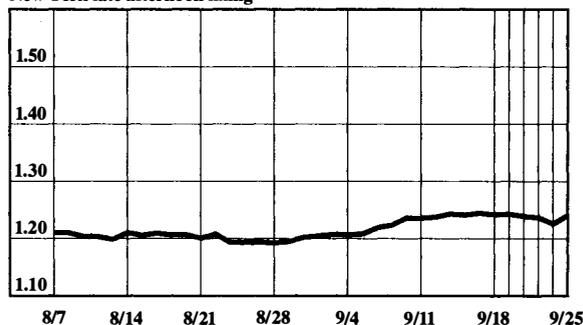
The British pound in dollars

New York late afternoon fixing



The dollar in Swiss francs

New York late afternoon fixing



Business Briefs

Philippines

Mining interests grab for precious metals

The London *Financial Times* reported on Sept. 19 that it has received a copy of a legal filing, prepared on behalf of 20 of the world's leading mining companies, demanding that the government of Philippines President Fidel Ramos ignore pressure from environmental groups and enforce the revised mining act, which allows 100% foreign ownership and repatriation of profits.

The legal action, which was to be submitted in late September in Manila, is in response to the government's move to freeze all but 2 of 70 foreign exploration applications, following an incident earlier this year in which a local copper company, 40% owned by Canada's Placer Dome, leaked toxic tailings into the Boac River, south of Manila. The incident triggered a debate on the advisability of allowing 100% foreign ownership.

At stake is the enormous potential wealth to the Philippines or to foreign owners, including the seventh-largest gold reserves and tenth-largest copper reserves in the world. Leading the pack of 20 firms are Newmont Mining (U.S.) and Western Mining Corp. (Australia). Their argument (or threat) is that to backtrack now on privatization will "derail" foreign investment and "stall" progress.

Finance

London moves to improve contacts with China

Sir John Chalstrey, the lord mayor of London, led a delegation of businessmen on a 12-day visit to China and Hongkong beginning on Sept. 2, *China Daily* reported Sept. 18. Representing the Corporation of London, the local authority for the "Square Mile," London's City financial district, the British delegation's objectives were to "promote the City of London as the world's largest financial center; a center of excellence for all forms of financial expertise; the

gateway to financial dealings anywhere in Europe and from Europe to China."

In Beijing, the delegation attended a financial seminar hosted by the People's Bank of China (the central bank), and Chatham House Task Force on China. "The City of London provides a gateway between China and the financial markets of Europe which are centered in London and is committed to continued links with Hongkong's financiers after the hand-over of Hongkong to China in July 1997," states the official release of the Corporation of London. (The Corporation is one of Britain's oldest institutions, even older than Parliament, and "a keen supporter of the financial services industry.")

On Sept. 4, Chalstrey signed a "ground-breaking protocol" with Shanghai, to improve cooperation on business, trade, and commercial links. On Sept. 9, Beijing Mayor Li Qiyuan called for closer links in finance, industry, and commerce, during a meeting with the delegation. The paper wrote that "Beijing wants to expand its cooperation with the City of London, the heart of Britain's financial world."

Economic Policy

Russian economist cites LaRouche on FDR, IMF

Doctor of Economic Sciences Vladimir Maslennikov cited Lyndon LaRouche and John Kenneth Galbraith, among American economists who oppose radical "free market" notions and the International Monetary Fund (IMF), in the Sept. 17 *Sovetskaya Rossiya*, a Russian opposition paper linked to the Communist Party of the Russian Federation.

In support of his estimate that well over a hundred countries have been weakened by dependence on the IMF, he quotes "the American economist Lyndon LaRouche," that "today the Anglo-Americans are looting a large part of the planet, using the murderous, bloodthirsty practices of the IMF." Galbraith is quoted on how people who want a return to Adam Smith suffer from a "clinical psychological deviation."

Maslennikov's main point is that it took the economic dirigism of Franklin Delano Roosevelt, to lift the U.S. economy out of the

Great Depression. "F. Roosevelt led the U.S. economy out of the economic crisis according to a well-conceived program, which provided for redistribution of the national wealth for the purpose of increasing the purchasing power of members of society and the general interest in an acceleration of economic development," he wrote. "F. Roosevelt understood that the state should increase its influence in the economy, rather than withdrawing from it. Therefore, he instituted comprehensive state regulation of economic processes . . . [and] undertook energetic measures to strengthen the state financial system. This goal was achieved mainly by increasing the output of goods, i.e., by the growth of newly created property, and strict economy of resources. The President banned the export of gold or silver, and forbade taking foreign credits."

Metals

Sumitomo copper crisis triggered by the British

Daniel Rappaport, chairman of the New York Mercantile Exchange (NYMEX), identified the London Metal Exchange (LME) and British regulators as responsible for the Sumitomo copper-trading crisis in 1995, in testimony before the U.S. House Banking Committee Sept. 18. The LME opened a metals storage warehouse in Long Beach, California in April 1995. By means of practices that Rappaport said were unprecedented (the LME waived any fee for depositing copper at its warehouse, but imposed an 0.8¢ a pound charge for withdrawing it), the warehouse soon held 80% of all deliverable copper in the United States.

As a result, a severe "backwardation" developed in the copper futures markets during the second half of 1995. That is, copper for immediate delivery cost more than copper futures prices for delivery a few months later. Normally, futures prices are higher, reflecting the cost of holding and storing the commodity.

In November 1995, the NYMEX sent a letter to the U.S. Commodities and Futures Trading Commission, formally requesting some regulatory action. However, the origi-

nal Commodities and Exchange Act, establishing the CFTC, prohibits the CFTC from adopting any regulation that "governs in any way rule or contract term or action of any foreign board of trade." Thus, because the Long Beach copper was traded in London, the CFTC could not do anything, even though the London market had tied up 80% of the U.S. copper supply.

The LME declined to testify before the committee. "Who is here today to testify on behalf of the LME to respond to your questions? No one. Gentlemen . . . the LME doesn't care what you think. They don't feel responsible to you as regulators or to the U.S. Congress," Rappaport said. Rep. Charles Schumer (D-N.Y.), and Sens. Richard Lugar (R-Ind.) and Patrick Leahy (D-Vt.), have introduced bills to extend CFTC authority over commodities that have delivery points in the United States.

Thailand

Government tries to rescue its economy

The Thai government has taken steps "to save the country's embattled economy," Xinhua news agency reported Sept. 10. The measures include tax cuts for the shipping industry, in an attempt to allievate Thailand's near-total reliance on foreign fleets for international freight transport, which takes a huge part of the nation's budget. Import tariffs on some raw materials and goods for Thai food and textile production were also cut by 20-30%. However, analysts said that the measures were too little, too late.

Out-of-control money laundering may be behind the crisis. Thailand's "black economy" equalled approximately \$43.3-87.7 billion in 1995, or 30-58% of Thailand's 1995 GDP, according to reports from a task force at Bangkok's Chulalongkorn University. The task force estimates that total illicit money flows in the Thai economy surpassed the total annual budget by \$1.4 billion. Coverage of the report in August unleashed a brawl over evidence of extensive corruption, forcing Prime Minister Banharn Silpa-Archa to referee between the researchers and representatives of the Bangkok metropoli-

tan police.

The report estimated *annual* illicit money flows as the following: prostitution, \$17.7-20 billion; narcotics, \$3.9 billion; labor export brokerage fees, \$2.4-3.2 billion; weapons trafficking, \$512 million; oil smuggling, \$334 million; casinos, \$3.9-\$39.4 billion; underground lotteries, \$11.81 billion; soccer gambling, \$2 billion.

The most politically controversial areas are casinos, underground lotteries, and soccer gambling, which account for as much as \$35.4 billion, or almost 20% of Thailand's 1995 GDP. The report estimates that Bangkok police stations receive \$23.6-31.5 million *annually* from gambling dens.

Agriculture

Efforts needed to solve world food crisis

Chinese Congressman He Kang, a former agriculture minister, proposed to the 96th International Congressional Union (ICU) Conference in Beijing that technology and capital input from the developed countries to developing countries is the way to ensure world food security, the New York-based *China Press Daily* reported Sept. 20.

In a discussion session, He Kang said that while freer trade on agricultural production is part of the solution to end the world food crisis, it brings "unfavorable influences to developing countries." Implementation of Uruguay Round treaties had encouraged many countries to reduce food export subsidies, which caused food price hikes that, in turn, require more capital for importing food to the developing countries, thus worsening their financial burden.

He Kang also told the delegates that international cooperation is an effective means of dealing with the world food crisis. ICU members, especially those from developed countries, will have to take "international responsibility" to provide technological and financial help, as well as food aid, to the developing countries, he said.

Meanwhile, China has delivered the first capital investment installment for a food self-reliance project, that is to secure China's food supplies by 2000.

Briefly

BULGARIA'S state-owned banks, except Bulbank, are to be offered for privatization, the Bank Consolidation Co. decided Sept. 18. The Dutch AMRO, the European Bank for Reconstruction and Development, South Korea's Daewoo, and the Dutch ING Bank (which took over Barings' Bank after its collapse) all have designs on different banks.

MALAYSIA'S "Silicon Valley," on the island of Penang, is being downsized. At least six foreign-owned firms, among the 350 located there, will shut down; others have stopped hiring, ended overtime, and are restructuring. In 1995, semiconductors and electronic components accounted for 52% of Malaysia's exports.

PAKISTAN has rejected an Iranian proposal to lay a gas pipeline to India through its territorial waters in the Arabian Sea, Agence France Presse reported. Pakistan has said that it would not object to an overland pipeline from Iran to transport gas to India.

KAZAKHSTAN is facing the threat of famine, said Leonid Solomin, head of the confederation of independent trade unions, Agence France Presse reported Sept. 13. The areas most stricken are Karaganda, and the towns of Janatas, Kentau, and Tekeli in the south.

CHINA plans to invest \$13 billion in transport infrastructure by 2000, according to the Ninth Five Year Plan, the German daily *Süddeutsche Zeitung* reported Sept. 17. This includes 11,000 kilometers of rail lines, subway lines in 14 cities, construction of 12,000 kilometers of roads, 100 airports, and an equal number of sea- and river ports.

THE SWISS Banking Corp. announced that, as a consequence of the recession and the collapse of the real estate market, it is heading for a "unique technical loss" of 1.9 billion Swiss francs (\$1.6 billion), *Neue Zürcher Zeitung* reported Sept. 19. It will cut 1,700 jobs and close 80 out of 325 offices.

Global warming scenario exposed as hot air

Contrary to the global warming charlatans, one thing is certain: If the geologic past is prelude to the future, an ice age is overdue. Jim Olson reports.

EIR has long taken the lead in exposing many of the “scare” scenarios, such as global warming, the ozone hole, and nuclear winter. In addition, we have repeatedly exposed the Malthusian agenda of the hoaxsters behind these scares, which inevitably turns out to be genocidal population reduction, usually under the aegis of some fascist supranational agency. In this article, we take up the issues of basic science which refute the lies of the so-called theorists of global warming. This can be most usefully done by presenting a detailed summary of an article by Laurence Hecht,¹ entitled “The Coming (Or Present) Ice Age,” which appeared in the Winter 1993-1994 issue of *21st Century Science & Technology* magazine (see below).

In the last several months, gaping holes have been blown in the gasbag of hot air known as “global warming.” A leading promoter worldwide of the global warming fraud is the Intergovernmental Panel on Climate Change (IPCC), an agency of the United Nations. In May, the IPCC released a report, “The Science of Climate Change 1995,” with its demands for staggering global reductions in the use of fossil fuels, necessitated, so said the report’s authors, because there is a scientific consensus that anthropogenic (human-caused) greenhouse gases are causing global warming.

The report triggered an immediate barrage of articles, op-eds, and letters in major publications, by distinguished scientists with vehemently dissenting views, the combined effect of which was to challenge the credibility of the IPCC by

demonstrating the blatant dishonesty of the entire report.

• **Dr. Frederick Seitz.** On June 12, Dr. Seitz, the former head of the U.S. National Academy of Sciences, in an op-ed in the *Wall Street Journal*, blasted the IPCC for deleting from the published version of the report numerous key passages which expressed skepticism that global warming was attributable to human activity (the uncut version had been circulated among scientists internationally for peer review). Dr. Seitz wrote that in his more than 60 years as a scientist, “I have never witnessed a more disturbing corruption of the peer-review process than the events that led to the IPCC report.” He added that, whatever the intent of those who made the changes, “their effect was to deceive policy-makers and the public into believing that the evidence shows human activities are causing global warming.” He closed with the suggestion that it would be best if the IPCC, because of its unreliability, were abandoned.

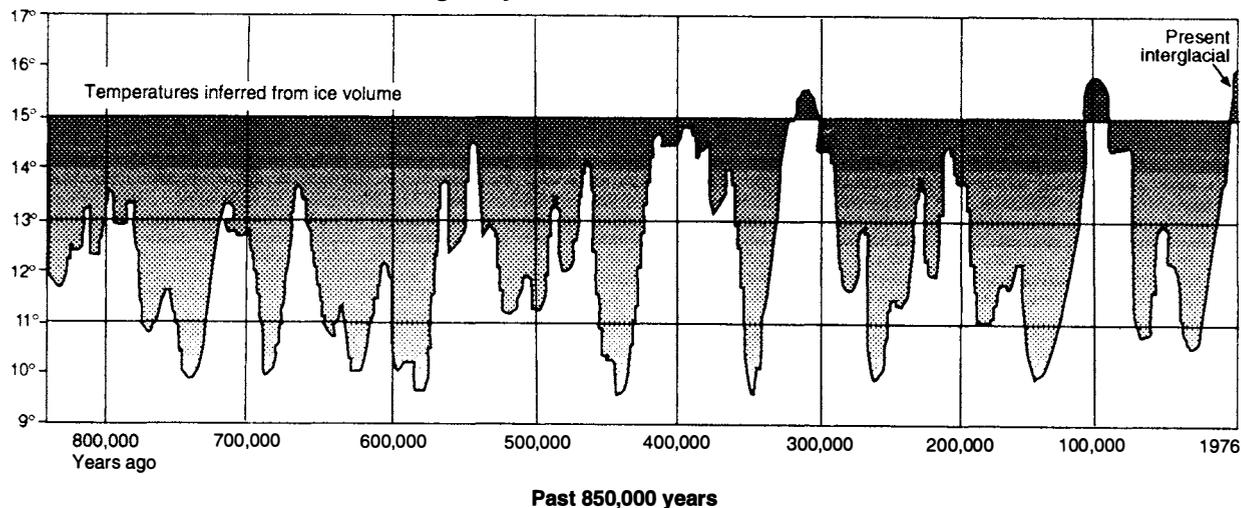
• **Dr. Richard S. Lindzen.** Dr. Lindzen, currently the Alfred P. Sloan Professor of Meteorology at the Massachusetts Institute of Technology, stated that there is no evidence that global warming is a serious problem, according to a June 18 article by William K. Stevens in the Science section of the *New York Times*. “I do not accept the [climate] model results as evidence,” he said, because trusting them “is like trusting a ouija board.” In the same article, Dr. William Gray of Colorado State University, a supporter of Dr. Lindzen who has become well-known of late for his reliable predictions on hurricanes, was quoted: “A lot of my older colleagues are very skeptical on the global warming thing.”

• **Dr. Fred Singer.** On July 5, in a commentary in the *Washington Times*, Dr. Singer, Emeritus Professor of Environmental Sciences at the University of Virginia, accused the IPCC of suppressing “relevant data showing that no warming is taking place.” He said, “For nearly 20 years, earth satellites

1. Laurence Hecht is an associate editor of *21st Century Science & Technology* magazine. He began serving a 33-year sentence as a political prisoner in the state of Virginia on Nov. 4, 1993, along with four other associates of Lyndon LaRouche. Copies of the Winter 1994-1995 issue are available for \$5 from *21st Century Science & Technology*, P.O. Box 16285, Washington, D.C. 20041.

FIGURE 1

The Earth's climate over the last eight cycles



Source: *21st Century Science & Technology*. Adapted from Samuel W. Matthews, "What's Happening to Our Climate," *National Geographic* (November 1978), p. 576.

have been providing accurate and truly global temperature data. These data show no increase whatsoever—contrary to all the predictions of theoretical climate models.”

On Aug. 3, in the same paper, Singer attacked the UN and the World Bank for scheming to impose an enormous burden of energy taxes on the developed nations, supposedly for transfer to poor nations. The Climate Treaty, which imposes sanctions on countries—mostly Third World—which don't reduce so-called “greenhouse gas emissions,” is, Singer wrote, “a bureaucratic solution to a phantom problem and is a sure-fire recipe for political mischief and economic disaster.”

Yet another respected scientist, Dr. Patrick Michaels, the state climatologist of Virginia, recently characterized the IPCC's altering of the final climate report as a “bait and switch” operation.

Global cooling considered

While these coverup artists have distracted the world's attention with a far-fetched and unlikely scenario of anthropogenic global warming, a look at what has been learned by the legitimate sciences of paleoclimatology, geology, and solar astronomy over the past two centuries, reveals that global cooling is a much more likely prospect. This research was the subject of Hecht's 1993-94 article, which began as follows:

“We are now in an ice age and have been for about the past 2 million years. Over the past 800,000 or so years, the Earth's climate has gone through eight distinct cycles of roughly 100,000-year duration. These cycles are driven by regular periodicities in the eccentricity, tilt, and precession of the Earth's orbit. In each of the last eight cycles, a period of glacial buildup has ended with a melt, followed by a roughly 10,000-year period—known as an interglacial—in which rel-

atively warm climates prevail over previously ice-covered northern latitudes.

“The present interglacial has already lasted beyond the 10,000-year average. One may thus suspect that a new period of glacial advance, a new ‘ice age,’ is in the making. Whether it will take a few thousand years or a few hundred, or whether the process of glacial advance is already under way is difficult to say. Of one thing we are sure: The present hysteria over global warming—with its apocalyptic forecast of melting of the polar ice caps, flooding of the coastal cities, and desertification of the world's breadbaskets—is not helping citizens to understand the real and complex forces that shape the Earth's climate.”

Ice ages within a geologic ice age

Currently, glaciers (large, slow-moving masses of recrystallized snow) overlie nearly 6 million square miles of Earth's 57 million square miles of land, and at the height of a glacial expansion, perhaps another 10 million square miles of land become glaciated, mostly in the Northern Hemisphere, for the obvious reason that there is more higher-latitude land mass there. Further, Northern Hemisphere glaciers have existed for only the last 2 million years, a mere blink in geologic time. Today, the 5 million-square-mile ice sheet overlying the continent of Antarctica is the largest on Earth, and began its growth 5 million years ago. In the Northern Hemisphere, the Greenland ice sheet of 0.8 million square miles is the largest glaciation. Most of the rest of the permanent ice is in mountain glaciers and sea ice at or near the poles.

Even though the last 2 million years is considered to be, in geologic terms, an ice age (itself a rarity in the history of the Earth), it has not been static, but marked by cyclical

FIGURE 2

The last glaciation in North America



Source: U.S. Geologic Survey, *21st Century Science & Technology*.

The maximum extent of glaciation occurred just 18,000 years ago and was known in North America as the Wisconsin. The dotted white areas show this huge glacier that covered the northern area of the continent and parts of the western mountain ranges. White areas show today's glaciers.

advances and retreats in glaciation. Scientists have determined with a high degree of confidence that the span of the past 850,000 years (Figure 1) has been marked by periods of roughly 100,000 years duration, encompassing slowly advancing glaciation and falling temperatures, then a faster global melt (glacials), followed by interludes of roughly 10,000 years duration (interglacials), in which warmer climates prevail over previously glaciated northern latitudes—the latter of which is where we find ourselves today.

The almost-100,000-year cooling phases are not continuous, but have ups and downs in steps of about 10,000 years duration, but the trend over time is increasing glaciation and colder temperatures until the glacial climax (maximum glaciation) is reached, at which point a faster (roughly 10,000 years) melt and warming occurs.

The last glacial climax

The glacial climax of the last great 100,000-year ice age occurred about only 18,000 years ago. Earth, particularly in the Northern Hemisphere, had a much different physical appearance than today. Much of North America was covered by a huge sheet of ice known as the Wisconsin (Figure 2). Covering New England, its southernmost extent reached to about the center of Long Island, across the northern half of New Jersey, and then across southern New York State,

through western Pennsylvania, across Ohio, Indiana, Illinois, Iowa, up northwesterly through the northeast corner of Nebraska, into the Dakotas, and then westerly across the southern part of the Canadian plains. In the western mountains, alpine glaciers spread downward from the heights in the Rockies, the Cascades, and California's Sierra Nevada.

In Europe, the glacier spread down from Scandinavia into northern Germany, Poland, and the Baltic nations, and went deep into Russia and Ukraine (south of Kiev), and to the east into the central Siberian plateau. It extended southwestward over the Netherlands and blanketed much of Ireland and the British Isles. Separate mountain glaciers extended from the Alps and from the Caucasus ranges. In the Southern Hemisphere, there were extensive ice sheets in Australia, New Zealand, and Argentina.

The present interglacial began about 12,000 years ago, but global temperatures have not remained constant. In fact, the climate has been cooling over the last 7,000 years, and is about 1°F cooler than it was at the time of the post-glacial climatic optimum, which occurred in Europe about 6,000 B.C., and in North America about 4,000 B.C. In the subsequent time periods, there have been colder and warmer periods in both Europe and North America. The Medieval Climatic Optimum, which occurred from around 900 to 1200 A.D. in Greenland, and 1100 to 1300 A.D. in Europe, saw temperatures which approached the climatic optimum of a millennium prior. Then, both Europe and North America were hit by roughly a 500-year period of substantial cooling, known to us today as the Little Ice Age. The European settlers who were farming on Greenland vanished, and in England, the Thames River froze regularly. Other manifestations, as reported by English climatologist H.H. Lamb, in works published a decade ago, included deepening of the inland ice in Greenland; glacial advance in Norway, Iceland, and the Alps; the spread of sea ice into the North Atlantic, which eliminated the use of northern sailing routes; lowering tree lines in Europe's highlands and in the Rockies; more freezing of lakes and rivers; harvest failures and higher prices for food; abandonment of agricultural areas; and increased mortality from disease among both human and animal populations.

It is startling to realize the enormous changes wrought by the advance and then final retreat of the last great North American glaciation, only some 12,000 years ago. It gouged out the Great Lakes, and created most of the lakes and many of the rivers of the northern states of the country. Before that last great glacier, the northern Missouri River drained into Hudson Bay, and the upper Ohio River flowed northeasterly into the Gulf of St. Lawrence, while the lower Ohio drained into a southward-flowing river that no longer exists. Out west, the glacier left in its wake the 20,000-square-mile Bonneville Lake, which covered much of what is currently the state of Utah. Subsequently, much of that lake evaporated and has left only a salty remnant, the Great Salt Lake.

Changes elsewhere in the Northern Hemisphere were also very dramatic.

What causes ice ages?

There are two basic requirements for an ice age: first, a configuration of Earth's land mass wherein a big portion lies in polar and non-tropical latitudes, and second, wet, snowy winters followed by summers cool enough so that the glacial advances of the previous winter do not melt. The causes of these two conditions are complex and far from being fully understood, but the importance of looking for answers has been recognized for most of this century, and even into the last. Advances in the physical sciences and the work of thousands of researchers in fields related to historical climatology have advanced our understanding enormously, but we still do not understand climate well enough to predict its future course.

In the development of the science of climatology, the work of three men was crucial: Vladimir Köppen, Alfred Wegener, and Milutin Milankovitch, none of them household names, and the first, Köppen, scarcely known even to specialists in climatology.

Köppen (1846-1940) was born in St. Petersburg of a German family which settled in Russia under Catherine II. He studied natural sciences in Heidelberg, and received his doctorate in 1870 as a result of a paper on the effect of heat on plant growth. After a short stint working in St. Petersburg, he went to work for the German Marine Observatory in Hamburg, where he stayed 44 years and finally became the meteorologist there. He was a prolific writer, and published 526 items, the last of which was a 1924 book, *Die Klimate der Geologischen Vorzeit (The Climates of the Geological Past)*, which he co-authored with his son-in-law, Alfred Wegener.

In 1910, Köppen was mulling over the earlier work of two German glaciologists, Penck and Brückner, who, through extensive field work in Alpine regions, had identified four different Alpine glacial advances and retreats, and produced a time-based climatic curve of them in a book published in Germany in 1910. Köppen thought it would be fruitful to superimpose on that climatic curve the secular (time-related) variations of insolation (the amount of solar radiation received at the outer boundary of Earth's atmosphere) caused by more-or-less regular variations in Earth's orbital relationship to the Sun.

Much earlier, the idea that Earth's climate may be related to long-term changes in the orbital relationship of the Earth to the Sun was hypothesized by John Herschel in 1830. Herschel thought that the 21,000-year cycle of precession of the equinoxes might be dominant, an idea that was taken up by the French mathematician Joseph Adhémar in the 1840s, and further elaborated by the Scotsman James Croll in the 1860s, who added into his calculations insolation variations caused by regular changes in the eccentricity of Earth's orbit.

By 1910, Alfred Wegener (1880-1930) had already decided to pursue the idea of continental drift (he is credited

with being its father), not in itself a new idea. But he had available extensive researches by predecessors in geology, paleobiology, climatology, and other associated fields, so he was able to advance the idea, and first presented it publicly in Frankfurt am Main at the annual meeting of the Geological Association, followed by a book in 1915.

Milankovitch's solar astronomy

Milutin Milankovitch (1879-1958), born in Serbia, received his doctorate in 1904 from the Institute of Technology in Vienna. He returned home in 1909 to take a position as Professor of Applied Mathematics at the University of Belgrade. Early on, he had begun his own investigation of the astronomical theory of climate, and from 1911 until 1920, had spent countless hours in laboriously calculating the heat effects on Earth of cyclical variations in the orbital relationship between Earth and the Sun. After publishing some small works in that decade, in 1920 he published a book in French, *The Mathematical Theory of Heat Phenomena Produced by Solar Radiation*, which caught Köppen's eye, and resulted in extensive correspondence between the two. The upshot was that Köppen and Wegener used several of Milankovitch's solar radiation curves in their 1924 book cited above, which book married the two ideas, continental drift and solar insolation changes due to orbital variations, in one grand concept.

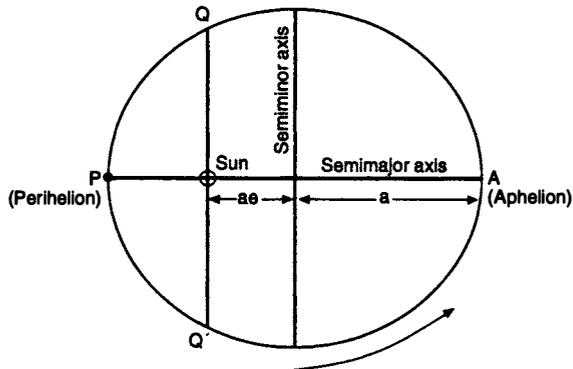
Milankovitch continued to refine his theory, and from Belgrade, published a summary of his life's work, *Kanon der Erdbestrahlung und seine Anwendung auf das Eiszeitenproblem (Canon of Insolation and the Ice Age Problem)*, on April 6, 1941, the day the Nazis invaded Yugoslavia.

The article relates that all three men, Köppen, Wegener, and Milankovitch, were familiar with and indebted to the work of the great 17th-century German astronomer Johannes Kepler, whose discovery that the planetary orbits were elliptical about the Sun, with the Sun at one focus of the ellipse, and subsequent development of the laws of planetary motion, were the bedrock for all future astronomical hypotheses concerning climate.

Like many revolutionary ideas in human history, neither the idea of continental drift, nor of the effect of solar astronomy on Earth's climate, was received as manna from heaven. Both came under substantial and sustained attack by other scientists over the decades, Milankovitch's theory particularly. More than once, a group of scientists claimed to have proved Milankovitch in error, only to find themselves proven wrong. Finally, in 1976, over a half-century after Milankovitch had sent his radiation curves to Köppen, a group of investigators (Dr. John Imbrie, et al.) at Columbia University's Lamont-Doherty Geological Observatory, published an article in the Dec. 10 issue of *Science*, "Variations in the Earth's Orbit: Pacemaker of the Ice Ages." The article described how spectral analysis of two different deep-sea core samples from the bottom of the Indian Ocean had validated,

FIGURE 3

Orbital motion of the Earth around the Sun



Source: 21st Century Science & Technology.

to a large degree, Milankovitch's astronomical theory of the ice ages.

Milankovitch nicely anticipated this result: He had said decades earlier, "The fluctuations in the radiation received by the Earth over long periods of time are only *one* component of the climate of the past, but they are the most important one, and, moreover, one which is amenable to precise investigation."

In developing his theory that solar astronomy drove Earth's climate, Milankovitch examined with painstaking care the effect of three major (and one lesser) cyclical variables on Earth's climate: the precession of the equinoxes modified by the much slower advance of the perihelion, the variation in the amount of "tilt" of Earth's axis to the plane of its orbit, and the variation in the eccentricity of Earth's orbit.

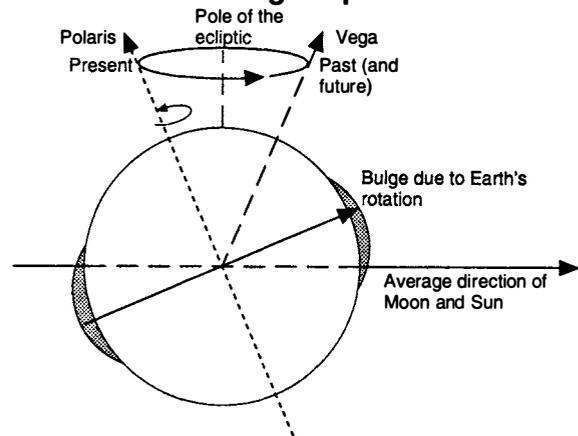
Eccentricity, tilt, and precession

Viewed from the North Celestial Pole, Earth, in its annual revolution around the Sun (located permanently at one of the two focal points of the ellipse), follows a counter-clockwise elliptical path (Figure 3). For instance, each year, Earth moves from point P to Q', to A, to Q, and back to P. Point P, the closest annual distance to the Sun, is called the perihelion, and it is also the place on the ellipse where Earth is moving the fastest along its orbital path. Point A, its farthest annual distance from the Sun, is called the aphelion, and it is there that Earth has its slowest speed along the orbital path. At the present time, solar insolation (radiation received by the outer boundary of Earth's atmosphere) is 7% less at aphelion than at perihelion, because of the differences in solar distances of the two, and the fact that light varies inversely as the square of the distance from the source. At maximum eccentricity of Earth's orbit, in the more than 90,000-year cycle of eccentricity, there will be an astounding 28% more insolation at perihelion than at aphelion!

The angle of obliquity (Figure 4) is the acute angle between Earth's spin axis and the pole of the ecliptic, itself the

FIGURE 4

Precession and change of pole star

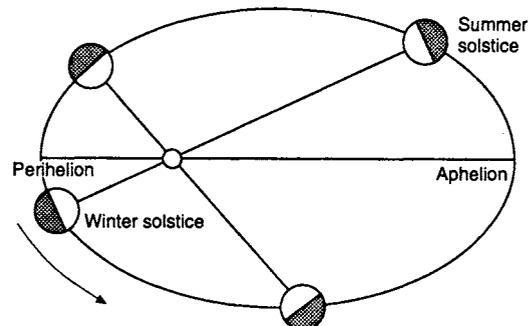


Source: 21st Century Science & Technology.

The Earth's spin axis makes a complete rotation around the pole of the ecliptic in a cycle of approximately 26,000 years. The pole star is now Polaris, but about 13,000 years ago it was Vega.

FIGURE 5

Precession and location of the solstice



Source: 21st Century Science & Technology.

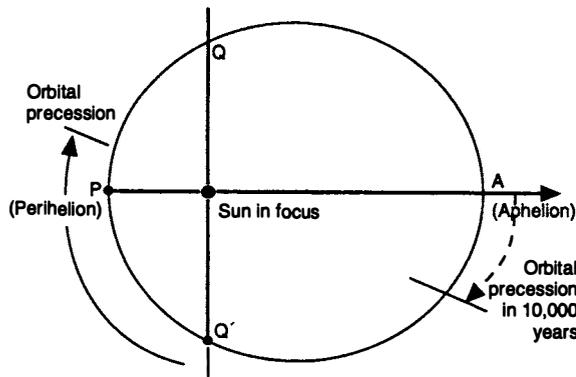
The precession cycle changes the location on the ellipse where the winter and summer solstices occur. The approximate positions on the ellipse are shown for the solstices today.

perpendicular passing through the Sun's center (Earth's is used in the figure) at right angles to the plane of the Earth's orbit. In this age, that angle is about 23.5°, but during its regular cycle of about 40,000 years, the tilt changes cyclically between a minimum of about 22° and a maximum of about 24.5°.

Earth's spin axis does not point permanently in a fixed direction in space. Rather, it "wobbles," much like a child's top running down, making a complete circuit around the pole of the ecliptic in about 26,000 years (Figure 4). Over the time of the cycle, this cyclical wobble causes the positions on Earth's elliptical orbit of the summer and winter solstices, and the spring and fall equinoxes, to advance along the orbit (Figure 5). Viewed from the North Pole, this precession of the

FIGURE 6

Advance of the perihelion or orbital precession



Source: *21st Century Science & Technology*.

Perturbations in the Earth's orbit, the result of the motion of the other planets (in particular, Jupiter), cause a phenomenon known as advance of the perihelion or precession of the orbit, in which the complete cycle of precession takes approximately 21,000 years, not 26,000.

equinoxes appears to be clockwise. For Earth, the equinoxes occur twice each year, when the Sun crosses Earth's equator (the start of spring and fall), making night and day of equal length in all parts of the Earth.

At the same time, owing to influences of other planets on the Earth, the elliptical plane of the Earth itself rotates, but at a much slower rate than the 26,000-year cycle of Earth's wobble, and in a counter-clockwise direction when viewed from the North pole. To represent this, in Figure 3, imagine the elliptical plane PQ'AQ rotating counter-clockwise, like a cam pinned at the Sun. The net effect of these two oppositely-moving precessions is that the cycle time for the precession of the equinoxes is 21,000 years, rather than 26,000 years (Figure 6).

Earth's seasons are a result of the combined effect of the orbital inclination, or tilt of Earth's rotational axis from the pole of the ecliptic (Figure 4), and Earth's annual revolution around the Sun.

Hecht's article concludes with an examination of several scenarios, including the secular interplay of all of the long-term cyclical variations in orbital relationships described previously. He discusses briefly what combination of cycles would be conducive to a long-term global cooling, and what would not. But, he cautions against using the mathematically derived curves as a "wheel of fortune," and notes that even the great Milankovitch was wrong in his estimate of what cycle may have been dominant in a particular prior ice age. He concludes that solar astronomy is a powerful tool to use in looking forward in time. However, he notes that there are other variables, likely some not yet even entertained by the human mind. As a young man in Belgrade, it is reported that

Milankovitch said, "I feel attracted by the infinite. . . . I want to grasp the entire universe and spread light to its farthest corners." He did spread light, but there are more dark corners in the cosmos awaiting others like him.

Global warming, global cooling, or neither?

It is interesting to contrast the science supporting, on the one hand, the global warming scenario, and on the other, global cooling.

The shrill scaremonger advocates of warming look back 20 years, or even as much as 100, and from very suspect data, claim they have proven that there is global warming, that it is anthropogenic, and furthermore, that we are all doomed unless we submit to their fascist proposals to cope with their "findings."

The geologists, paleoclimatologists, and solar astronomers, on the other hand, look many millennia into the past and identify numerous prior ice ages and interglacials. By dint of hard work by some outstanding scientists over nearly the last two centuries, they have established a relationship between continent locations and solar astronomical cycles on the one hand, and glaciations and interglacials on the other; they conclude, from the historical record, that the more likely climatic event in the future is a global cooling.

The hoaxsters, tied to the present, say man is causing global warming now. The other group, investigating the laws of the cosmos, aren't quite so hysterical (or cocksure).

The only honest answer to the vexing question of whither Earth's climate, should be, "We don't know."

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John Shadegg: Hit man for Newt's Contract on America

by Jeffrey Steinberg

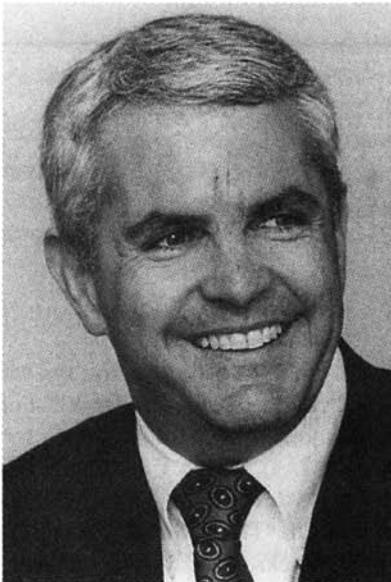
It is shaping up as one of the most important Congressional contests of 1996: John Shadegg (R-Ariz.), the freshman congressman who heads House Speaker Newt Gingrich's GOPAC political action committee, and has been one of the most zealous backers of the Republican Party's murderous "Contract on Americans," is facing a strong challenge from LaRouche Democrat Maria Elena Milton, who won the Sept. 10 Democratic Party primary election, and has received the formal endorsement of the Arizona AFL-CIO's Committee on Political Education.

Milton won the Democratic primary with nearly 53% of the vote, even after she sued Arizona Democratic Party Chairman Sam Coppersmith and Democratic National Committee Chairman Donald Fowler, for excluding LaRouche delegates from the Democratic nominating convention in Chicago in August.

Milton, who refers to Shadegg as "Congressman ValuJet," a reference to his strong political and financial ties to ValuJet owner and "Conservative Revolution" ideologue Richard Gilder, has set out to establish a standard for other candidates, with her no-holds-barred attack against the Gingrich "Contract" as outright mass murder. And, with the ouster of Fowler and Clinton campaign strategist Dick Morris, both of whom attempted to recast the Democratic Party as a "second Republican Party," the opening now exists for Democrats all across the country to repudiate the outright fascist character of the current GOP majority.

While vast sums are pouring into Shadegg's campaign chest from all over the United States—in large measure, due to the strategic implications for the Conservative Revolution crowd, of a defeat at the hands of a LaRouche Democrat—the Arizona race will be determined by the power of ideas, not the checkbook.

Speaking before over 1,000 people on Sept. 21 at the Arizona State Inter-Tribal Council political conference, Milton vowed to stop Shadegg "from carrying out economic policies that threaten the very lives of many of our citizens." A Milton campaign brochure declares: "It is clear that the policies of Newt Gingrich, his GOPAC, and John Shadegg represent a clear danger to you and your loved ones.



Arizona Democratic Congressional candidate Maria Elena Milton, with Lyndon H. LaRouche, Jr. Milton is running a nationally prominent campaign against incumbent Republican John Shadegg (inset), head of Newt Gingrich's GOPAC.



The actual purpose of GOPAC is to protect the derivatives bubble, no matter what the cost in human life! Trying to save the bubble, under conditions of financial collapse, means mass murder.”

In an interview with the weekly “EIR Talks” on Sept. 25, Lyndon LaRouche commented on Milton’s prospects for defeating Shadegg. He cited three issues that could draw many GOP and independent voters into the Milton camp: the GOP’s efforts to loot Medicare and Medicaid in order to pass on hundreds of millions of dollars in tax breaks to America’s wealthiest speculators; the Gingrichite schemes, endorsed by Shadegg, to privatize—or as Milton dubbed it, “piratize”—Social Security; and the growing epidemic of illegal drug use.

Recent media exposés of the role of the Reagan-Bush administration of the 1980s—especially Vice President George Bush—in flooding the streets of urban America with crack cocaine, in order to generate funds for the Contras in Central America, have undercut GOP efforts to present themselves as the party that’s “tough on crime.” Milton has been in the forefront of exposing the Bush cocaine connection, which began with the Aug. 18-20, 1996 *San Jose Mercury News* exposé of a West Coast Contra cocaine-smuggling ring. At a mid-September Bob Dole campaign appearance in Phoenix, Milton, accompanied by a team of campaign workers, unfurled a banner demanding to know whether Dole would “jail crack kingpin George Bush.”

In his interview, LaRouche emphasized the role that the Milton campaign can play in shaping the national campaign

efforts of Democrats between now and Election Day:

“She can be very significant in affecting the Democratic Party Congressional effort more broadly. Not only in Arizona, but elsewhere, because this campaign is being watched very closely, not only for ideas on how to run campaigns in these remaining weeks of the season. But also, in terms of what kind of a Congress we should have, in terms of commitments, agenda, and so forth, after the election is over. . . .

“We need new ideas, genuine new ideas, which actually address the problems which the old ideas aren’t addressing. There are many people in Congress, in the leadership in the Democratic faction in the Senate and House, very good people. But, they need the impetus to be convinced and to convince their colleagues and people in the party around them, that this approach can win.

“So, the quality of showing that Maria Elena can make, with whatever help she gets to do her job, will be beneficial to the party as a whole. . . . If she does win, or comes close to it, she’s going to shake up the way that the Democratic faction and others in the Congress will think after the November election.”

Shadegg is one of the golden boys of the most rabid wing of the U.S. Conservative Revolution. On occasion, during the 104th Congress, he was part of a die-hard anti-government faction that even denounced Gingrich and House Majority Leader Dick Armey (R-Tex.), for making legislative compromises with the White House and Congressional Democrats. Shadegg’s policies kill, and this is the issue that the Milton campaign will put before the voters of Arizona on Nov. 5.

'I'm Congressman ValuJet: Fly me!'

by Mark Sonnenblick and Anton Chaitkin

On July 9, 1995, the *Los Angeles Times* described a project of first-term Congressman John Shadegg and his political faction: dismantling America's Social Security System, and turning it over to private financiers to loot. The *Times* noted, "Rep. John Shadegg (R-Ariz.) says when asked about . . . the nation's pensions system: 'I think there is a fairly good chance we'll have a form of privatized Social Security.' "

Shadegg's faction has already introduced several bills aiming at privatization of the federal pension system. They say the Social Security Trust Fund is going bankrupt; their solution is to steal it now, rather than expand its inflow of contributions through policies to create decent-paying jobs. Meanwhile, Shadegg opposes increasing the minimum wage, and would crush labor unions' ability to defend wage levels.

One of the Social Security privatization bills, H.R. 3758 (introduced in July 1996), would cut the benefits paid to the elderly, raise the age of retirement, and force workers to pay into private accounts controlled by Wall Street bankers, instead of into the federal fund.

Shadegg is one of the most radical participants in this and related looting schemes, and is a key American partner of the British clique that devised them. His role can be better understood by observing how the Social Security theft is to be financed, and by looking at Shadegg's overall work for the international policymaking apparatus he serves.

Stealing water and power

How could American workers be compensated for their stake in Social Security—some \$10 trillion—in order for private financiers to grab the system? Privatization advocates contend that the government could afford this by selling off the nation's public power and water systems, and perhaps the federal highways, to private financiers. Cash from selling these national assets could then fund bonds which are turned over to the people who leave the old Social Security system.

Irresponsible? Insane? Let's hear from John Shadegg.

He is the co-author of the June 1996 report, "Lights Out on Federal Power; Privatization for the 21st Century." Shadegg's co-author, Dr. Michael Block, was then president of the Goldwater Institute for Public Policy, founded in 1988 by John Shadegg as part of a group of British radical think-tanks in America (see box, p. 30).

The Shadegg-Block proposal seeks to eliminate all "gov-

ernment interference" from the U.S. hydro-electric system. Shadegg and Block claim that the scheme for privatization of the Tennessee Valley Authority and the other five Power Management Authorities (PMAs), which the Republicans failed to pass through Congress, does not go far enough. Shadegg and Block recommend, "The PMA sale might also include powerhouses, dams, locks, land around the reservoirs—or even water itself."

Shadegg and Block propose that each consumer be given warrants to purchase shares in the privatized assets, in proportion to his or her electric bills. They presume that most residential consumers would sell their warrants on the market. This is to enable the private financial interests that control the power companies to seize the national facilities at far below their value, as happened in comparable, gigantic looting schemes in Britain, the Czech Republic (with Block's assistance), and Russia. Shadegg also demands the elimination of the 1935 anti-trust law regulating private electric power companies.

In this context, it is not surprising that the largest number of political action committees to contribute to Shadegg since his election, represent those private power interests that could create a monopoly by grabbing the great dams and electrical systems, efficiently built by "big government" since the time of Franklin Roosevelt. The Edison Electric Institute estimates that under such a scheme, electric rates would rise by about 70% for western consumers who now use public power.

In a November 1995 article, Shadegg and Block warned that consumers would face a "price-rise shock." Certainly, the British experience proves that. Air Products Company reported that the rates paid in England jumped 40% following Margaret Thatcher's privatization of the industry. However, in their August 1996 tract "Lights Out," the inventive Shadegg and Block use a formula which claims that all classes of consumers would see lower prices.

As for water, a Feb. 23, 1981 *Fortune* magazine study held that prices of water for farming should be 50 times higher, if water were auctioned on the free market. This is cited by Texas Sen. Phil Gramm's free market co-thinkers, to show how current cheap water policies violate the law of the market.

In reality, if U.S. power and water systems came under unregulated, private monopoly control, the destructive consequences of looting would likely far exceed the disaster that befell the nation's transportation systems.

Shadegg and ValuJet

"Congressman ValuJet," the indelible label given to Shadegg by his Democratic opponent, Maria Elena Milton, is exactly on target.

The *Wall Street Journal* reported on May 17, 1996, that the largest holder of shares in ValuJet Airlines was the investment house of Richard Gilder. Gilder is a prime sponsor and political partner of Shadegg.

The ValuJet airline, founded in 1993, recorded big profits on paper, because many of the government regulations which once made U.S. airlines the world's safest, have been dismantled. ValuJet exploited deregulation to the hilt, slashing costs by cutting many essential payments. The May 11, 1996 crash of ValuJet Flight 592 into the Florida Everglades, which killed all 110 people aboard, was the lawful outcome of this policy.

Gilder chaired the Manhattan Institute for Policy Research, founded by him in 1977 as a U.S. extension of Britain's Institute of Economic Affairs and its parent, the fascist Mont Pelerin Society. The IEA, a gang of feudalist "free market," anti-labor, anti-government fanatics, was to be the key advisory group to British Prime Minister Thatcher (1979-91). Over that period, the British IEA planted dozens of Mont Pelerin front groups inside the United States and other countries, each one deceptively designed to appear as a local, grass-roots organization, each one co-financed by various vested business interests and radical partisans.

London's man in Phoenix

In 1988, John Shadegg would found the Goldwater Institute in Phoenix, as part of the same British underground project pioneered by Gilder.

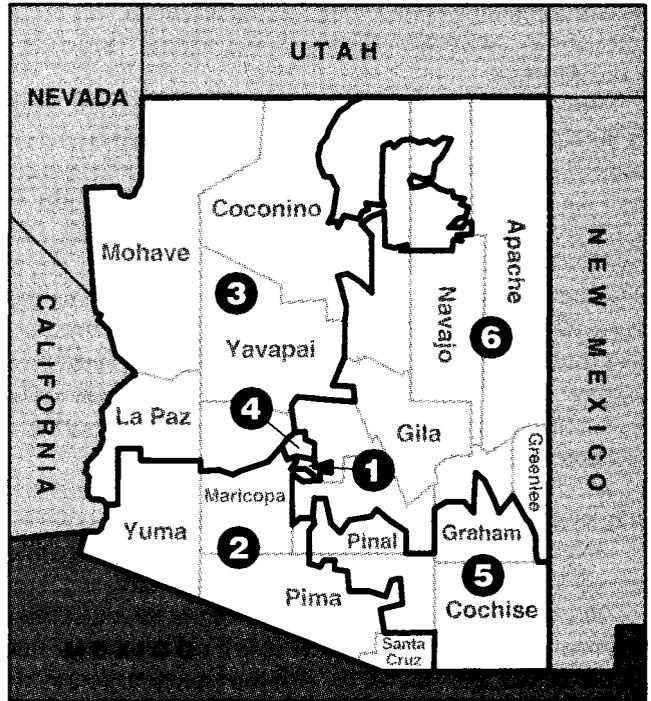
A mid-1980s brochure put out by the Atlas Economic Research Foundation, one of the IEA fronts, explains delicately why the British mother organization wanted to be publicly represented by so many supposedly separate organizations:

"Small institutes [are needed] . . . scrupulously avoiding any taint of vested business interest or party politics. It is much more effective to have numerous smaller institutes than one large one because: . . . Their corroborating evidence substantiates their arguments, making them more convincing. Their numbers involve more participants in more localities, attract more media coverage, popularizing their concepts."

The *Wall Street Journal's* article of May 17 reported, "About once a month, about 50 or so Wall Street investors meet for a brown-bag dinner in Mr. Gilder's office." This is Gilder's Political Club for Growth, whose members have channelled millions of dollars to Newt Gingrich's GOPAC slush fund, and to candidates willing to favor the greed of financial speculators over the national interest. Following his election to Congress, Shadegg was appointed national chairman of GOPAC.

Richard Gilder gave \$750, and his partner Travis K. Anderson \$1,000, directly to Shadegg's re-election campaign this spring.

Arizona's counties and election districts



John Shadegg is running against Maria Elena Milton in the 4th Congressional District.

In May 1994, Baroness Margaret Thatcher came to speak at Shadegg's institute, to boost his campaign efforts. But Shadegg has played a special role in giving his Goldwater Institute a false home-spun image. While the Phoenix and national media provide precious little information about Shadegg's past or the British origins of the institute, they invariably play up the fact that his father, Stephen Shadegg, was Goldwater's speech-writer and campaign manager. The respect for Goldwater in Arizona has thus been reflected onto the younger Shadegg, helping to shield him from scrutiny.

A source very close to the Shadegg family told *EIR* that "the institute is much closer to Shadegg, father and son, than to Senator Goldwater," and that its agenda is much more radical than Goldwater's politics.

The source confided that Stephen Shadegg, a former Hollywood script-writer, political consultant, and scenario-hustler who died in 1990 at the age of 80, "crafted a conservative persona which was not the real Barry Goldwater. The persona was Steve Shadegg's public relations creation." The source reported that Goldwater agreed to make no public statement not pre-approved by the senior Shadegg. Goldwater's return to "moderate political views" in recent years tends to substantiate this.

The Goldwater Institute's chairman, John R. Norton, is the chief Arizona funder of a November 1996 referendum to legalize medical uses of marijuana in the state, according to the *New York Times* of Sept. 11, 1996. The National Organiza-

tion for the Reform of Marijuana Laws is supporting the Arizona referendum, and a twin effort in California, as a first-step breakthrough to total drug decriminalization; this is the goal of mega-speculator George Soros, and of the Cali cocaine cartel.

The Mont Pelerin Cato Institute in Washington, D.C. is the chief U.S.-based group sponsoring Shadegg's scheme for the privatization (theft) of Social Security. The Cato Institute has moved American congressmen back and forth to Chile to study how financiers succeeded in looting that country's pension system under a military dictatorship. Cato is also the most prestigious U.S. organization promoting the legalization of South American cocaine and other narcotics, an effort that is being fronted by the Goldwater Institute's Norton. The Mont Pelerin network aims for global hegemony of the "underground economy," and the devastating cultural and political changes which that would accomplish.

Managing crime: the Mecham and Bolles cases

John Shadegg received his law degree in 1975 and joined the law firm of Treon, Warnicke, Dann and Roush.

In 1982, he ran the re-election campaign of Robert Corbin, Arizona's Attorney General. Corbin had earlier been an employee of Kemper Marley, the Arizona representative of the British Empire's liquor and crime moguls, the Bronfmans. As Attorney General, Corbin squelched the prosecution of the murder of investigative reporter Don Bolles, who had fought to expose organized crime's hold over Arizona affairs. Corbin's former boss, Kemper Marley, was widely believed to be behind the Bolles murder.

Victorious in his 1982 re-election bid, Corbin made Shadegg his Special Assistant Attorney General. Shadegg served in that post from 1983 to 1990, and became Corbin's chief lobbyist with the state legislature.

Shadegg thus was positioned to be the point man in the 1988 impeachment of Gov. Evan Mecham, according to a source who was part of Corbin's crew.

The problems Shadegg and the Anglo-American oligarchy had with Evan Mecham apparently started in 1962, when the very conservative Mecham defeated Stephen Shadegg in the Republican primary election for governor (Mecham failed to win the final election). In that primary election defeat, the elder Shadegg reportedly felt "betrayed" by his own client, Barry Goldwater, who stayed neutral between Shadegg and Mecham.

Elected governor in 1986, Mecham launched a vigorous campaign to stop the importation and use of narcotics in Arizona. Mecham deployed National Guard troops and sophisticated radar equipment to defeat smuggling by aircraft over the Mexican-Arizona border; and the governor earnestly sought the help of every Arizona local community for a war on drugs. This was running dangerously counter to the established order.

In the same 1986 balloting that elected Mecham, Assistant Attorney General John Shadegg organized the passage of a campaign finance reform referendum, which would later be

used to purge Mecham.

Mecham described in his book, *Impeachment: the Arizona Conspiracy*, his campaign finance committee's plan for the conduct of the inaugural ball and for a fundraiser reception: "To make sure it was legal [after the passage of Proposition 200, limiting certain campaign contributions] the Committee members met in counsel with John Shadegg from the Attorney General's Office and followed his instructions. . . . However, the Attorney General questioned his own office's legal advice on this plan, thus creating a controversy that should never have existed." On the pretext of this setup by Shadegg, and various minor technicalities, Mecham was indicted, and soon after impeached.

The local media fed an anti-Mecham frenzy, with 5,000 articles portraying him as a racist, after he complied with an ultimatum from Attorney General Corbin that he must rescind the executive order which his predecessor as governor, now Interior Secretary Bruce Babbitt, had signed, proclaiming

The Goldwater Institute

Arizona citizens considering a vote for John Shadegg may well consider where his legislative policy proposals come from. Shadegg's appointments to head GOPAC and as sole freshman representative to Newt Gingrich's Republican Policy Committee inner circle, are intimately related to his involvement with introducing a host of economic "reforms" as director of the Phoenix-based Goldwater Institute for Public Policy Research.

Founded in 1988, the Goldwater Institute has been a member of an integrated international network of British "classical liberal" think-tanks, following the policies of the Mont Pelerin Society. Since 1989, GOPAC's training operations have represented Goldwater Institute ideas.

The Mont Pelerin Society was founded in 1947 as an assault upon the dirigist economic policies of the Franklin Roosevelt administrations, which rescued the United States from the Depression. Founder Milton Friedman has since been its most outspoken proponent, complementing the anti-nation-state "free trade" views of Mont Pelerin initiator Friedrich von Hayek. In the mid-1950s, the Mont Pelerin Society created the London-based Institute of Economic Affairs (IEA), which later conceived and implemented the disastrous economic policies of Margaret Thatcher in Great Britain.

The 'new' conservatism

In the United States, this line of thinking was draped in the guise of "conservatism," in an insidious new form.

Martin Luther King Day as a state-paid holiday. Two weeks after the impeachment was forced through the legislature, a jury found Mecham and associates innocent on all counts.

In August 1988, Shadegg ruled that one Ted Corbet could run in a primary election against Mecham's former press secretary, despite Corbet's having failed to file any financial report for a 1982 campaign. Corbin and Shadegg refused to prosecute 50 politicians favored by them, who had violated campaign finance rules.

During Corbin's 1978-90 rule as Attorney General, he quadrupled the funding and doubled the number of lawyers in his office, thanks in part to Shadegg's lobbying for big budget increases. With 225 lawyers, Corbin and Shadegg had more funds at their disposal per capita than any other state in the country. As the Attorney General's budget exploded, so did the amount of cocaine entering Phoenix. A local reporter claims that in the late 1980s, the U.S. Drug Enforcement Administration office there, then run by special agent Joe

Arpaio, reported that drug trafficking into Arizona had quadrupled, making Phoenix's Maricopa County into the nation's second-largest drug-trafficking center (after Florida's Broward County). Prosecutors stuffed the jails with street-level pushers and petty thieves for Arpaio, now the county sheriff, to use on chain gangs to clean Phoenix's streets. Meanwhile, the drugs kept on coming in by the planeload. Corbin and Shadegg continued to squelch any investigation of the Bolles murder, and Arizona was safe—for the drug lords and their "respectable" associates.

Shadegg says, Gingrich is too soft!

Having never previously held elective office, the well-connected Shadegg won a seat in the U.S. Congress in the 1994 election. Meanwhile, Newt Gingrich's GOPAC financed the successful campaigns of a gang of freshman Congressional radicals, and Gingrich was made Speaker of the House. John Shadegg, "an expert in campaign finance re-

Following the lead of Vienna School-trained Rep. Philip Crane (an adviser, with Milton Friedman, to Barry Goldwater's 1964 Presidential campaign), Congressional staffers Edwin J. Feulner and Paul Weyrich laid plans for a takeover of the House of Representatives, founding the Republican Study Committee in the early 1970s. As Feulner described it, their purposes could not be adequately served by the existing formal structure within the House, so they worked toward "giving new members *conservative instead of Republican views*, in hopes of convincing them to join in conservative activities outside the formal party structure."

At the same time, the Heritage Foundation at the national level, and the American Legislative Exchange Council at the state and local levels, were set up to promote these "new" conservative policies. IEA founder Antony Fisher initiated similar public policy institutes internationally, founding in 1977, with Wall Street lawyer (later CIA director) William Casey, what would become New York's International Center for Economic Policy Studies (later renamed the Manhattan Institute for Public Policy Research). The Manhattan Institute was ignored until 1984, when it came to light that it had funded and published racist Heritage Foundation fellow Charles Murray's fraudulent anti-welfare opus, *Losing Ground: American Social Policy 1950-1980*. Institute chairman and Wall Street speculator Richard Gilder has since backed the "free market" deregulation and privatization campaign so revered by GOPAC and its Mont Pelerin ideologues. Gilder, whose firm is ValuJet's major stockholder, is a funder of Shadegg's 1996 campaign.

Fisher (who received a knighthood for his efforts in 1988 from Queen Elizabeth II) and others then brought

over a branch of the London-based Atlas Economic Research Foundation to act as a clearinghouse for founding regional organizations, each presented to the voter as "grass-roots, independent, non-partisan, and educational (thus tax-exempt)" public policy organizations, designing "innovative, market-based" solutions. Cloaked in populist terms, their purpose is to incite hatred for the U.S. federal government.

In this way, the Mont Pelerin Society has introduced a return to the philosophy behind the Constitution of the Confederate States of America, with the cry for "states' rights" promoted as "reform."

Among the projects of Goldwater Institute promoters: In 1991, Gordon Tullock offered proposals for lowering health care costs by providing new insurance health appraisers (as with auto appraisers) to pay a lump sum amount of medical coverage to patients as an incentive to "shop around" for the "best" treatment at lowest cost—the basis for the privatized medical savings account model. Marvin Alisky is oil baroness Arianna Huffington's guru for tearing down our government's social safety net, promoted as "charity" and "compassion," in association with Gingrich's Progress and Freedom Foundation. Goldwater Institute Chairman John Norton is backing an Arizona ballot referendum for legalizing marijuana for medical use, known by free trade policy analysts as a foot-in-the-door toward generalized drug legalization.

The Mont Pelerinite institutes that John Shadegg associates with, have been set up to push "Contract on America" policy throughout the 50 states. As if one British liberal think-tank were not enough for hoodwinking Arizonans, the Arizona Institute has been more recently set up, also located in Phoenix.

form” who knew how to deal with opponents, was appointed chairman of GOPAC when that entity’s ethics were challenged.

Congressman Shadegg voted for all ten of the “Contract with America” bills. Overall, he followed Speaker Gingrich on 92.45% of the recorded votes (through Sept. 25). Gingrich recognized Shadegg’s loyalty by, first, appointing him as the only freshman on the Republican Policy Committee, and as a member of the Budget Committee.

Shadegg made his mark as a spokesman for the most extreme freshmen, known as the “Red Guards.” He likes to compare himself with the radicals of the left, titling one of his reports, “Power to the People” (the 1995 article warning of electric consumer price shock). In the spring of 1995, Shadegg’s Red Guards threatened Gingrich and Majority Leader Dick Armey (Tex.) that they would oppose the Balanced Budget Amendment, if it did not mandate that a three-fifths vote of Congress would be required to raise taxes. That did not stop Gingrich from giving his GOPAC slush fund to Shadegg. Shadegg then acted like a kamikaze during the fall 1995 debt limit imbroglio, and demanded that the government be kept shut down.

Shortly before Christmas 1995, Gingrich was ready to make a compromise with President Clinton on a “balanced budget plan.” Shadegg told neo-conservative columnist Morton Kondracke: “The leadership has one mantra: ‘Pass something.’ It’s deemed a failure not to pass something. We want to pass something close to what we came here to pass. We are necessarily adverse to one another.”

Asked whether the freshmen acted as mad dogs to help Gingrich in negotiations with the Senate and the White House, Shadegg replied, “I can make a case that we run Newt on a lot of issues.”

Shadegg frequently talks about tax cuts. He declared in 1994 that he wanted to eliminate value-added taxes on U.S. businesses, and greatly reduce capital gains taxes, while slightly decreasing or maintaining other taxes.

His health care looting policy is even more explicit. In his response to the 1994 National Political Awareness Test, a non-partisan questionnaire formulated by Project Vote Smart, NPAT asked, “If elected to Congress, which . . . general principles or specific proposals will you support concerning the American health care system?”

Shadegg’s responses included: “Privatize Medicare and Medicaid”; “Allow Americans to set up a tax-free medical savings account”; and “Deregulate the private health care industry.”

Steal the Medicare trust funds and Medicaid funds, slash health care, and don’t worry about who dies as a result: These are looting schemes favored by the Golden Rule Insurance Company, backers of GOPAC and of the Goldwater Institute, and by the other big insurance companies and medical chop-shops, which are among the heaviest contributors to Shadegg’s electoral campaigns.

The GOPAC role in Gingrich’s revolution

by Suzanne Rose

In September 1995, the reins of GOPAC, the political action committee allied with Speaker of the House Newt Gingrich and his fascist Conservative Revolution, were turned over to freshman Congressman John Shadegg. Since 1986, when Gingrich took control of the group from its founder and first chairman, former Delaware governor and Republican Party activist Pete du Pont, GOPAC has served as the vehicle for the takeover of the House of Representatives by Conservative Revolutionary ideologues.

Using secret and illegal means, strategists and moneybags of the fascist right met together under the auspices of GOPAC, and plotted the course which was to lead to the victory of 72 of their number in the 1994 House elections. Led by Gingrich, they conducted “focus” groups, engaged in research and development efforts, and put together campaign messages and materials to launch a political attack on the powers of the federal government and its constitutional mission to protect and promote the general welfare. As early as 1989, Gingrich and his co-thinkers adopted an agenda for a Congressional takeover, called “An Agenda Worth Fighting For,” which incorporated the tenets of what became the Contract with America, as well as plans to put the agenda into effect through a 100-day legislative blitz in Congress.

Shadegg, like Gingrich and du Pont, is faithful to the dictates of the British “free trade” economics known as Thatcherism. Both Shadegg and du Pont have hosted Margaret Thatcher on her periodic trips to the United States. Shadegg’s political pedigree from the Goldwater Institute derives from the network of radical free trade think-tanks spawned by the Mont Pelerin Society of fascist economist Friedrich von Hayek. Du Pont, who also comes from this network, is now the policy chairman of the National Center for Policy Analysis, which promulgates papers on privatization and “free market” economic doctrines of the Conservative Revolution. Important early contributors to GOPAC, such as Richard Gilder of the Wall Street brokerage firm Gilder, Gagnon, and Howe, have also given money to Shadegg’s Goldwater Institute.

Ethics, campaign law violations charged

Shadegg was chosen to chair GOPAC after newly elected House Speaker Gingrich came under public attack by both the House Committee on Standards of Official Conduct (Ethics



A GOPAC press conference on April 28, 1992, calling for welfare "reform." Left to right: Rep. Newt Gingrich (Ga.), Rep. Vin Weber (Minn.), Sen. Hank Brown (Colo.)

Committee) and the Federal Election Commission (FEC), for fraud and corruption in connection with a college course he had taught leading through the 1994 election. A new face had to be brought in, to distance the Speaker, if possible, and the new Republican majority, from GOPAC's growing legal problems. What better choice than the campaign finance fixer and political troubleshooter from Arizona, John Shadegg? In an interview with the *Atlanta Constitution* on Oct. 29, 1995, Shadegg was asked about his role. He said, "They [the FEC lawsuit and the ethics investigation] clearly hurt GOPAC. That's indisputable. What I looked at was what's at the heart of those issues and have we either already fixed the allegations . . . and if we haven't fixed them, are they susceptible to being fixed."

The FEC had filed suit against GOPAC in 1994, charging that it was involved in recruiting and funding candidates for Congress in the 1990 election. This was illegal, because GOPAC had not registered as a federal PAC until 1991. GOPAC claimed, in response to the FEC's allegations, to have only been involved through 1991 in the "education" of candidates for state and local elections, therefore not subject to federal election law. Its own literature, however, called for targeting 170 Congressional Districts to win in 1990. After the election, GOPAC touted the victory of nine new congressmen and four incumbents.

The FEC suit contained ample proof that the project involved Congressional election campaigns, and evidence that

money was diverted from GOPAC into shoring up Gingrich's failing re-election campaign in 1990. The FEC obtained tapes from one GOPAC meeting in August 1990, at which one person stated, "We're supplying, my guess would be, a quarter of a million in 'Newt support' per year." The reference was assumed to be the Gingrich election campaign.

Pressure for an investigation of Gingrich for ethics and campaign law violations reached a crescendo in September 1995. Complaints were pouring into the House Ethics Committee that Gingrich had solicited and continued to solicit contributions for GOPAC, and an interconnected web of tax-exempt and non-profit organizations, to fund elections and other partisan political activities. House Democrats charged that Gingrich was soliciting illegal corporate contributions directly to GOPAC and other organizations for such activity, and that corporate donors were receiving tax deductions for contributing to his slush fund. The FEC obtained letters which showed that contributors directly sought political favors for their money. Evidence in the record showed they were getting paid off through direct favors, and including having input into legislation.

The Ethics Committee, controlled by Gingrich ally Nancy Johnson (R-Conn.), was forced to begin a search for an independent counsel to investigate the charges. On Dec. 7, 1995, independent counsel James Cole was appointed to investigate the use of tax-exempt foundations to fund a college course taught by Gingrich called "Renewing American Civiliza-

tion," which in fact was used for partisan political purposes. It was alleged that the course was used as the source of material which was reproduced on videotapes and used to build his political machine. GOPAC provided manpower and funds to one of the tax-exempt foundations involved, the Progress and Freedom Foundation.

On Nov. 30, 1995, the Federal Election Commission released 1,000 pages of the suit it had filed against GOPAC for campaign finance law violations. Based on the material released, a group of Democrats led by Minority Whip David Bonior (Mich.) filed a myriad of ethics complaints against GOPAC for violating federal tax, election, gift, and bribery laws. Other complaints were filed related to the selling of political influence by the Speaker and his political action committee.

The Conservative Revolution had come to power, but its seamy side was threatening to betray it. GOPAC was the epitome of that seamy side, and the little-known freshman Shadegg was picked to provide damage control.

Vulture capitalism

Shadegg and the major financial backers of GOPAC shared the fanatical belief in less government interference and taxes, and more power to the "market" to control the economy. Among the top 50 funders of GOPAC are insurance companies, "vulture capitalists," corporate raiders, investment banks, and sundry other enterprises which subsist off the speculative bubble that is overwhelming the U.S. and world economy. Soon after his election, Shadegg started issuing anti-government press releases touting the Tenth Amendment and calling for a return to states' rights and "more power to the people." He became a leader of the campaign to balance the budget, a euphemism for reducing government expenditures on behalf of the public welfare.

The top 50 financial contributors to GOPAC include the drug-linked financier and billionaire Carl Lindner, chairman of American Financial Corp. Lindner was identified in *EIR's* book *Dope, Inc.* as the owner of the old United Fruit drug-pushing apparatus. Lindner gave GOPAC \$55,000 right after the 1994 elections.

Golden Rule Insurance is another company which backs the Gingrich revolution. Its president, Andrew Rooney, was a featured speaker at Shadegg's Goldwater Institute. Golden Rule makes its profits by refusing to pay claims and bullying state insurance regulators. They are the major backer for the idea of Medical Savings Accounts, a scheme to privatize Medicare, strongly pushed by Gingrich partisans in the 104th Congress. MSAs give the "private sector" more access to health dollars, creating greater leeway for speculation and making it possible to reduce health care expenditures. J. Patrick Rooney, chairman and chief executive officer of Golden Rule, gave GOPAC \$95,000 through 1993. In return, Gingrich plugged Golden Rule in his course on "Renewing Civilization." He also blocked a Congressional subcommittee in-

vestigation of its practices.

Companies such as Amway, another "top 50" GOPAC contributor, benefit from the commitment in Contract with America to weaken the regulatory authority of the Food and Drug Administration. Corporate raiders such as Harold Simmons, head of Contran Corp., a Dallas-based holding company, can count on Gingrich to maintain the tax laws which encourage leveraged buyouts, and protect their asset-stripping practices.

Shadegg and his fellow freshmen came to Washington chanting a mantra of breaking up the "special interests" and legislating "for the people." But GOPAC and the organizations tied to the Speaker and his cronies have consistently waged war to break down the barriers to the monopoly powers of private interests. A case in point is cable television entrepreneur Donald G. Jones, of Cyberstar, a major GOPAC funder, who was the subject of a complaint before the House Ethics Committee. Jones was allowed to "volunteer" in the Speaker's office, helping to draft the Telecommunications Act of 1996, which tremendously benefitted Internet and cable interests by deregulating rates. The bill passed during the

Newt feels the heat

The House of Representatives Investigative Subcommittee of the Committee on Standards of Official Conduct (Ethics Committee) released on Sept. 26 a preliminary report on the findings of Independent Counsel James Cole's investigation into ethics complaints against Speaker of the House Newt Gingrich. Without releasing the full text of Cole's 200-page report, the committee announced that it was expanding the authority of Cole's investigation to cover four new areas, including the potentially politically devastating question of whether Gingrich told the truth during the initial inquiry. According to the *New York Times* on Sept. 27, the new questions include two new tax law issues and the issue of whether Gingrich improperly used the staff and facilities of a private, tax-exempt foundation.

According to the *Times*, the new issues to be investigated carry particular weight, because "they were produced not by a Democrat anxious to embarrass him, but by Mr. Cole, an experienced former federal prosecutor, and by the two Republicans and two Democrats on the subcommittee."

The committee's release states that "certain facts have been discovered in the course of Independent Counsel

104th Congress, deregulating the telecommunications industry, and gave vast powers to media conglomerates, including that of Rupert Murdoch, whose publishing company Harper-Collins offered Gingrich a \$4 million book deal while the legislation was pending. This, too, became the subject of an Ethics Committee complaint.

Other major funders of GOPAC include investment bankers and hedge fund traders, many of whom were organized by GOPAC founder du Pont and share a commitment to funding the other Mont Pelerin satellites across the country. This group shares an interest in opening up the industrial base of the economy for asset stripping and looting. Individuals in this category include Wall Street investment banker C. Douglas Dillon, whose father supported the "Conservative Revolution," a forerunner to Hitler, in 1930s Germany; hedge fund operative K. Tucker Anderson, of Cumberland Associates, who contributed the maximum \$1,000 to Shadegg's re-election committee; and Charles C. Gates, of Hedged Investments Associates. They support the Conservative Revolution's commitment to tax reductions, especially lower taxes on their speculative gains, and less government regulation.

Family values?

Many of Shadegg's classmates in the 1994 GOPAC revolution, although purporting to represent family values, were themselves linked to scandalous behavior. A case in point was Rep. Enid Waldholtz (R-Utah), whose scandal-ridden victory was managed by GOPAC insider and campaign strategist Eddie Mahe. Her campaign illustrates the depths to which the GOPAC crowd sank to achieve their victory.

When Waldholtz pumped up her campaign in the concluding weeks of October-November 1994 with a \$1.7 million illegal contribution, Mahe was on the scene to oversee things, and remained a consultant during the period following the election, when Waldholtz and her husband were in need of damage control, because word of their illegal activities was beginning to leak out. During her short moment in the sun, Waldholtz was an acclaimed leader of the GOP's freshman "class," and was given a prized seat on the House Rules Committee by Gingrich. Shortly thereafter, the campaign came under investigation for falsified reports, bounced checks, and embezzlement.

James Cole's investigation which warrant an expansion of the Preliminary Inquiry to include the following areas: 1) Whether Representative Gingrich provided accurate, reliable, and complete information concerning the course entitled, 'Renewing American Civilization,' GOPAC's relationship to the course entitled 'Renewing American Civilization,' or the Progress and Freedom Foundation, in the course of communicating with the Committee, directly or through counsel; 2) Whether Representative Gingrich's relationship with the Progress and Freedom Foundation, including but not limited to his involvement with the course entitled 'Renewing American Civilization,' violated the foundation's status under 501(c)(3) of the Internal Revenue Code and related regulations; 3) Whether Representative Gingrich's use of the personnel and facilities of the Progress and Freedom Foundation constituted a use of unofficial resources for official purposes; 4) Whether Representative Gingrich's activities on behalf of the Abraham Lincoln Opportunity Foundation violated its status under 501(c)(3) of the Internal Revenue Code and related regulations or whether the Abraham Lincoln Opportunity Foundation violated its status with the knowledge and approval of Representative Gingrich."

The statement says that the committee has expanded Cole's authority to investigate the above matters, and it is anticipated that it will complete its investigation by the end of this Congress. Since the appointment of the independent counsel on Dec. 22, 1995, forty witnesses were interviewed, and documents produced in response to 52 sub-

poenas were reviewed. Cole presented his report to the committee on Aug. 13, 1996. Since that time, Democrats in the House have demanded that the report be released to the public. On Sept. 20, Jim McDermott (Wash.), the senior Democrat on the House Ethics Committee, held a news conference calling for the release of the report. The day before, the House Democratic leadership had unsuccessfully brought to the floor a resolution to release the report.

At a press conference on Sept. 12, Democratic Whip David Bonior (Mich.) said, "We are here today to call on the Ethics Committee to release the outside counsel's report on Speaker Newt Gingrich. It took this Ethics Committee 15 months to appoint an outside counsel to investigate the charges against Newt Gingrich. After eight months and the cost of a half-million dollars to the American taxpayers, outside counsel James Cole submitted an extensive report on the allegations that the Speaker broke federal tax laws. The Ethics Committee has had this report for exactly one month now, but we still don't know what the report says, because the committee refuses to act on it and refuses to make it public. . . . Newt Gingrich has been protected for nearly two years. . . . This is a shameful abuse of power. If this report cleared the Speaker's name, don't you think it would have been released in a heartbeat? Is this report so damaging to Newt Gingrich that the Ethics Committee has to keep it secret?" Bonior demanded that the same standards be applied that were applied to the ethics investigation of House Speaker Jim Wright in 1989, and which resulted in Wright's removal.—*Suzanne Rose*

British target U.S., Germany in Russian power struggle

by Konstantin George and Gabriele Liebig

The Russian Security Council has denounced an article, based on an "interview" with National Security adviser Aleksandr Lebed, appearing in the Sept. 24 London *Daily Telegraph*, as a "fraud" and a "provocation." Lebed had been quoted in the British paper attacking the United States and Germany as the main culprits for the NATO expansion policy, threatening both countries with economic countermeasures and slandering Germany as the "Fourth Reich."

The next day's *Daily Telegraph* had to report: "The Security Council, which General Lebed heads, issued a statement saying that the interview was a 'provocation.'" They quote from the statement: "General Lebed gave no interview to this lady. The quotations attributed to him have nothing in common with what A.I. Lebed has ever said to journalists." The Danish paper *Politiken* cited another passage of the same statement: "The Russian Security Council looks at this fraud as an attempt to create a confrontation with the NATO countries to provoke foreign investments to flee the country, and to create a wave of dissatisfaction in Russia." In the meantime, according to the news agency Interfax, the director of the *Daily Telegraph*'s Moscow office has also distanced himself from the interview in question.

The fraudulent Lebed interview was already the second case of "fireworks" concerning a British daily and the Russian authorities. On Sept. 23, the London *Financial Times* ran a front-page article claiming that President Boris Yeltsin had suffered another stroke, and was unable to work more than 15 minutes per day. Yeltsin's spokesman, Sergei Yastrzhembsky, denounced the report as "absolutely false," adding: "We can only guess why a newspaper with such a high reputation for objective journalism published such a questionable report, absolutely filled with unverified information, with reference to anonymous sources, which provoked a serious

drop in the price of Russian foreign debt in London markets." The next day, the collapse of Russian stock prices continued, with the leading Russian oil company, Lukoil, a lucrative target for foreign interests, losing 7.2% of its share values. Apparently, the British intention behind these endeavors is to increase the level of chaos in the Russian situation, and fuel the process of ongoing political civil wars in Russia.

The Russian denial is clear enough. Although it is impossible to determine whether the fraudulent "interview" is a total fabrication or a patchwork of real and false things pieced together in a purposeful fallacy of composition, the fraudulent text expresses, more than anything else, what certain people in London *would have liked* Lebed to say. The *Telegraph* reveals, in fact, a major British intelligence operation under way for some time, playing on Russian fears, and proclivities associated with the Russian historical matrix, to direct Russia's justified rage against Western policies, such as the eastward expansion of NATO, precisely into the wrong channels, i.e., against the United States and Germany.

Lebed and Kohl

This is the backdrop for another intelligence operation directed against Lebed. On Sept. 21, *Komsomolskaya Pravda* published alleged "extracts" from Chancellor Helmut Kohl's talk with President Yeltsin during their recent private meeting. Under the page-one headline "What Helmut Kohl Told 'Friend Boris' Without Witnesses," with the subtitle "In Zavidovo, the German Chancellor Defended Gen. Lebed with His Breast," Kohl is quoted as demanding in an arrogant tone, that Yeltsin's apparatus, the Russian government, and the media assist Lebed instead of attacking him, because "General Lebed is very popular in the West, and the further attacks against him could damage, primarily, your own authority, as we are sure

that you owe your election victory mostly to him.” Also, Kohl allegedly mentioned several times, what “our correspondents” or “our services” on the ground in Russia were telling him about secret things going on in Yeltsin’s own apparatus.

While the Bonn government indeed has shown a positive, or, rather, hopeful attitude toward Lebed, such quotes are certainly very damaging to both Lebed and the image of Germany in Russia. A spokesman for Kohl, on Sept. 25, denied the authenticity of *Komsomolskaya Pravda*’s quotes during an official press conference, saying that they “are false and without any foundation.” The common purpose of both the *Telegraph* and the *Komsomolskaya Pravda* operation is rather obvious.

The real driving force behind NATO expansion

The *Daily Telegraph* put into Lebed’s mouth: “The German Defense Ministry, clearly determined to expand Germany’s sphere of influence into the East, has driven the expansion policy. With the enlargement of NATO and of the EU [European Union], the whole of central and eastern Europe will come under German economic and political domination. Is this the work of a new generation post-unification policy-makers, building a Fourth Reich? Is nobody in Bonn concerned about how sinister the current policy looks to foreign observers? We cannot forget history. The whole relationship between Germany and Russia, which has been successful in the recent past, will have to be reviewed if NATO enlargement proceeds.”

And for the United States, the paper has Lebed suggesting that Clinton is behind Poland’s entry into NATO for electoral reasons: “As we all know, we are in the middle of an American Presidential campaign. Clinton demonstrates cynically that the Polish vote in Chicago is worth more to him than the relationship with Russia for the next years.”

These quotes, and what followed, turn reality upside down, because Clinton and Kohl were the two heads of state who put off the issue of NATO expansion, at least till after the Russian power struggle has clarified itself. It was Kohl who met with the ailing Yeltsin outside Moscow on Sept. 7, and immediately telephoned Clinton upon his return to Bonn, to hurriedly reach a decision to postpone any concrete discussion, let alone decisions, on expanding NATO till 1997, so as not to provoke Russia at this most sensitive time. Prior to this Kohl-Clinton move, a NATO dominated politically by the British-French Entente Cordiale, had been committed to “settling” the concretes on expansion by December, soon after the U.S. elections.

Beyond that, the alleged Lebed statements ignore the string of “on the ground” provocations staged by Britain against Russia in eastern Europe during September. It was the British, not the Americans or the Germans, who staged the biggest armored forces military maneuvers since the Gulf War for three weeks in September on Polish soil. These involved 3,500 troops and 1,150 vehicles, including 350 tanks and armored vehicles from the British 7th Armored Brigade,

the “Desert Rats” of World War II El Alamein fame, based in Germany under NATO command.

Concerning Lebed’s alleged absurd charges on “provocative” Germany, it was Germany which rejected the original British request that these maneuvers be held in eastern Germany. The German government informed London that Germany would abide by the German unification “Two plus Four” agreements, which banned either stationing or deployment of non-German combat units on the territory of the former East Germany. The Kohl government was not just being “legalistic,” but made it clear that it had no intention of doing anything which Moscow might construe as a provocation.

Also in September, in a dangerous precedent by a NATO member, Britain concluded defense arrangements with both Poland and Ukraine. This was a “tripartite pact” of sorts, signed at a meeting of British Armed Forces Secretary Nicholas Soames, Polish Defense Minister Dobrzanski, and Ukrainian Defense Minister Lieutenant General Kuzmuk. Under the arrangement, Poland and Ukraine granted the British Armed Forces use of Polish and Ukrainian facilities. From the details known, this involved British Army use of Polish training and maneuver grounds, and Royal Air Force use of Ukrainian proving grounds for air-to-ground firing exercises.

Given these facts, which Lebed certainly is aware of, it is implausible that he would ignore all that and single out America and Germany for “punishment,” should NATO expand. The *Daily Telegraph* quoted Lebed: “We watch Germany pushing this policy, then Chancellor Kohl toning down the talk about enlargement while the President is ill. I am telling you that I will therefore have to reconsider the proper attitude to the U.S. and to Germany. Let there be no mistake, German and American industrial interests in Russia will suffer directly as a result of enlargement plans. We will find ways to hit proponents of this policy where it hurts. They both have huge interests here, but our market is exploding. There will be other investors. The future of Europe is being decided. Decisions taken now will haunt the continent for decades, if the arrogant and self-seeking policies currently being advanced carry the day.”

The good thing is that the *Daily Telegraph*’s dirty trick has been denounced by the Russian Security Council as such. The experience may now increase the Russian elite’s awareness of the bigger geopolitical game being played with them, by those who are out to sabotage the “Eurasian land-bridge” policy of economic construction and cooperation of all nations of the continent from the western shores of Europe to the eastern shores of China, with Russia being the crucial link in between. Looking ahead, the unfortunate probability is that the tempo of manipulation against the Russian elite will increase in the next months—due to Yeltsin’s illness and the economic collapse. If the Russian elite does not wake up to the fact that Russia is again being “had” by the Anglo-French Entente Cordiale, then, as so often in the past, the road to strategic calamities is unfortunately wide open.

Netanyahu unleashes 'Temple Mount' plot to destroy Mideast peace

by Joseph Brewda

Israeli Prime Minister Benjamin Netanyahu blew up what remained of the Israeli-Palestine Liberation Organization peace accord on Sept. 20, when he ordered the completion of a "tourist tunnel" under Jerusalem's holiest Islamic shrine. The completion of the tunnel, universally viewed by Muslims as a desecration, took place on Sept. 24, under the cover of night and heavily armed guards. Former Prime Ministers Yitzhak Rabin and Shimon Peres, and even Netanyahu's former Prime Minister Yitzhak Shamir, had banned the tunnel's completion for ten years, knowing full well that it was a wild provocation.

As we go to press on Sept. 26, at least 40 Palestinians have been killed by the Israeli Army and police, who opened fire on crowds of Palestinian demonstrators over the last two days, in Jerusalem, Ramallah, and other cities on the West Bank. There have been two reported cases of shoot-outs between Israeli and Palestinian police in Ramallah and Gaza. At least three Palestinian Authority police have been killed by Israeli forces. Among the hundreds of wounded are Jerusalem Mufti Akram Sabri, the keeper of the holy sites, and Palestinian Authority Religious Affairs Minister Hassan Tahboub.

The decision to go ahead with the tunnel "proved to us that the Israeli leaders are not serious at all about the path of peace," the Palestinian cabinet emphasized in a statement on Sept. 25, even before the beginning of the massacres. Palestinian President Yasser Arafat termed it "a big crime against our religious and holy places." Crown Prince Hassan of Jordan called it "a provocation to Arab and Muslim feelings around the world," and warned against disregarding Muslim attachment to the holy city, which has been "a cause of wars, just as much as it is a unifying symbol of peace."

As soon as the violence erupted, Netanyahu blamed the PLO's condemnation of his action for that violence. Arafat "should calm passions and not inflame them," Netanyahu told enthusiastic supporters in Paris on Sept. 25. But even Israeli Defense Minister Yitzhak Mordechai publicly questioned the decision to open the tunnel. "I don't know whether to say with finality that all considerations were taken into account," he told reporters the same day.

Meanwhile, in a further provocation, Israeli Infrastructure Minister Gen. Ariel Sharon, announced on Sept. 26, the day

after the first wave of killings, that the Israeli government plans to expand its settlements in the Occupied Territories, in further violation of the accords. "The Golan Heights will contain 25,000 people within a few years," he told the Israeli daily *Yediot Aharonoth*. "Settlements in Judea and Samaria [the Zionist expansionist term for the West Bank], will be widened and expanded."

Sharon is the strongman of the Netanyahu regime. He also is a leading member of the British-run, behind-the-scenes Israeli establishment institutions, who ordered Prime Minister Rabin's assassination last fall, using one of their "settlers movement" patsies to do it. Rabin was killed because Britain has always been opposed to peace in the Mideast. The subsequent unleashing of Hezbollah, Hamas, and Islamic Jihad violence in Israel, including the suicide bus-bombings in Jerusalem, all covertly organized by Britain, Sharon's circle, and Syria, created the conditions for Netanyahu's election last May. Without this terror spree, Netanyahu would not have won the elections. As it was, he won by only 10,000 votes, a margin of less than 1% of the votes cast.

Netanyahu's provocation follows a trip to the United States earlier in the month, where he met with cosmetics king Ronald Lauder, who bankrolled his recent election, and who also finances Sharon. But the purpose of his decision on the tunnel goes far beyond creating another foreign policy crisis for U.S. President William Clinton. The violent Arab passions that Netanyahu has provoked, are intended to unleash uprisings against any Arab leaders who have advocated peace, and who worked with Rabin and Peres. Egyptian President Hosni Mubarak is one of the top targets.

Netanyahu's provocation is also intended to prepare the climate for the murder of PLO leader Yasser Arafat, which, in the aftermath of the murder of Rabin, would destroy any possibility for peace in the region. And just as Hamas bombings paved the way for Netanyahu's election, so Netanyahu's provocations are intended to pave the way for the rise to power of Hamas.

An old story

Netanyahu's order to defile the Islamic holy places in Jerusalem was not an Israeli decision, but was decided in



Worshippers at the Al-Aqsa Mosque in Jerusalem, the city's holiest Islamic shrine. The Israeli government's decision to build a tunnel under the mosque was made on orders from London, by the freemasonic lunatics who control Netanyahu, Sharon, and their circle.

London, by the British masonic officials who have always controlled Netanyahu and his circle.

Since 1981, *EIR* has exposed the British plot to desecrate and destroy Jerusalem's Islamic holy places. In 1986, we published a *Special Report*, "Ariel Sharon and the Israeli Mafia," which provided further documentation on the purpose behind the conspiracy.

The Islamic holy site targeted by Netanyahu, the al-Haram al-Sharif, is the third holiest site in Islam, believed by Muslims to be where the Prophet Mohammed ascended to heaven. It also adjoins the "Wailing Wall," which marks the remains of the temple built by King Solomon. By tradition, the temple was built by the original "Masons" of Hiram of Tyre, and remains a central cult-image of the British- and French-centered Masonic orders to this day. For such reasons, beginning in the 1840s, British Prime Minister Palmerston's son-in-law, the Earl of Shaftesbury, first called for bringing Jews back to Palestine, to prepare the conditions for rebuilding the Temple at the Islamic holy site. Shaftesbury also sought to expel the Roman Catholic Church from Jerusalem, and to turn Catholic-administered Christian holy sites there over to British Protestant denominations.

Consequently, there have always been powerful elements within the British-created Zionist movement, who have wished to destroy the Islamic holy sites, and rebuild the Temple. Both the Irgun, the pre-1948 predecessor to Netanyahu's

Likud bloc, and the 1940s Stern gang, which was led by (later Prime Minister) Yizhak Shamir, called for destroying the Islamic site, and rebuilding the Temple, in their founding documents. The personal secretary of the British agent who founded the Irgun, Vladimir Jabotinsky, was Benzion Netanyahu, the prime minister's father.

Since the Israelis captured East Jerusalem in 1967, the Likud has attempted to implement this program. To that end, London's Quatuor Coronati lodge official Asher Kaufman, arrived in Jerusalem that year, and began working closely with Rabbi Zvi Yehuda Kook, to put together the networks committed to destroying the Islamic holy sites. This is the origin of the Jewish Defense League, Gush Emunim, Temple Mount Faithful, and related "settlers movement" sects within Israel, whose members have since been arrested several times attempting to desecrate, or even dynamite, the site. On Oct. 8, 1990, for example, the Temple Mount Faithful, attempted to lay the "foundation stone" for a rebuilt Solomon's Temple, at the site of the Al-Aqsa mosque. Their actions sparked riots that left 20 Muslims dead.

In 1982, these sects first began to tunnel secretly under the site, as part of their preparations for destroying it. The tunneling was overseen by Ateret Cohanim Yeshiva (day school) leaders Mattiyahu Dan and Rabbi Shlomo Aviner, both agents of the Israeli intelligence agency Shin Bet, and part of the Sharon faction. The tunnel, completed by

Netanyahu allegedly for “touristic reasons,” is part of this complex.

Timeline of provocations

Ever since Prime Minister Rabin and Foreign Minister Peres attempted to bring peace to the Mideast, by signing accords with PLO leader Arafat in September 1993, the Netanyahu circles, and their backers, have been committed to drowning the accords in blood. Netanyahu was the first to denounce the accords, accusing Peres of high treason. Peres, in response, accused Netanyahu of acting on behalf of U.S. financiers. By October, Sharon began his first of many tours to the United States to mobilize against the accords.

As the first result of their mobilization, Jewish Defense League official Baruch Goldstein killed 50 worshippers in a mosque in Hebron, on the West Bank, on Feb. 25, 1994. Goldstein was covertly aided by elements of the Israeli military. After Rabin and Peres denounced Goldstein and the settlers movement as “scum,” Sharon and company increased the tempo of attacks on both leaders as traitors. In the fall of 1995, Avraham Hecht, the personal rabbi of Netanyahu money-bags Edmond Safra, issued a rabbinical decision saying that the murder of Rabin was justified. On Rabin’s last trip to the United States in November, Likud backers, such as Anti-Defamation League Chairman Abraham Foxman, denounced Rabin for suppressing dissent in Israel.

- **Nov. 4, 1995:** Israeli Prime Minister Rabin is assassinated in Tel Aviv. The assassin, Yigal Amir, was a member of the Eyal settlers sect, led by Shin Bet agent Avishai Raviv. Despite the fact that Amir was recognized by Rabin’s bodyguards at the site as a known threat, he was permitted to enter the security perimeter, and get within a yard of Rabin. A series of other, standard, security measures, were inexplicably not followed.

- **Feb. 25, 1996:** A suicide bus-bombing in Jerusalem kills 25, kicking off Netanyahu’s election campaign.

- **Feb. 29, 1996:** Warning what was afoot, PLO Chairman Arafat tells the Italian newspaper *La Repubblica* that the bus-bombing, and planned bombings, were being coordinated by extremists on both sides. “We are sure that Rabin was killed by a representative of an extremist Israeli group, just as we know that there is a pact between Israeli and Palestinian extremists to obstruct peace. Avishai Raviv, the head of the Jewish extremist organization Eyal, said in a interview granted the day before Rabin’s assassination, that he had met with representatives of the Jihad. And he said that it was not the first time. These are all things I can prove. I have documentary evidence.”

Arafat quoted Raviv saying, “We and the Jihad are agreed on destroying the peace process.” He said that Raviv had met repeatedly with both Jihad and Hamas in Gaza—before the Rabin murder.

“The terrorists’ supporters are abroad. The leaders of Palestinian extremism are in Jordan, Syria, Lebanon, Libya, and

Iran. The Israelis’ supporters are in Brooklyn,” he said. “The only solution for defeating terrorism is to accelerate the peace process. Restrictive provisions causing slowness or delays in the military withdrawal, however, could prove fatal. That is why I appeal to the resolute supporters of the peace process: We must combat terrorism steadfastly and at the same time accelerate the peace process.”

- **March 3, 1996:** A suicide bus-bombing, claimed by Hamas, kills 20 passengers in Jerusalem.

- **March 4, 1996:** A suicide bombing in a Tel Aviv shopping market kills 13. The wave of atrocities, triggering hysteria, leads to a rapid increase in the popularity of prime minister candidate Netanyahu, who had been campaigning on fear. Netanyahu’s campaign was funded by New York City cosmetics king Ronald Lauder, also a close crony of Sen. Alfonse D’Amato (R-N.Y.), who provided Netanyahu his campaign manager, Arthur Finkelstein.

- **April 10, 1996:** Israel launches a two-week aerial assault on Hezbollah positions in Lebanon, after days of Hezbollah shelling of northern Israel. Ninety-one civilians are murdered after the Israelis fire into a civilian refugee camp, forcing the end of the campaign, and discrediting Prime Minister Peres, who had begun it in an apparent effort to show how tough he could be with terrorists. Hezbollah, like Islamic Jihad, is controlled by Syria.

- **April 24, 1996:** Despite this surrounding chaos, the PLO convenes its ruling National Council in Gaza, where it decides overwhelmingly to revise its 1964 Charter, which had called for the annihilation of the Israeli state. Eliminating those provisions has been a key Israeli demand for many years, and especially since the Oslo meetings which led to the September 1993 Israeli-PLO accords. Hamas immediately denounces the PLO Charter revision as a “crime,” and the Likud bloc denounces it as a “hoax.”

- **May 31, 1996:** Benjamin Netanyahu wins the Israeli elections, although by a margin of 10,000 votes, less than 1%, with clear indications of vote fraud. Netanyahu had campaigned on ripping up the peace accords. He soon puts together a war cabinet, including generals Ariel Sharon and Rafael Eytan. The American Dore Gold, brought on by Netanyahu to guide foreign affairs, is a devotee of Henry Kissinger. Both generals had earlier been charged by an Israeli government commission of allowing massacres of Palestinians to occur during their 1982 invasion of Lebanon, when Lebanon’s division between Syria and Israel was finalized.

Since Netanyahu came to power, his government has systematically reneged on every important feature of the Oslo agreement, as he had promised during his election campaign. Netanyahu has refused to order the Israeli Army to withdraw from Hebron, as mandated by the agreement. He has moved to “judaize” East Jerusalem, through such measures as his tunnel-building extravaganza. And, he has ordered a new massive round of construction of Jewish settlements in the Occupied Territories, to make Israeli control there a fait accompli.

Narco-terrorist offensive in Mexico: Government's weak response will fail

by Carlos Cota Meza and Dennis Small

With the violent offensive of the narco-terrorist People's Revolutionary Army (EPR) on Aug. 28, and the latest rupture of peace talks with the government on the part of the Zapatista National Liberation Army (EZLN), Mexico is once again the target of attack by those seeking to shatter its institutions, and its sovereignty.

The official response of the Ernesto Zedillo government has been to pretend that the EPR is terrorist and must be repressed, but that the EZLN is not, and that, therefore, continued peace discussions with it must be pursued. The truth, however, is that *both* groups are instruments of the same "irregular warfare" against Mexico, run from abroad, and that the degree of subversive military actions will continue, regardless of whether the government yields to their demands. The EPR and the EZLN have a common origin: the Revolutionary Workers Party-Clandestine Union of the People (Procup). Some journalistic sources allege that the EPR is a direct split-off from the EZLN. There is evidence that both groups have links to the drug trade, organized in their respective theaters of operation.

The EPR offensive triggered a firm response, at least verbally, from President Zedillo. In his second State of the Union address on Sept. 1, Zedillo told the Congress: "We will fight each terrorist act, using all our capacity and enforcing the laws with full rigor. Invariably adhering to law and respecting individual guarantees and human rights, we will act with the full force of the state!"

In addition to the speech, the Executive has permitted the Mexican Army to carry out a much more active role in the fight against narco-terrorism over the past few months. For example, on Aug. 19, the Army put all of its units along the borders with Guatemala and Belize on alert, as part of an anti-drug operation concentrated in the states of Tabasco and Chiapas. The operation, dubbed "Azteca 7," set up 20 inspection stations along the border, and in the Lacandón Jungle, center of the Zapatista rebellion. Two days later, more than 10,000 soldiers were deployed to the states of Guerrero, Veracruz, and Oaxaca, against drug- and arms-trafficking networks.

Anti-military campaign

While this level of freedom of action allowed the Army is not adequate to the task of eliminating narco-terrorism, it has been more than sufficient to provoke hysteria among the

national and international allies of the EZLN and EPR. For example, the London *Financial Times* of Sept. 17 complained that "the civil-military equation is being redefined in Mexico," given that "a new guerrilla threat, corruption in the police forces, and the penetration of drug cartels have thrust Mexico's Armed Forces to the center-stage of national affairs." The *New York Times* of Sept. 14 also protested because the Mexican Army is "out of the barracks."

Inside Mexico, both the "right" and the anti-national "left" are also shrieking in protest. For example, the legislative bloc of the National Action Party (PAN) in the Senate protested Sept. 17 against the alleged "growing militarization of the country, and the risk that the soldiers will go beyond the powers that the law has conferred on them." The PAN legislators insisted that "there is no question of the risks of this militarization," and complained that they have not been informed as to "the degree to which the President is deploying the Army to safeguard the internal security of the nation." During their press conference, the PANistas proposed that President Zedillo set up a National Guard, "as the Constitution establishes, to avoid the excessive use of the Army."

The anti-military "left" is coordinated and deployed by the Inter-American Dialogue, headquartered in Washington, D.C. The IAD was the organization charged with giving political shape to George Bush's "new world order" policy for Ibero-America. That is why the IAD was the principal propagandist for the book *The Military and Democracy: the Future of Civil-Military Relations in Latin America*, better known as "The Bush Manual" to dismantle the continent's armed forces. This plot seeks to dismember Mexico territorially, and to dismantle such key institutions as the Presidency and the Catholic Church. The Chiapas conflict contains all the ingredients of this plot, and the sudden appearance and terrorist actions of the EPR are one more stage in the overall scenario.

Mexican members of the Inter-American Dialogue include Jesús Silva Herzog, Mexico's current ambassador to Washington; Beatriz Paredes, current leader of the National Peasants Federation, former governor of Tlaxcala, and former undersecretary of the Interior; and Mariclaire Acosta Urquidi, leader of the Mexican Commission for the Defense and Promotion of Human Rights. Former banker Agustín Legorreta has signed the Inter-American Dialogue report which proposes drug legalization, as has Carlos Fuentes, sympathizer

and promoter of the EZLN. Businessman Claudio X. González, who served as foreign investment adviser to former President Carlos Salinas de Gortari, was brought onto the IAD board in 1994.

Several questions

In the aftermath of Zedillo's second annual State of the Union address, in which he announced a firm policy against subversion, several questions arise: 1) How will the non-governmental organizations (NGOs) and human rights "lobbyists" react to the President's resolution? 2) How will that section of the federal government react, which believes that the Mexican state has become "obsolete"? 3) How will that part of the weakened federal government react under pressure from certain political sectors in the United States, which insist that it dialogue with the EZLN? 4) Will not the same thing happen as in February 1995, when President Zedillo identified "Subcommander Marcos" as Rafael Sebastián Guillén Vicente, and ordered his arrest, but then, under international pressure, reversed himself with the excuse that "Marcos" was protected by the amnesty law granted by Salinas de Gortari and his commissioner Camacho Solís?

The reaction of the NGOs and the human rights "lobbyists" is obvious enough; nothing less can be expected of them. The Augustín Pro-Human Rights Center, owned by the Jesuits, defends the EPR with the argument that, "by legal definition," they are not terrorists, since they have only attacked police and military targets. A terrorist, says Jesuit David Fernández, "is one who generates terror within the civilian population." Shamelessly, Bishop Samuel Ruiz, the EZLN's real commander, has proclaimed himself *mediator with the EPR*, from the central offices of the Interior Ministry. Since he is already a "mediator" with the EZLN, this makes him—as he himself has said—the "national peace-maker" for dealing with "the violence that prevails in the country."

Similarly, instead of backing President Zedillo's pledge, a faction of the ruling PRI party has announced the creation of a Mexican Movement for Peace and Development, presided over by Gonzalo Martínez Corbala. Martínez is recognized as one of the creators of the Critical Current of the PRI party, which produced the movement headed by Cuauhtémoc Cárdenas and Porfirio Muñoz Ledo in 1987. Martínez Corbala, a veteran collaborator of former President Luis Echeverría, and the personal political negotiator for Carlos Salinas de Gortari, gave the inaugural address of the new movement, during which he offered himself as "peace mediator" with the EPR: "We would like to talk to them. . . . [We] are at the orders of the parties in conflict."

The movement, he said, proposes "to do away with the arms race, and to create generalized conditions for a creative and pluralistic dialogue on peace." To achieve this, his movement is announcing plans to hold a World Assembly for Peace, on Oct. 23-27.

But the greatest danger may come from within the Zedillo

government itself, which has put forth a proposal that could lead to a dangerous internationalization of the conflict in Mexico. Immediately following his State of the Union address, President Zedillo travelled to the Tenth Summit of the Rio Group, held in Cochabamba, Bolivia. The concluding resolution of the summit was entitled "Self-Control over Conventional Disarmament in Latin America and the Caribbean," and received the unanimous support of the 13 governments of the Rio Group. Among other things, it seeks to limit military budgets, as well as to freeze exports of certain kinds of weapons, along with the licenses for their manufacture. It proposes the creation of total or partial demilitarization zones, and regulation of the quality, weight, and cost of military equipment. In its general outlines, the document proposes "to make these agreements mandatory."

According to press reports, the proposal was made "by the Mexican delegation," headed by President Zedillo and Foreign Minister José Angel Gurría Treveño, although others point out that the proposal was encouraged by Bolivian President Gonzalo Sánchez de Losada, a prominent member of the Inter-American Dialogue. What is not in doubt is that this proposal absolutely coincides with the anti-military plot discussed in the "Bush Manual," and would only benefit the narco-terrorists of the EZLN and EPR in Mexico, as well as their colleagues abroad.



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

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

Brazilian government rehabilitates terrorist leaders from the 1970s

by Silvia Palacios

The Justice Ministry's Special Commission on Political Disappearances approved on Sept. 11 payment of indemnification to the families of two prominent leaders of the guerrilla movement which terrorized Brazil with their irregular war during the 1970s: former Army Capt. Carlos Lamarca, and Carlos Marighella, the latter a leading theoretician of guerrilla warfare used by urban terrorists around the world.

The commission was well-aware that the decision would generate a widespread revolt within the Armed Forces. To understand the significance of this decision, consider what would happen if the United States government, at some future date, decided to indemnify the families of those responsible for the bombing of the federal building in Oklahoma City.

Brazilian President Fernando Henrique Cardoso tried to wash his hands of this decision, declaring that, in the thorny case of Lamarca, the Army captain-turned-guerrilla leader, he personally considered him a "deserter"—as, indeed, he was—as well as a traitor and a terrorist! With that said, Cardoso let the decision stand. The commission's decision was taken as part of a deliberate policy of his government, designed by the Anglo-American establishment, to punish and humiliate the Brazilian Armed Forces, as a step toward their dismantling—a replay of what has happened in Argentina. President Cardoso, a founding member of the Inter-American Dialogue, has been one of the most ardent proponents of this anti-military strategy.

The legal argument employed by the commission's president, Miguel Reale, to justify its ruling that the state bore culpability for the deaths of the two figures, reveals that policy: "They were absolutely under the control of their captors when they were killed. What there was, was the intention to destroy the myth of the guerrilla. And they [the Army] decided that they should not be taken prisoner, but be destroyed," Reale argued.

A communiqué issued by the three military clubs representing active and retired military officers in response, revealed the bitter response which the decision provoked within the Armed Forces: "Brazil consecrates terror. Brazil, the paradise of terrorists, of traitors, many of them elevated today to public posts. Brazil, which forgets its sons killed in the fulfillment of duty, those who honored it and defended it from communist shackles." Retired military officer Jair Bolsonaro,

now a congressman, stated that "the grave mistake of the military regime was that of not eliminating, once and for all, the dozens of Brazilian traitors, among them, President Fernando Henrique Cardoso."

The President ignored all the protests, however, and is proceeding on all fronts to dismantle the nation-state, in which the policy of demilitarization is but a crucial aspect.

Cardoso's allies: the São Paulo Forum

To revive the mythical figure of Carlos Marighella as a martyr of the Brazilian state, now, in the midst of a continent-wide terrorist insurrection even greater than that of the 1970s, has enormous consequences.

Together with "Che" Guevara, Marighella and his *Mini-Manual of the Urban Guerrilla* inspired the acts of irregular warfare by the terrorist left throughout Ibero-America in the 1970s (see box). His famous manual is considered by leading experts of irregular warfare, to have been important to the formation of guerrillas. In the book *Modern Irregular Warfare* (published by the Brazilian Army library), the late German military and legal expert Friedrich August von der Heydte singled out Marighella's instruction that "urban guerrillas must be always conscious that they can only survive if they are prepared to kill."

If the actions of Brazil's Landless Movement (MST) today are examined carefully, as, for example, in the confrontation with the Military Police in El Dorado de Carajas on April 17, 1996, which brought the group such international profit, it becomes clear that the MST's tactics demonstrate they have learned well the lessons taught by Marighella.

Marighella was the leader of National Liberating Action; he was trained in Cuba, and was one of the founders of the Latin American Solidarity Organization (OLAS), attending its founding meeting in August 1967 in Havana, Cuba. OLAS was the model used for the creation of the São Paulo Forum in 1990, initiated by the Cuban Communist Party and the Brazilian Workers Party, which brings together the narco-terrorist movements of the continent, including the MST.

One of Marighella's disciples is the transvestite cleric Fray Betto, who is the editor of *América Libre*, the official magazine of the São Paulo Forum, and who, in order to preserve the memory of Marighella, wrote *Baptism of Blood*,

which attempted to discredit police accounts that Marighella was killed after being betrayed by some Liberation Theology Dominican priests.

Because President Cardoso is aware of these facts, his decision for indemnification was not an accident; rather, it reinforces the tacit alliance which he has maintained for some time with the São Paulo Forum. The principal figure linking the President with these networks, is Cardinal Paulo Evaristo Arns, a sort of “chaplain” of the São Paulo Forum, friend of Fidel Castro and of such Anglo-American establishment families as Schlumberger/de Menil, leading financiers of Central America terrorism.

On the occasion of the cardinal’s 75th birthday, President Cardoso paid him homage, in an article published in *Folha de São Paulo* on Sept. 15: “The Cardinal of São Paulo is an ethical reference point for my generation, and for all Brazilians. In all the political campaigns in which I participated, including the last, for the Presidency, I always went to Dom Paulo, for advice, to know his comments and considerations, arrived at with wisdom and serenity.”

Cardinal Evaristo Arns continues to be active in the destabilization operation racking Brazil. For example, during the last round of land invasions in the Pontal do Paranapanema region in the state of São Paulo—an area which the MST has already turned into a powderkeg, and now seeks to seize, say its leaders, as “liberated territory”—MST leader Diolinda Alves de Souza met with the cardinal to request that he “mediate” for the MST with the authorities.

Another Colombia?

The MST escalated its violent actions in Brazil following a July meeting in Chiapas, Mexico, in which the MST consolidated its alliance with the Mexican terrorists in the Zapatista National Liberation Army, and while the response of the Brazilian government has fluctuated, on balance, it has been in favor of the MST.

The most scandalous demonstration of government support, was a meeting of the Solidarity Community, a group led by First Lady Ruth Cardoso, with the leaders of the MST. On Sept. 6, MST national coordinator João Pedro Stedile declared that the movement’s pressure tactics, criticized by President Cardoso, were based on the teachings of anthropologist Ruth Cardoso, the President’s wife! The MST left its meeting with the First Lady last Aug. 5, with the following understanding: “Doña Ruth told us that the art of politics, is the game of pressuring.”

“Pressure politics?” What the MST really aims to unleash in the country was announced by Stedile himself on Sept. 7, when he commemorated Brazil’s Independence Day—in his own manner—by declaring:

“The interior of Brazil can become a Colombia. Things will be out of control, there will be social convulsions, and society will come apart. The situation is already tense, and the government says there is no crisis.”

From Marighella’s ‘Mini-Manual’

Carlos Marighella’s Mini-Manual of the Urban Guerrilla, published in 1969, was used to create bands of terrorists around the world, which, as can be seen in these brief excerpts, served as shock troops of assassins and saboteurs against their nations.

The urban guerrilla is an implacable enemy of the government and systematically inflicts damage on the authorities and on the men who dominate the country and exercise power. . . . He must be a good tactician and a good shot. . . [and] conquer the art of dissembling. . . .

Experience has shown that the basic arm of the urban guerrilla is the light machine gun. . . . Molotov cocktails, gasoline, homemade contrivances such as catapults and mortars for firing explosives, grenades made of tubes and cans, smoke bombs, mines, conventional explosives . . . plastic explosives, gelatin capsules, ammunition of every kind are indispensable to the success of the urban guerrilla’s mission. . . . The urban guerrilla’s reason for existence, the basic condition in which he acts and survives, is to shoot. . . .

Action models which the urban guerrilla can carry out are the following: assaults, raids and penetrations, occupations, ambush, street tactics, strikes and work interruptions, desertions, diversions, seizures, expropriation of arms, ammunition, explosives, liberation of prisoners, executions, kidnappings, sabotage, terrorism, armed propaganda, war of nerves. . . .

A new type of urban guerrilla . . . participates in mass demonstrations . . . with specific and definite aims. These aims consist in hurling stones and projectiles . . . using gasoline to start fires, using the police as a target for their fire arms. . . . Snipers are very good for mass demonstrations. . . . Hidden at strategic points, the snipers have complete success, using shotguns, machine guns, etc. whose fire and ricocheting easily cause losses among the enemy. . . .

Execution is a secret action in which the least possible number of urban guerrillas are involved. In many cases, the execution can be carried out by one sniper, patiently, alone and unknown, and operating in absolute secrecy and in cold blood. . . .

The objective of sabotage is to hurt, to damage, to make useless, and to destroy vital enemy points such as the following: the economy of the country, agricultural or industrial production, transport and communication systems, military and police systems . . . repressive military-police system, firms and properties of North Americans in the country. . . .

Terrorism is an arm the revolutionary can never relinquish. . . .

British move ahead with project to balkanize Canada, United States

by Raynald Rouleau

The author is a reporter for the French newspaper Nouvelle Solidarité.

In our issue of April 27, 1990, *EIR* warned that powerful tendencies were working for the balkanization and breakup of Canada over the short to medium term ahead. We pointed out that Quebec separatism was the most likely detonator for a far-reaching process of secession and chaos. That separatism, we said, is fundamentally not a genuine popular movement, as it might have been during the 1960s, in the epoch of President Charles de Gaulle's "*Vive le Québec libre!*" speech; the new Quebec separatism is a purely artificial phenomenon, promoted by London oligarchs, financiers, and their puppets on the ground such as Jacques Parizeau and Lucien Bouchard. The separatist movement has little to do with the reform of Canada, but everything to do with the destabilization of the United States. In this effort, not just the Québécois separatists, but also Anglophone politicians, Native tribes, and indeed all of Canada, are being treated by the British oligarchy as expendable pawns for the purpose of introducing chaos, strife, and the bacillus of separatism and secessionism into the United States. None of this is a spontaneous sociological phenomenon, although much of it was engineered by sociologists. It simply reflects the fact that British Intelligence would be delighted to bring something resembling Bosnia or Chechnya to the longest unguarded border in the world.

Several recent events have taken place to further this scenario, which show a high degree of coordination, at the highest level of British Intelligence. They range from an investigation by the British House of Lords into what rights Quebecers have to their territory, to a media campaign, to hearings in the U.S. Congress on what Washington should do *after* Quebec secession. Let us look at each of these in turn.

The House of Lords and the CFR

First, a "human rights" group of 200 British parliamentarians and members of the House of Lords wants to know: Can Natives separate from Quebec, if Quebec secedes from Canada? The Canadian and the Quebec governments cooperated

with them, until they found out what the Lords were really up to: studying Canadian constitutional issues, which are not supposed to be their business. Canada's High Commissioner to London was quoted in the Montreal paper *Le Devoir* of Sept. 23, complaining that "these are things that have to be taken care of in Canada, by Canadians." In the same article, Glen Calderwood, a secretary to the British group, is quoted saying: "Canada enjoys a great reputation. But when you take into account the increasing ethnic conflict around the world in the past 10-15 years, it seems that if there isn't a way to remedy certain problems existing in Canada, then, it is useless to even have hope about certain countries like ex-Yugoslavia."

Second, *Foreign Affairs*, the flagship publication of the New York Council on Foreign Relations (CFR), the U.S. affiliate of London's Royal Institute of International Affairs, printed an article in its issue of September/October 1996, calling upon the United States to prepare to accept the pieces of the post-Canada breakup. Author Charles Doran¹ emphasizes that the United States cannot do anything about that "social phenomenon," and therefore should only try to make the best out of an uncontrollable situation. The kicker to the article goes like this: "Although it prefers a united Canada, the United States must prepare a plan for affiliation with Canadian fragments, midway between a treaty and statehood."

Doran writes: "Ever-louder rumblings north of the border should not be dismissed as another Canadian non-event. Potentially, they portend much greater consequences for American interests than many nationalist breakups around the world." He continues: "From the perspective of the United States, the right question is: What would follow separation? . . . The U.S. must . . . draw up plans for a form of supranational affiliation with the remnants of Canada. . . . This new form of affiliation should be aimed midway between the fragility of a treaty and the rigidity of statehood. Political affiliation ought to address the basic needs of people."

1. Charles Doran is the head of Canadian Affairs at Johns Hopkins University School of Advanced International Studies, ACSUS's birth place.

In other words, Doran says that the United States should not try to stop the British from playing with matches in its attic, and that when the fire starts, Uncle Sam should try to extinguish it, with gasoline.

In tune with the CFR, other British propaganda outlets are beating the drums. The Canadian Broadcasting Corporation (CBC) ran a five-part TV documentary called "Which Border? The Americanization of Canada." According to the CBC's special Internet site on the program: "In an era of vanishing borders and globalization, is Canada becoming 'too American' and losing its national identity in the process?" And the Toronto-based magazine *Maclean* on Sept. 2 wrote that Canadians are being too naive about the "imperial American mind and continuing U.S. expansionism."

Congressional hearings

All of these publicity operations were designed to pave the way for hearings in the U.S. Congress on Sept. 25. The hearings were done as a show for the Canadian public, and to scare the members of Congress, to accept the balkanization of Canada as inevitable. Ninety percent of the audience consisted of Canadian press, government staffers, and related law firms and public relations firms—which includes, of course, all the relevant intelligence agency cut-outs.

This was the first time that the U.S. Congress has officially taken up the issue of the impact of the secession of Quebec on the United States. The hearing gave tremendous legitimacy to Quebec's claim for independence, "having finally got the Americans' attention," as one observer put it.

The meeting was chaired by arch-Conservative Revolutionary Dan Burton (R-Ind.). There were five witnesses: Rep. Tom Campbell (R-Calif.), Joe Jockel², Charles Doran, Earl H. Fry, and Christopher Sands³. The hearing was so staged, that the first witness, Representative Campbell, immediately after testifying, replaced Burton as chairman. In fact, Campbell is said to have been the main organizer of the hearing.

The main issue of concern was what happens to the North American Free Trade Agreement, if Quebec separates. Within this, the financial side of the deal was the real issue. All the witnesses agreed that there will likely be another refer-

endum in Quebec, in the next three to four years, and they also all agreed that the Quebec government's belief that an independent Quebec would achieve "automatic entry into NAFTA" was not going to be accepted by the United States. But the real question is, why would anybody with a balanced mind, want to belong to NAFTA anyway?

The second issue was the question of the economy—particularly, the debt. This issue is central to understand how Britain has played on the U.S. money handlers, pushing Washington to prepare contingency plans. Much of Quebec's paper debt is in American hands, with CS First Boston and Merrill Lynch being the most involved. The question of dividing up the city of Montreal was even discussed; although all the witnesses agreed that it would be an ugly process, the "financial hot-money sharks" of the Harry Bloomfield⁴ circle, would love to have part of Montreal become a "free enterprise zone."

Third was the issue of defense and security. Campbell asked: "Canadian troops assist in NATO operations; will Quebec troops as well? . . . In addition, NORAD may be implicated." But that's a completely bogus argument, for there are no NORAD installations of importance in Quebec, and no early warning systems are based in Quebec. Moreover, U.S. Secretary of State Warren Christopher, on March 28, 1996, signed a renewed and updated version of the NORAD agreement—so up-to-date, in fact, that there are clauses in the new NORAD agreement that take into account Canada's "environmental concerns." Added to that, the United States signed, on Sept. 19, the Arctic Council Agreement, which includes the territory in question (Nunavut). And as for "Quebec troops' non-participation in NATO," the Pentagon is already more than glad, that Quebec doesn't have troops on the U.S. border.

Fourth was the question of the Atlantic Canada/St. Lawrence Seaway. The argument here is that if Quebec separates, the Canadian Maritime provinces are likely to be left hanging, by the rest of Canada. These provinces are among the poorest, and are receiving a lot of "transfer payments" from Ottawa. These subsidies are likely to dry up in the event of Quebec's secession. The Doomsday scenario pushed by Representative Campbell here is: "America may be presented with a new territory along its northeastern border that includes seriously depressed economies and under-funded welfare agencies. . . . Emigration to the U.S. would likely increase. Perhaps of necessity, strategic alliances detrimental to the United States might also seem alluring to Atlantic Canada, in return for foreign aid from countries not necessarily friendly to the

2. Joseph T. Jockel was in 1994 a visiting professor at the Center of Canadian Studies of Johns Hopkins University School of Advanced International Studies; a senior associate at the Center for Strategic and International Studies (CSIS), Americas Program; he created and directed the "Canada Project," 1992-94. He set up the Congressional Study Group on Canada, a CSIS-CFR front, used by Britain Foreign Office to steer Congress on issues pertaining to Canada. During 1992-93, he was a Fulbright Fellow in War Studies at the Royal Military College of Canada. He has been a CFR fellow in the U.S. Department of State's Office of Canadian Affairs. He was a fellow of the Woodrow Wilson International Center for Scholars, a NATO research fellow, and a senior fellow in the Government of Canada's Canadian Studies Program.

3. Christopher Sands is the current head of the Canada Project at the CSIS in Washington, D.C.

4. Harry J.F. Bloomfield was in the first row at the Congressional hearings. He is the nephew of the late Louis Mortimer Bloomfield, a lawyer for the Montreal-based Bronfman mob interests whom *EIR* has identified as having been implicated in the assassination of John F. Kennedy. Harry Bloomfield is now the handler of an important operative named Guy Bertrand (see *EIR*, Feb. 2, 1996, p. 45).

United States. The status of these provinces might threaten control of the St. Lawrence Seaway." On the other hand, if these provinces were to join with the United States, they would be a financial burden.

The fifth issue involved the possibility of a period of unrest. Earl Fry, a past-president of the Association of Canadian Studies in the United States (ACSUS), asked a series of questions: "Would Ottawa accept a unilateral declaration [of independence] on the part of Quebec, and if not, would it be prepared to send in military forces? Would Quebec be allowed to separate with its current borders intact? Would native groups remain a part of Canada or Quebec? What would happen to the Anglophone communities in Quebec? . . . Would there be widespread civil strife? Unless terms of separation had been worked out prior to the [next] referendum, a highly unlikely possibility, both Canada and Quebec would be moving into uncharted territory. As soon as the [yes] referendum results were known, the Canadian currency would fall precipitously on international markets. If Canadian currency were to fall below its historic low of 69¢ vis-à-vis the U.S. dollar, and the Bank of Canada's reserves were exhausted in a vain effort to slow this devaluation, Washington might be asked to put together a rescue package which could be more expensive than the controversial package rescuing the Mexican peso in early 1995."

The main underlying assumption being pushed here, is that there is nothing that can be done; that an historical-social cycle is now coming to its inevitable end phase.

It's all bunk! Of course the United States could do something! First, it could simply continue to treat Canada as it did during the Cold War. Up until 1989, the different factions forming the U.S. elite were united in the common goal of a strong national defense. They never second-guessed what kind of policy the United States should have toward Canada. They would support any pro-American movement which developed inside Canada (be it among the population or in the government), and would oppose those which were not. Now, the United States should go one step further, and openly or discreetly say, that Washington would be more than glad to help Canada cure itself of its British parasites.

The U.S. Congress must recognize that the world since the end of the Cold War has been dominated by four big powers: the United States, Russia, China, and the British Empire. In this new world, the greatest antagonism is that of the British toward the United States. International terrorism, world finance, and the problems of Canada cannot be understood apart from this continuing hostility of London toward the United States. The stated policy of the Clinton administration concerning the Canadian crisis is in the right direction, as far as it goes: support for the unity and stability of Canada. To this, must be added vigorous countermeasures against the United Kingdom, which is committing an unfriendly act against the United States by deliberately stirring up violence and secessionism on the territory

of its northern neighbor, with the clear intent of spreading it south.

ACSUS: a British intelligence conduit

These issues were certainly not clarified by the deplorably one-sided array of witnesses invited to the hearing by Representative Burton. All the academic experts are members of the Association of Canadian Studies in the United States. Dr. Jockel is its president, while Dr. Doran and Dr. Fry are past presidents; Sands is an ACSUS member who addressed their 1993 annual conference. ACSUS, in turn, is a branch of a larger international organization called the International Council for Canadian Studies. The patron of ICCS is Queen Elizabeth's hand-picked official representative, H.E. the Rt. Hon. Romeo LeBlanc, governor general of Canada and head of the Queen's Privy Council of Canada. Not only is Queen Elizabeth's representative the patron of ICCS, but one of their annual awards is called "The Governor General International Award."

The American intelligence community may think that ACSUS provides a wonderful, cheap listening post into what's going on in Canada; but that's exactly where the U.K.'s Foreign Office has outsmarted them once again.

ACSUS itself appears to have been set up as part of a broader intelligence agency operation, to control what Americans should or should not know about their neighbor to the north. The national security threat to the United States comes from the fact that the majority of the U.S. college and university professors teaching Canadian studies, are part of this network.

In a word, the so-called "American experts" on Canadian affairs have had their "mental map" drawn by a unit of the psychological warfare division of British Intelligence. That is the purpose of the ACSUS network.

ACSUS is funded by the Canadian government, the Business Fund for Canadian Studies in the United States, the International Council for Canadian Studies, and the William H. Donner Foundation. Its corporate sponsors are Alcan, Ford Motor Company, Great Lakes Gas, and Royal Bank of Canada. The William H. Donner Foundation, in early 1992, sent free of charge to all journalists in the United States, a "guide" to the Canadian balkanization operation. It contains a long list of "experts" on Canadian studies, many of them belonging to ACSUS.

In conclusion, Dr. Doran's article in the CFR's magazine argues for a U.S. policy of "supranational affiliation" with the whirling fragments of post-Canada. This supranational monstrosity is Confederate in form, unworkable, and toxic to U.S. sovereignty. One attempt at a Confederacy here was enough. Americans of all party affiliations are sick and tired of supranationalism. It is time for British Intelligence to stop meddling in U.S.-Canadian affairs. Patriotic American experts need to be heard by the U.S. Congress—not Anglophiles.

Book Reviews

Lifting the veil on the secret government

by Dean Andromidas

In the Public Interest

by Gerald James

Warner Books, London, U.K., 1996

384 pages, paperbound, £8.99

In the fall of 1995, a regiment of Iraqi troops surrounded a villa on the outskirts of Baghdad. Their mission: eliminate Hussein Kamil, the son-in-law of Saddam Hussein. Kamil had just returned from Jordan, where his attempt to defect was apparently rebuffed by both Jordan's King Hussein and the United States. Kamil and several members of his family were killed that night. The whole affair seems strange. Here was the son-in-law of Saddam Hussein, who at one time was one of his top intelligence chiefs, and no doubt knew more of the Iraqi President's comings and goings than any other man in Baghdad: Why, if U.S. and British policy is to rid the world of Saddam, would they not whisk this prize off to CIA headquarters in Langley, Virginia, for thorough debriefings? Why was he forced back to Iraq, to his certain death?

James's new book, a personal account of the massive, illegal arms sales to Iran and Iraq during their eight-year-long war, offers some answers. During that war, Gen. Hussein Kamil was in charge of Iraq's military-industrial sector, and clearly knew of all these dealings. He was not the first, nor most likely the last, to die because he "knew too much."

The value of *In the Public Interest*, lies in James's personal account of the illegal arms trade during the Iran-Iraq War, which was kept going by the Anglo-Americans under a geopolitical policy of "dual containment." That murderous strategy has resumed since the end of the Gulf War.

As chairman and founder of the arms manufacturer Astra Holdings, James was intimately involved in many of these arms deals, not just as a profiteer, but also as a very real victim. His is an account of an outsider who entered the world of the international arms trade seeking to establish a profitable

business concern, but found himself in the middle of the arms industry's deadly mix of military-intelligence and political intrigue. This is an extremely serious book, which, in going to the heart of the matter, makes these key points:

- The selling of arms and munitions to Iran and Iraq, including the so-called "weapons of mass destruction," at the very least, was known about and encouraged, and more likely was the design of the highest levels of the British and U.S. governments, including Margaret Thatcher and George Bush.

- These illegal arms sales were central to what Margaret Thatcher pointed to as her economic miracle, which wiped out the traditional manufacturing base of Great Britain, and turned it into the second-largest arms exporter in the world.

- The same international cabal that violated the export bans and sold the weapons, organized the scapegoating of minor players, such as Astra Holdings, as part of the coverup of the higher command structure. James demonstrates how this coverup did not stop at judicial frameups, but involved intimidation and murder as well.

In 1981, Gerald James led a group of businessmen in the takeover of the Astra Fireworks company, turning it into a multimillion-dollar arms producer. By 1989, it had subsidiaries in the United States, Canada, Great Britain, and Belgium, with an order book of over \$450 million. By 1990, through what James very convincingly describes as a "cabal," involving the highest levels of the British government, intelligence and military-industrial establishment, and the City of London, he and his colleagues were forced out of the company, some put into jail, others victims of violent intimidation, and still others murdered. The cabal helped build up James's firm as part of their strategy of maximizing covert arms sales. Then, when the end of the Iran-Iraq War ushered in an intensification of geopolitical policy, culminating in the Gulf War—George Bush's "finest hour"—Astra was chosen as one of the sacrificial lambs, whose destruction would serve to cover the truth: Astra was forced into bankruptcy, with its constituent parts sold off to companies such as British Royal Ordnance, which, as the real insider companies, were major profiteers of the arms sales of the 1980s.

Who did it, and how

James takes the reader, step by step, through who organized the covert arms exports and how they did it to circumvent the arms sanctions which had been imposed. He is not afraid to name names in describing a network of individuals, that reaches to the highest levels of the Anglo-American establishment. Some examples:

Sir John Cuckney, as chairman of the 3i group, an institutional investor comprising the Bank of England and the top City banks, headed one of the three institutional investors backing Astra. But Sir John was much more: A former intelligence officer for MI-5 (the British domestic security service,

responsible for intelligence operations in the former colonies), he was a member of Margaret Thatcher's inner circle. As director of Midland Bank and its secret Midland International Trade Services, and the Ministry of Defense's International Military Services Ltd., Cuckney was one of the architects of the British covert arms policy, and key in establishing the Iraqi arms procurement network in Great Britain. As chairman of the TI group, he oversaw the sale of its Matrix Churchill machine tool subsidiary to the Iraqi government, with full knowledge that the company would be involved in the manufacture of "weapons of mass destruction."

Stephanus Adolphus Kock played a central role as the cabal's point man for the penetration and destruction of Astra. Kock, of Czech origin, worked in various military and intelligence capacities in Rhodesia, and, more importantly, was a protégé and bagman for the First Viscount Monckton of Brenchley, chairman of Midland Bank. Monckton, who had held a portfolio in Winston Churchill's wartime government, led the so-called Maidstone Mafia (Maidstone was the family estate), one of several elite circles that control British postwar policy. Kock was an intimate of Margaret Thatcher, and played a leading role in organizing the multimillion-dollar British arms deals, including with the Saudis and Malaysians. Kock worked alongside Sir John Cuckney and French Trilateral Commission member Count Hervé de Carmoy, at Midland Bank on these huge operations.

James mentions others, including City bankers, arms dealers and manufacturers, and former and current MI-5 and MI-6 officers, but stresses that these people were only carrying out a policy that had been crafted at the highest levels of the British establishment, higher than elected officials or even the prime minister. In detailing this relationship, James points out that every arms deal in Britain, if not in the world, is first known by the government's Joint Intelligence Committee (JIC), which is responsible for coordinating intelligence from all government agencies, including MI-5 and MI-6, the Foreign and Colonial Offices, etc. The intelligence is then passed on to the chief of the cabinet office, a civil servant, a member of the "permanent government," who may or may not pass it along to the prime minister. Also, every week, the JIC makes a full presentation, in person, to the Queen, who, James underscores, takes a far more active role in governing her empire than the "soap opera" camouflage she is provided by the press.

James shows how this secret government acts with impunity: While flagrantly violating the laws of the elected government in furthering its policy goals, it does not hesitate to use the power of the state to silence its opponents and victims.

Where the trail of bodies leads

James's book makes an important contribution to exposing the secret government, international in scope and still

at the service of those who stand behind George Bush and Margaret Thatcher. Its exposé aids in understanding the breaking Contra cocaine-trafficking scandal, in which George Bush was the kingpin in the U.S., and bears immediately on the interlocked scandals engulfing Belgium centering on the 1991 murder of political boss André Cools and the discovery of a pedophile ring run by Marc Detroux (see *EIR*, Sept. 27, 1996).

The key to unravelling the Cools murder and the web of what seems to be endless corruption in Belgium, is the unsolved murder of Canadian Gerald Bull in 1990. When it became overwhelmingly clear that Astra and its board of directors were on the cabal's chopping block, Astra board member Chris Gumbley met with Bull, on the night of March 22, 1990, only a few hours before the latter's death. That meeting grew out of Astra's 1989 acquisition of the Belgian munitions manufacturer PRB, then a subsidiary of Société Générale de Belgique, a holding company that controls one-third of the Belgian economy. As part of the so-called "explosives cartel," PRB was fully integrated with the leading NATO munitions companies, including Royal Ordnance, ICI Nobel, and Muiden Chemie.

PRB, from the 1970s up through the mid-1980s, had been part-owner of Bull's Space Research Corporation in Brussels, and financed much of his research, including in projects involving British firms. Among these projects was what became known as the "super-gun," which was, in any case, insignificant compared to far more lucrative sales of conventional weapons. Bull's murder can only be seen in the context of his direct involvement and knowledge of a whole range of illegal deals, involving Britain, the United States, and other countries, rendering absurd the attribution of his assassination to Israel's Mossad.

At that March 22 meeting, Gumbley and Bull agreed to begin cooperation on exposing these operations, as their only means of self-defense. After the cabal got Bull out of the way, Gumbley was arrested by the British government, and was convicted on trumped-up charges of corruption. He was packed off to jail.

André Cools is said to have known Bull, and was fully knowledgeable of the dirty international arms dealings; many, including James, were prepared to use what they knew, for whatever reason, to politically damage the cabal. Notably, Cools was murdered in July 1991, at the same time that the evidence of the U.S. and British dirty arms operations to Iraq and Iran was being covered up by UN inspections of Saddam's "weapons of mass destruction." But perhaps the most compelling piece of evidence that puts Cools among the 20 or 30 others who have been permanently silenced to cover for the cabal's illegal arms sales, is the fact that the same judicial, security, and political establishment that forms the Belgian branch of this secret government, is responsible for keeping both his and Bull's murder cases unsolved.

International Intelligence

Thatcher under fire for her anti-German bloodlust

"I don't know much about scandals concerning George Bush, but you should keep a close watch on the attacks against Margaret Thatcher, that are now breaking here," a leading British Trilateral Commission member advised *EIR*. He was referring to excerpts in the Sept. 23 London *Times* from a new book by George Urban, former head of Radio Free Europe, *Diplomacy and Disillusion at the Court of Margaret Thatcher*. "We will soon be hearing more about this, I'm sure," said *EIR*'s source.

Urban recounts how Thatcher, during an address at London's Center for Policy Studies in December 1989, reacted violently, when a fellow Tory expressed the view that German reunification was both good and inevitable. Thatcher, says Urban, was "extremely reluctant to see Germany assume a role other than that of a divided country," and told the author: "There are things that people of your generation and mine ought never to forget. We've been through the war, and we know perfectly well what the Germans are like, and what dictators can do, and how national character doesn't basically change."

Asked by CPS Chairman Lord Hugh Thomas whether the West would now "switch enemies," from the Soviet Union to Germany, Thatcher shot back: "As soon as the Germans have fully recovered, they will reassert their hegemonic interests throughout Eastern Europe. . . . With the Central European countries reasserting their independence, and all the ancient feuds and territorial disputes resurfacing, we may be going back to the state of affairs preceding the First World War."

German TV producer staged Klan rallies

German television producer Michael Born was on trial in September for fraud, after he admitted staging phony meetings of the "Ku Klux Klan" in Germany for a documentary.

He claims that German TV executives knew his work was staged, and thus, that he could not have defrauded them. Prosecutor Norbert Weise charged that Born sold 32 copies of the documentary with "made-for-TV" Klan rallies to television companies in Germany and Switzerland. The documentaries were supposed to show the resurgence of Nazism in Germany.

The Born scandal occurs in the wake of the tour by British asset, Daniel Jonah Goldhagen, to promote the German translation of his book *Hitler's Willing Executioners*, which blames all Germans for the Holocaust.

In October, a Hamburg court sentenced Nebraska neo-Nazi Gary Lauck to four years, for being the main supplier, over two decades, of propaganda to the German neo-Nazi underground. Lauck's demise was due in part to an *EIR* exposé showing him to be a British-run "setup," prompting German, Danish, and U.S. authorities to collaborate in shutting down his dirty little operation.

Myanmar formally requests ASEAN membership

Myanmar formally filed its request for membership in the Association of Southeast Asian Nations (ASEAN), Malaysia's Foreign Minister Abdullah Badawi told the press on Sept. 17. Badawi said the application was made last month, at the time that Gen. Than Shwe, chairman of the ruling military council, SLORC, visited Malaysia. Abdullah was optimistic that Myanmar would be accepted in the regional body, to which it was admitted as an official observer at the late July ASEAN meetings in Jakarta, Indonesia, in spite of heavy-handed pressure by the European Union and the United States to blackball Rangoon. Laos and Cambodia are in line to join ASEAN in 1997.

Among the first to protest Myanmar's membership is Gen. Bo Mya, head of the country's principal ethnic secessionist movement, the Karen National Union. The KNU was formed in 1947, on the heels of independence from Britain, and is the last significant rebel group fighting for auton-

omy. Bo Mya protested that accepting Myanmar into ASEAN would give legitimacy to "military dictatorship." One of the leading foreign supporters of the Karenni movement is George Bush's cousin, Elsie Walker.

Benjamin Netanyahu snubs France's pro-peace Jews

Israeli Prime Minister Benjamin Netanyahu refused to attend a dinner with the French Jewish umbrella organization CRIF during his late-September visit, and instead dined with his supporters among the Likud-France fanatics. According to the Paris daily *Libération*, he is the first Israeli premier to snub the dinner held specially in his honor, even though CRIF's leader, Henri Hadjenberg, is not particularly favorable to Netanyahu. One Jewish leader told *Libération*, "Bibi Netanyahu is again behaving like a cult leader."

Likud-France, writes the daily, is "much more extreme than its mother party" in Israel. After news shot around the world of Yitzhak Rabin's murder, Likud-France President Jacques Kupfer remarked that his only regret, was that he would not now have the chance to put Rabin on trial for treason. The student wing of Likud-France, Tagar, has put out leaflets claiming that Shimon Peres arranged Rabin's assassination, to discredit Israel's right wing. Likud-France has repeatedly organized violent protests against visiting Israeli Labor Party leaders.

OAU may hire S. African mercenary 'peacekeepers'

According to the London *Independent* on Sept. 18, a recent South African intelligence assessment concluded that the Organization of African Unity (OAU) may be forced to offer the firm Executive Outcomes a contract "for peacekeeping continentwide." Executive Outcomes, registered in London and Johannesburg, is a South African mercenary operation, with direct ties to the South African giant mining company, Anglo-American.

In Angola, the firm was hired by the

MPLA government of Dos Santos to clean up Jonas Savimbi's Unita, in exchange for a franchise in Angolan diamonds. The Clinton administration has told the Angolan government to get rid of Executive Outcomes, but so far it has not done so.

In Sierra Leone, it was hired by the government to mop up the Revolutionary United Front insurgency, which is allied with Liberia's French-backed warlord Charles Taylor. In return, the extremely well-equipped Executive Outcomes took the diamond-mining franchise in Sierra Leone.

In Uganda, it reportedly guards the Karamoja gold mines, in which British Minister of Overseas Development Baroness Lynda Chalker reportedly has interests.

Writes the *Independent*, "Executive Outcomes recruits from some of the most combat-experienced soldiers in the world, former members of the apartheid regime's notorious 32 Battalion and Koevet and former British officers. Its security services range from mechanized infantry and armor to naval and air-force training."

3,700 Moscow police guard Michael Jackson

Some 1,200 policemen and 2,500 security officials guarded rock idol Michael Jackson in Moscow, according to NTV's *Vremchko* program on Sept. 18. No political figure visiting Russia in the last five years was treated with such enthusiasm. According to *Moskovsky Komsomolets* on Sept. 15, all these precautions still did not help when a crowd surrounded Jackson on Red Square, trying to tear off his black mask (which he sports to protect himself from infections). Jackson was rescued from the crowd by an officer who "took him by the collar and dragged him into a police car."

According to the Sept. 15 *Moskovskiy Novosti*, when he was in Prague, the androgynous Jackson could look out the window of his hotel and see the 10-meter monument of himself, erected on the base of the Stalin monument, which had been taken down in 1962.

NTV reported the "heroic" intervention

of Moscow customs officials on Sept. 18, who confiscated the gift of an antique sword presented to Jackson by the ex-head of Presidential Security, Gen. Aleksandr Korzhakov. The sword, a national treasure, bears the crest of Czar Nicholas II on the handle, and by law, it cannot leave the country. Moscow customs was not so meticulous when hundreds of Russian icons, pictures, etc. freely crossed the border in 1990-95. Russian intelligence officials evidently can perform heroic deeds only when they are assigned to discredit other Russian intelligence officials.

Filipinos may vote out Presidential term limit

Approximately 18 months away from the next Philippines Presidential elections in 1998, already more than half of the 3.5 million signatures needed to convene a plebiscite to scrap a Constitutional one-term limit for President Fidel Ramos have been gathered, according to the London *Financial Times* of Sept. 19. The daily reports that Ramos himself says his list of possible successors is "a very short list. And it's getting shorter every day."

Presidential term limits is a highly emotional issue, wrapped in the mythologies associated with the "People's Power Revolution" that overthrew Ferdinand Marcos in 1986. Under Corazon Aquino, in 1987, the Constitution was profoundly changed, including slapping a single six-year term limit on the Presidency and recognizing the legitimacy of "autonomous regions," based on ethnicity or religion, as affirmed in the recent peace agreement in Mindanao.

The *Times* points out that Ramos is too shrewd to embrace the petition drive, at least until after he hosts the APEC summit at Subic Bay in November. But, without doubt, the pressure is building in certain sectors of the business and foreign investors community to sustain the all-out liberalization and privatization scheme that has become Ramos's hallmark. With no other candidate yet opposing "globalization," why change horses till the nails in the horse's hooves are sold out from beneath the rider?

Briefly

EGYPT'S President Hosni Mubarak bluntly told the London Arabic daily *Al-Hayat* of Sept. 18, "We have contacts with all the states concerned with terrorism. We held the Sharm al-Sheikh international conference to cooperate against terrorism. All the participating governments agreed on that, but some states, like Britain, give political asylum to terrorists, and these states will pay the price for that."

VIETNAM called for ASEAN to develop a plan of action against the drug plague, as anti-drug officials from ASEAN, Interpol, the UN Drug Control Program, and the Bangkok-based Association of Narcotics Control Officers started a five-day meeting in Hanoi on Sept. 17. In spite of its efforts, Vietnam itself has become a transit country for opium, and is suffering a huge rise in addiction.

GREEK SOCIALIST Prime Minister Costas Simitis won reelection in a tight race against conservative challenger, New Democracy party leader Miltiadis Evert on Sept. 22. Evert had made confrontation with Turkey the focus of his campaign. Evert has accused Simitis of backing down in January, in a dispute with Turkey over a deserted Aegean island. The dispute almost led to war.

SHIMON PERES, Israel's former prime minister and Labor Party leader, announced on Sept. 18 that he will not run again for the party leadership in the June 1997 Labor Party leadership primaries, nor will he run for prime minister in the national elections in 2000.

JORDANIAN and British troops fought mock battles south of Amman on Sept. 17, completing 13 days of joint war games. Jordanian and British army officers said the exercises, involving 1,000 troops, were not related to the current situation in Iraq. British Lt. Col. Clive Hodges, the head of the Cyprus-based King's Regiment, said his soldiers were able to fire all their weapons, including anti-tank weapons, which is impossible on the divided island.

Russian 'democrats' recruited to Conservative Revolution

by Roman Bessonov

Part 2 of a series on "The Anti-Utopia in Power."

"How easily the party bureaucracy has betrayed us to the capital . . . that emerged from the 'shadow economy,' primarily from the distribution sector. That is where the thieves' capital had been accumulating, to make its demand for the 'free market'!"

This precise description of what happened in the Soviet Union in the mid-1980s came from neither a politician nor a Sovietologist. It appeared in a letter to the editor from a worker in Ryazan, published in summer 1992 in the newspaper *Den*. Filmmaker Stanislav Govorukhin later labelled that process "The Great Criminal Revolution." The new, flourishing criminal sector of the economy stemmed from the middle link of the Soviet economy's centralized distribution system, which had been colonized for purposes of illegal profiteering since the early 1960s, by Russian organized crime kingpins, who were freed from the Gulag¹ along with political prisoners. On balance, the Khrushchov-era thaw favored the wheeler-dealers of the shadow economy, even more than it did the modernist painters and writers.

These two layers, together with the "grandsons" generation of the Soviet elite,² were what the "democracy" promoters of the Thatcher-Bush period had to work with, when they

descended on Russia during the break-up of the Soviet Union. Organizations such as the Mont Pelerin Society's London-based Institute for Economic Affairs and the U.S. National Endowment for Democracy's International Republican Institute (IRI), sought recruits who would readily assimilate the construct, that the test for "democracy" is adherence to the doctrines of economic deregulation and free trade.

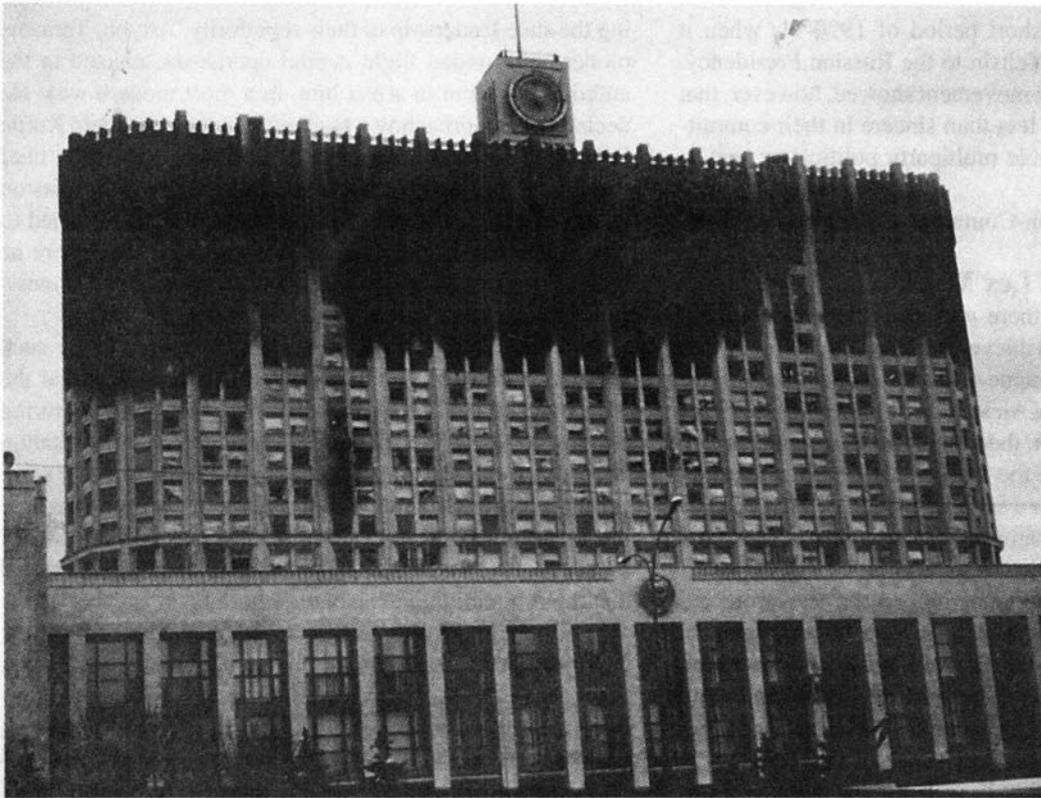
The relevant selection techniques had already been practiced for many years. The Thatcherites of the IRI and kindred organizations were able to build on a recruitment effort within the Soviet elite, launched by the Anglo-American establishment long before the dissidents were set free.

Conversion of the Marxists

Such institutions of the "world nomenklatura" as the International Institute for Applied Systems Analysis (IIASA), near Vienna, and the Club of Rome were outposts of a decades-long operation to convert members of the Soviet scientific community and propaganda apparatus to globalist Malthusian views. They interacted with an older generation of the Soviet nomenklatura, including "nobility" such as Aleksei Kosygin's son-in-law Dzherman Gvishiani, *Pravda* editor Ivan Frolov, and top journalists such as Otto Latsis, Vladlen Karpinsky, and Yegor Yakovlev. The latter regarded themselves as *shestidesyatniki*, men of the 1960s, or as "children of the Twentieth Party Congress," the meeting in 1956 where Nikita Khrushchov began destalinization. The post-Twentieth Congress thaw was positive for the liberation of the mind, but it coincided with the consumerist shift in official Soviet ideology ("goulash communism"), and when the thaw-makers were allowed to take over the country's

1. Soviet prison camps in the Stalin period came under the *Glavnoye upravleniye lagerei* (Main Directorate of Camps), hence the abbreviation *Gulag*, made famous to the world by Aleksandr Solzhenitsyn in his *Arkhipelag Gulag* (*The Gulag Archipelago*, Harper & Row, 1974).

2. R. Bessonov, "The IRI's Friends in Russia: The Anti-Utopia in Power," *EIR*, Sept. 6, 1996 (part 1 of this series) introduced the "grandsons."



The Russian Parliament in October 1993, after Boris Yeltsin's shelling of it. A new "democratic" elite came to power after the showdown, with the backing of foreign interests. But their former colleagues, the former prisoners of conscience of the Soviet regime, were left searching in the hospitals, trying to estimate the real number of victims of Yeltsin's massacre.

strategy during the Gorbachov period, the outcome was well expressed in the last title in Progress Publishers' perestroika series—*Sinking in the Quagmire*. Recently, Latsis admitted in one of his *Izvestia* columns, that for these "children," the least important question was statehood, the identity and survival of the nation.

In 1989, Otto Latsis and Yegor Gaidar celebrated a victory at the editorial board of *Kommunist* magazine, the theoretical organ of the Communist Party of the Soviet Union. They managed to oust Academician Aleksei Sergeyev, who advocated imitation of the German economic recovery in the 1950s, as the basis for economic reform in the Soviet Union. Thus the ideas of dirigist economic development were amputated from economic science during perestroika. Instead, *Kommunist* began to promote projects for "regional sustainable economies," starting with a regionalization project in Estonia. A second line of research was to review agricultural policy in the Soviet period, under the pretext of criticizing Stalin's collectivization policy; in this context, Latsis tried to prove the necessity of a free market in real estate.

At nearly the same time, another highly convertible Communist Party leader, political economy teacher Gavriil Popov, became the editor of the monthly *Voprosy Ekonomiki* (*Questions of Economics*), published by the Soviet Academy of Sciences. This journal quickly passed from "studying economic alternatives," to open promotion of Friedrich von Hayek's ideas, recommending the latter as "necessary educa-

tional material," as Lenin's or Stalin's teachings had been in years past.

Von Hayek's writings were published in Leningrad in 1989, in a paper called *Literator*, issued by the "democratic" wing of the local Writers' Union. *Literator* was also the tribune for Prof. Vadim Chubinsky, deputy director of the Leningrad Higher [Communist] Party School, who repented of his creed but saved his chair, as head of the renamed Academy of Administration.

Other high-positioned Marxist scholars who were to become part of the new "democratic" establishment rose due to their organizational, rather than intellectual, leadership. Within the Communist Party of the Soviet Union, there was the so-called Democratic Platform of the CPSU, out of which Moscow Higher Party School head Vyacheslav Shostakovsky split the new Republican Party in 1990. The new "party builders" confessed that they plagiarized the name from the U.S. Republican Party ("we could have taken another name, but the Democratic Party of Russia already exists," one party activist told me).

Gavriil Popov was incorporated into the leadership of the Movement for Democratic Reforms, which CPSU Politburo member Aleksandr N. Yakovlev planned to establish as the new ruling party. This project was still-born, when the same Popov, together with another ex-professor of scientific Marxism-Leninism, Gennadi Burbulis, founded a new entity called the Democratic Russia movement. This mass organization

was really strong in the short period of 1990-91, when it helped to promote Boris Yeltsin to the Russian Presidency. The subsequent fate of that movement showed, however, that Burbulis and Popov were less than sincere in their commitment to building a workable multiparty political system in Russia.

But, what about the non-Communist “democrats”?

Ivan Denisovich and Lev Markovich

From the beginning, there was something in common among the highly qualified thieves, sorted out by the selection process in the Gulag, and some of the so-called “progressive creative intelligentsia.” In Aleksandr Solzhenitsyn’s *A Day in the Life Ivan Denisovich*, the famous novella on the prison camps published in 1962, the worker-convict Ivan Denisovich is portrayed alongside a specific type of privileged convict, representing the “progressive intelligentsia,” but well adapted to the criminal milieu as well. This “Lev Markovich” neither organized resistance, nor helped the less-protected prisoners to survive in the camp; he just made others respect him as somewhat special, and enjoyed this difference which placed him above the others. Such persons were commonly labelled as *blatnoy*, i.e., included on a special list (from the German-Yiddish word *Blatt*).

Real “Ivan Denisoviches,” such as the poets Varlam Shalamov and Boris Chichibabin, never made political fortunes from the tragic period of their life, rejecting advice from their friends and from journalists, both domestic and Western, to do so. Many of those who were called dissidents did not even like to speak of their time in the camps.

But the “Lev Markoviches” realized that the West was ready to favor them, and provide them with privileges sometimes greater than what a party official could achieve in the Soviet Union. By the late 1970s, the term “dissident career” already existed. The mid-1980s gave rise to a new one, the “economic dissident career.”

The relaxation of business and trade regulations under perestroika, allowing the creation of cooperatives, was followed by quasi-official privileges for swindlers and speculators from the so-called “workshop” industries; a growing segment of the economy was positioned to evade taxes and regulations, and to absorb an ever greater amount of illegal cash. Under Gorbachov, criminal penalties for financial crimes became much milder, to the benefit of the unofficial elite not only in industry, but in the armed forces and in culture. Military industry directors, generals, and privileged members of the “creative intelligentsia,” involved in the Afghanistan War and its propaganda apparatus—all these types made illegal fortunes from the arms, narcotics, and other types of illegal trade.

The buildup of this shadow economy began earlier, but in the late 1980s the thieves could exact the same respect from society, and influence, as the “prisoners of conscience.” And the “economic dissidents” began to show their teeth, remind-

ing the state leadership of their superiority. Artyom Tarasov, pioneer of Russian flight capital operations, reacted to the authorities’ intent to arrest him, in a most modern way: He declared that Gorbachov was about to sell the southern Kurile Islands to Japan. In other words, “You are no less a thief than I am!” (Tarasov may really have been in possession of information dangerous to Gorbachov, for he managed to emigrate safely and take up residence in London, where he founded a special PR firm catering to “progressive businessmen” who have problems with the law.)

“Economic dissidents” were eagerly promoted by such heralds of the new thinking as *Ogonyok* magazine and the *Moscow News*. The only detail absent from their admiring articles about former junior scientists, such as Konstantin Borovoy, and Komsomol (Young Communist League) functionaries like Konstantin Zatulin and Valery Pisigin, was how these gentlemen had made their first fortunes. In 1992, one of the founders of the Moscow Commodities Exchange revealed that the future billionaires, being informed in advance of the impending decontrol of prices, were able to make huge bulk purchases of goods at state-regulated prices and then market them for profit after prices were “liberated.” People understood that the barrier between criminality and state policy had been broken.

After the coup attempt and demise of the Soviet Union in August 1991, the moral orientation of “Enrich yourself!” adopted by Gorbachov and fostered by his and Yeltsin’s Western advisers, eclipsed any loyalty to “democratic” ideals as such, among Russian reformers. Old Moscow streets, triumphantly renamed for century-old real estate owners instead of famous Russian or Soviet actors and writers, did not become more beautiful with the addition of McDonald’s or billboards for Pepsi. New Russian films romanticized criminality: A sentimental TV series, based on the true story of a female lawyer helping her criminal lover escape from Kresty jail in St. Petersburg, was followed by a new screen version of Isaac Babel’s Odessa stories, in which a gangster family appears as the harmless victims of Soviet commissars. The new Russian elite, speaking a mixture of criminal slang and broken English, dictated its manners and customs to the whole society.

Two years before the world was horrified by the style and slogans of Vladimir Zhirinovskiy in 1993, the president of the Russian Raw Materials Exchange, Konstantin Borovoy, formed his Party of Economic Freedom, in which at least five top figures were criminals. One of them, a certain Rosenblum, never suffered from “misunderstanding” of the new economic methods: He had twice been in prison . . . for rape.

Top criminals became respected citizens. Members of the “progressive intelligentsia” deposited their money in the criminal Chara Bank, or at least that was fashionable until its director was murdered. People’s Artist Iosif Kobzon, a frequent guest in Afghanistan, Cuba, and with the Western Group of the Soviet Armed Forces (in East Germany), orga-

The Kriebel Institute

Not the highest-profile organization in Washington, the Kriebel Institute nestles in the web of think-tanks and foundations that promote the “neo-conservatism” of the Conservative Revolution—both at home and, presenting their ideology as the true coin of American “democracy,” all over the world. The Russian nationalist press could as easily have selected the Cato Institute or the Heritage Foundation as the subject of exposés about the foreign indoctrination of Russia’s new elite; both those institutions are active in Moscow.

On the official and quasi-governmental side, the International Republican Institute and the Center for International Enterprise, operating under the National Endowment for Democracy, sell the same snake oil. The cover story of this issue of *EIR* provides a sample. Our *Special Report*, “Phil Gramm’s ‘Conservative Revolution in America,’ ” in *EIR* of Feb. 17, 1995 mapped the interlocking directorates of the Conservative Revolution’s agencies in the United States.

By the high stature both of its featured speakers at Moscow seminars and of the Russians who were hearing them, the Kriebel Institute set the pace for Conservative Revolution recruitment there at the start of the 1990s.

Officially, Dr. Robert Kriebel’s organization is The Kriebel Institute of the Free Congress Foundation, one of

the charter “neo-con” projects. Conservative Revolution guru Paul Weyrich established the Free Congress Research and Education Foundation in 1977, in the same era that saw the Heritage Foundation (1973) and the Cato Institute (1973) come on the scene. The chairman of the FCREF board today is Jeffery H. Coors, of the Coors beer family, whose patriarch, Joseph Coors, funded Heritage from the outset, and later found himself testifying before Congress on his personal purchase of an aircraft for the George Bush/Oliver North illegal Contra resupply operation in the 1980s.

In publicity material, Bob Kriebel congratulates himself on his sub-sector’s special “mission to help equip those individuals in the former Soviet Union, who seek to understand the principles of Democracy and democratic capitalism, with the tools necessary to further their countries along on the road to freedom.” He speaks with pride of “our Field Representative force . . . established throughout the Former Soviet Union.”

Dr. Kriebel, meanwhile, sits on the board of the Mont Pelerin Society (see “Mont Pelerin Pushes the Criminal Economy,” with part 1 of this series, *EIR*, Sept. 6, 1996) and is a trustee of the Heritage Foundation. According to Federal Election Commission records, Kriebel has been one of the top ten individual contributors to the Congressional campaigns of Newt Gingrich (1992 and 1994) and to Gingrich’s GOPAC (since 1985). Leading GOPAC personnel cut their political teeth working on special projects at the FCREF, and Gingrich, himself, cites Paul Weyrich as one of the inspirations of his life.—*Rachel Douglas*

nized a campaign in favor of top Russian “thieves-in-law”³ Kalina and Yaponchik, with assistance from Otari Kvantrishvili, the quasi-official mafia controller of Russian sports and charitable foundations. When pseudo-general Dmitri Yakubovsky had already been arrested for smuggling antiques, all Russia saw a three-part cinema serial glorifying him.

The new authorities had scant use for the genuine political dissidents of the Soviet period. Only a small group of them was invited to the “democratic feast,” those most valued for their famous names: Yelena Bonner, the widow of Academician Andrei Sakharov; his political associate Sergei Kovalyov; the priest Gleb Yakunin; and a few others. Yakunin’s career in the Christian-Democratic movement, incidentally, was made at the expense of its founder, Aleksandr Ogorodnikov. Unlike Yakunin, Ogorodnikov was never admitted to the “democratic” establishment, but Yakunin’s luck was not

just the result of rivalry. Yakunin had the support of Yeltsin’s aide, State Secretary Gennadi Burbulis. For Ogorodnikov, this would have been impossible: He’ll probably never forget that he was expelled from the university and later arrested, thanks to a report written by his teacher of scientific communism: Burbulis.

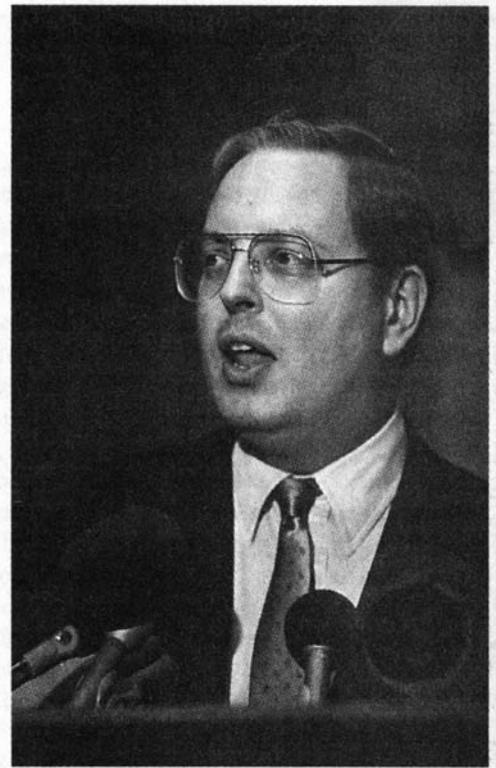
In the autumn of 1993, Yakunin, together with Bonner and Kovalyov, backed President Yeltsin in his dissolution of the Supreme Soviet by force.

By that time, not only the majority of “Ivan Denisoviches,” but also a lot of Russian emigrés, were deeply disappointed in the new “democratic” elite. While Kovalyov placed himself among the winners in October 1993, attending the founding congress of Yegor Gaidar’s Russia’s Choice party, the former prisoners of conscience who had been his colleagues in the Memorial movement were searching in the hospitals, trying to estimate the real number of victims from Yeltsin’s shelling of the Parliament building. *Nezavisimaya Gazeta* published a protest against the Moscow massacre, signed by socialist Kopelev, monarchist Maksimov, and liberal Sinyavsky—all

3. *Vory v zakone* (“thieves-in-law”): Russian prison slang for a criminal kingpin of especially high standing, adhering to an elaborate code of behavior.



Among the key Western controllers of the Russian Conservative Revolution “democrats” are financier George Soros (left), and neo-conservative guru Dr. Paul Weyrich (right).



well-known emigré dissidents. The Moscow organization of Memorial, regarded as the conscience of the democratic movement, left Democratic Russia already in early November 1991, but the leading “human rights” figures took little notice. They had chosen other allies, such as the above-mentioned Konstantin Borovoy and the Artyom Tarasov, and were deaf (if not aggressive) to their former prison mates.

In his turn, Gennadi Burbulis was also selected from among thousands of other Marxist teachers. The *Blatt* for him, as well as for some other “highly convertible” scholars, was created by the Western “true friends of Russian democracy,” who did not really care whom they were dealing with—a prisoner of conscience, or one of the guards.

There were only four Russian politicians invited to a joint conference of the Liberal and Conservative Internationals in Petersburg, in summer 1993: Gennadi Burbulis, Gleb Yakunin, Konstantin Borovoy, and the economist Grigori Yavlinsky. They were considered to be the most devoted advocates of the free market.

The puppet masters

In late 1992, three Russian opposition papers published a series of exposés on who was calling the tune for the major figures in Russia’s “democratic” establishment. It was a case study, revealing the mechanism of the high-level manipulation of the Russian scene, by the “friends of democracy.”

Levaya Gazeta headlined an extract from one of the advertisements of the Free Congress Foundation’s Kriebler Insti-

tute, “Dr. Kriebler and His Field Commanders.” The largest photograph, reprinted from the Kriebler Institute’s ad, portrayed Gennadi Burbulis, Mikhail Poltoranin, and Arkadi Murashov.

According to the document, the main coordinator of training and strategic planning at the Kriebler Institute was not its director Robert Kriebler, but Dr. Paul Weyrich, appointed president of the institution in 1989 (see box). Foreign activities were overseen by Vice President John Exnisios. Lectures for Russian politicians were delivered by some of the top exponents of the “Conservative Revolution” in the United States, the so-called neo-conservatives: Supreme Court Justice Antonin Scalia, William Kristol, Michael Novak, William Bennett, and others.⁴

4. Lyndon H. LaRouche, Jr., “U.S. Law: Neither Truth Nor Justice,” *EIR*, Aug. 23, 1996, discusses the resurgence of British and Confederate standards of law in the United States, as typified by Associate Justice Antonin Scalia on the Rehnquist Supreme Court. William Kristol, editor of Rupert Murdoch’s *Weekly Standard*, is the son of “the godfather of the neo-cons,” Irving Kristol; see Harley Schlanger, “*Commentary Magazine*: Shock Troops for World Government,” *EIR*, April 26, 1996, for a review of the senior Kristol’s career and his promotion of the Anglo-American special relationship and the ideas of Adam Smith. William Bennett, secretary of education under President Reagan, positioned himself as an ideological mentor to Newt Gingrich’s 1994 cohort of neo-con congressmen, working through his Empower America group, which collaborates closely with the Heritage Foundation. On the neo-conservative economist Michael Novak, see Carlos Cota Meza, “From Mandeville to the Mont Pelerin Society: The Satanic ‘Doctor’ Novak,” *EIR* Feb. 9, 1996; William F. Wertz, Jr., “Seeking to Serve Two Masters,” a

In Russia, the institute's activities were run by Aleksandr Urmanov, mathematician, head of the Ural department of the Sodruzhestvo (Commonwealth) Charity Foundation, Mikhail Reznikov, physicist, senior fellow at the Moscow Physical-Technology Institute (MFTI); Igor Veryutin, a software specialist from the Defense Ministry (!); Sergey Tsodikov, junior fellow at the Irkutsk Institute of Public Economy, majoring in cybernetics; and Oleg Popov, historian from Tomsk University in western Siberia, head of the local organization of Russia's Republican Party.

In the ad, Urmanov was referred to as the institute's representative in central Russia, also responsible for Yeltsin's 1990 Supreme Soviet election campaign in Yekaterinburg, where Urmanov and Yeltsin are both from. Reznikov represented Kriebler in Moscow, where he oversaw the election campaigns of Arkadi Murashov and the notorious Artyom Tarasov (see above) for the U.S.S.R. Supreme Soviet (1989), and promoted over 100 candidates from the Democratic Russia movement, running for the local Soviets. Igor Veryutin was responsible for the Far East, Sergey Tsodikov for central Siberia, and Oleg Popov for western Siberia.

In other publications, the names of Yelena Bonner and Gavriil Popov were also mentioned as Kriebler Institute clients, Moscow Mayor Popov being featured in a photo beside Robert Kriebler at the opening of the "Russia House" in Washington in September 1991. The exposés also cited Arkadi Murashov's invitation to the United States in early 1991, as the guest of the Rev. Sun Myung Moon's Unification Church, whose money was spread liberally around American neo-conservative circles.

The Russian liberal press responded to these exposés with some fury. Even Presidential press secretary Vyacheslav Kostikov spoke up, accusing the publications of "insulting Russia, the people, and the President." *Sovetskaya Rossiya's* article on Kriebler, headlined "Agents of Influence," was labelled by other papers as a "relapse to KGB thinking" But the liberal press could not deny the contents of those exposés, nor the fact that Nikolai Engver, one of the legislators who investigated the Kriebler Institute's activities, was a former political prisoner. With hypocritical politeness, Otto Latsis interviewed Engver for *Izvestia*, trying to counterpose him to the left-wing legislators and newspapers that had carried the exposé. It didn't work, as the resulting dialogue published in *Izvestia* served as a fine example of a *blatnoy* converted Marxist, trying to teach an Ivan Denisovich "lessons in anti-communism," and receiving a calm reproof of human dignity.

The next *blatnoy* tactic was counter-exposé. Ex-KGB officer Oleg Kalugin, now in the "democratic" camp, claimed in a lawsuit that another author of the publications on Kriebler, parliamentarian Sergei Baburin, had himself been a KGB agent. Baburin won in court.

review of Novak's *The Catholic Ethic and the Spirit of Capitalism*, in *Fidelio*, Summer 1996.

The property temptation

Prof. Yuri Afanasyev, the most popular figure at Moscow democratic rallies in 1989-90, was widely quoted saying: "I don't know what privatization is. But I know that we have to do it!"

Such a superficial carelessness was typical for the Russian democratic milieu at that time. In the street-popular propaganda, the early democratic activists promised Russians a fairer distribution of property which, as they sincerely thought, their idols were going to introduce. But, pouring their naive enthusiasm into campaigns to support Boris Yeltsin and new-fashioned local leaders like Gavriil Popov and Anatoli Sobchak (the first "democratic" mayors of Moscow and St. Petersburg), they were unaware of tricks being played, with them and with the democratic movement.

Activists for human rights and "democracy," convinced by the Soviet experience that Marxist economic theories were pernicious, but unschooled in any alternative, eagerly imbibed the radical British neo-liberalism, imported by such institutions as Kriebler. And if members of the thaw generation or the Gulag veterans were too soft to promote shock therapy reforms, there were always the nomenklatura "grandchildren," with their special gift of cynicism and their years of studying von Hayek on the sly. Putting the theories of self-enrichment into practice, certain idols of democracy quickly moved from the leadership positions they had won in the "new, democratic Soviets," over to the Executive branch; after the 1991 watershed, they had little use for those elected Soviets. Members of the Legislative branch, as it developed, tended to want to intervene into property relations, which were becoming a real Klondike for the new administration in the period of *razgosudarstveneniye*, the conversion of state property into private fortunes.

The Bush-Thatcher people who advised these new Russian pragmatists, knew very well what privatization is (not to mention George Soros, who got his earlier experience in this area as a teenager, in Nazi-occupied Hungary). They also knew how to profile which people to select as close collaborators.

One former member of the Supreme Soviet, a prominent democrat who sincerely became a radical nationalist, told me of his experience on a 1989 visit to the United States, hosted by one of the many pro-"reform" organizations in Washington. "We were fed from morning till night. . . . We were shown the great advantages of consumerism. And they saw who was the first to run shopping, whose eyes were glistening most of all, who wanted to serve these guys, whatever they said. . . . They easily sorted out what they needed—the worst of us. Actually, it was a big temptation."

Naturally, the most favored guests on such junkets abroad were members of the U.S.S.R. Supreme Soviet's Interregional Group of deputies, into which the most radical reformers were collected. Academician Sakharov, agonizing over the fate of Russia and already suffering from the heart ailment

that was to kill him in late 1989, was its figurehead, exploited as a photographic prop, next to which the future “primary privatizers” could pose for their election posters. The more often certain members of the Interregional Group visited the United States, the more they were promoted by *Ogonyok* and other liberal media. Popov, Sergei Stankevich, Ilya Zaslavsky were praised as if they were great scientists or writers.

At the same time, members of the Interregional Group who did not satisfy the criteria of “radical liberalism” were slandered, accused of being reactionaries, and finally pushed into political opposition. When economist Tatyana Koryagina, for example, criticized the 500 Days Plan for a crash transition to a “free market,” one of its radical liberal co-authors, World Bank-trained Boris Fyodorov, declared Koryagina to be mentally ill.

In 1990, Interregional Group members denounced the “administrative-command system” of the totalitarian Soviet economy. But as soon as Gavriil Popov was elected mayor of Moscow, he reversed his line and advocated precisely that: a strong Executive branch which could avoid existing laws (those being imperfect, as yet), and “strict administrative force” against those who might resist it!

The ideological shift by Popov et al. coincided with the “revolution in property relations” implemented in Moscow. The playground was the Oktyabrsky district of the city, where radical liberal Ilya Zaslavsky was the representative to the national parliament, as well as a member of the district leadership. Inhabitants of saleable houses there were informed that they had to leave their flats, since the apartment buildings had been sold. These people appealed to their newly elected councilmen, but discovered that the district council was a fiction; all the property relations were under the control of a group of Executive branch functionaries appointed by Zaslavsky, who also registered several monopolist real estate companies, headed by the same officials. After a group of legislators went on a hunger strike to demand Zaslavsky’s resignation, Popov appointed him his chief adviser; later, Zaslavsky became a department head at Yegor Gaidar’s Institute for the Economy in Transition.

Popov’s “strong rule” was marked by a crisis of industry and, especially, construction. Nothing was built in Russia’s capital city, where the immense real estate holdings were in a permanent state of privatizing and re-privatizing; foreign companies of ill repute would be searching for choice properties, and new “democratic” officials signing contracts with several of them for the same object. Foreign journalists complained that Popov gave interviews only for a substantial fee, paid in U.S. dollars. Soon, *Kommersant Daily* published his name among the “ten richest citizens of Moscow,” and his photograph, in which Popov was sitting at a table with a glass of wine, looking very proud and not very sober. This “democratic” Mayor Popov publicly suggested that bribes to Executive state officials should be legalized.

The naive “street democrats,” who had formed the major-

ity in the Moscow district Soviets and the City Council, struggled desperately against the real estate violence of this new “democratic” nomenklatura. After Yeltsin resolved his showdown with the national Parliament by force in October 1993, they were mercilessly removed from the political scene by Presidential decree. Yeltsin declared all the Soviets to be vestiges of the communist system. A great part of Yeltsin’s own electorate was thereby pushed into the opposition, greatly undermining the popular support for Yeltsin. The Russian President came to depend, more and more, on support from abroad.

The death of the democratic movement

Nineteen ninety-two was the year of rapid degradation of the Russian democratic movement, through a fragmentation process, in which persons who had attended Kriebler Institute and other such lecture programs played a catalytic role. One of them was State Secretary Burbulis, in charge, since Yeltsin’s 1991 election victory, of supervising the new reformist political parties.

Burbulis had been a co-founder of the Democratic Party of Russia, in spring 1990. By the summer of that year, Lev Ponomaryov, the closest associate of Burbulis within the DPR, split the party in two, founding the Free Democratic Party. Ponomaryov promptly turned over responsibility for the new party to Marina Salye, a former CPSU committee chief at the Leningrad Mining Institute, and concentrated his own efforts on building up the Democratic Russia movement, out of which the DPR had taken shape, into a “united democratic force,” which was to combine the existing liberal parties, including the Republican Party, the Social-Democratic Party, and the Christian-Democratic Movement.

Within Democratic Russia, Ponomaryov’s measures also caused a split into a “collective party body” (an association of party representatives, each cleared by his party to join it) and a militant “executive” wing, led by self-styled “anti-fascist” Vladimir Bokser. During the last four months of 1991, Democratic Russia suffered three more significant splits, losing the Memorial movement, the Slavophile wing of the Christian-Democratic movement and the Constitutional-Democratic Party (both later merged into the opposition National Salvation Front), and, finally, Yuri Afanasyev’s group. In each case, either Ponomaryov or Burbulis personally was behind the scandals and schisms!

Meanwhile, Arkadi Murashov—another Weyrich-Kriebler protégé, and today a close collaborator of the Heritage Foundation’s Moscow office—split the Democratic Party of Russia for the second time, founding the Liberal Union. Several days later, however, Gavriil Popov named Murashov head of the Moscow Police Department, and the new party appeared to be still-born. The third split in the DPR was organized in late 1992 by Aleksandr Sungurov, head of its “liberal” wing; he accused DPR leader Nikolay Travkin of being “pro-communist” and “pro-fascist,” and carved off a piece of

the DPR to become the Party of Russia's Progress. Some months later, when now ex-State Secretary Burbulis founded his private Strategy Center, Sungurov was appointed its head in St. Petersburg.

Burbulis was active within the Russian Supreme Soviet, as well as among party leaderships, but also through the Supreme Soviet. Together with Kriebler-trained Aleksandr Urmanov, Yeltsin's campaign manager from 1990, he created an organization called RF-Politika, to promote "progressive" candidates to the highest levels of leadership in Russia. One of those was Aleksei Golovkov, who became the head of the government apparatus under Yegor Gaidar. Originally the chief of staff for the Interregional Group, Golovkov was instrumental in bringing radical free market economist Gaidar to Boris Yeltsin as a candidate for prime minister, in the fall of 1991. More recently, in March 1996, it was reportedly Golovkov who introduced radical free market economist Vitali Naishul to Presidential candidate and future Security Council secretary Gen. Aleksandr Lebed.

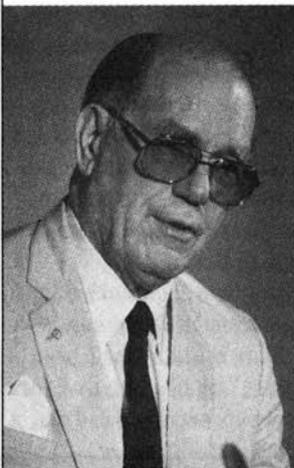
RF-Politika denounced deputies Oleg Lobov and Yuri Skokov, for being opponents of unlimited privatization, and Yuri Petrov, the chief of the President's Administration. It dubbed them holdovers from the old nomenklatura, because they tried to block the immediate complete deregulation of the economy, unlimited trading of land, and so forth. In place of

these people, allegedly tainted as former CPSU apparatchiks, RF-Politika proposed such British- and Mont Pelerin-trained people as ethnographer Galina Starovoitova, radical free trade economist Andrei Illarionov, and Vladimir Varov, a staffer of RF-Politika. They developed an eight-grade scale to measure each deputy's level of devotion to the President; the model of loyalty ("absolutely reliable") was Lev Ponomaryov.

RF-Politika was instrumental in the decisive split of Democratic Russia, when Yuri Afanasyev was manipulated to leave the organization and found a new movement of his own (also still-born, as might be guessed by now). Varov supplied Afanasyev's supporter Marina Salys with an analytical report, denouncing the "new nomenklatura" of the Bokser-Ponomaryov-Zaslavsky wing of Democratic Russia as similar to the old CPSU nomenklatura. While the Moscow leadership was embroiled in quarrels, the regional organizations of Democratic Russia, confused and disappointed, lost most of their members.

In St. Petersburg, the splitting game was played by the same sort of people. The local organization of Democratic Russia was manipulated into a conflict with the newly formed branch of Gaidar's party, by Dmitri Karaulov, the Kriebler Institute's representative in the city. Karaulov coordinated his activity with top Republican Party member Pyotr Filippov, an open adulator of Margaret Thatcher and promoter of Anatoli

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Denver	1500	Santiago	1800
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Havana	1700	Singapore	0530*
Heisinki	2400	Stockholm	2300
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Honolulu	1200	Teheran	0130*
Hong Kong	0600*	Tel Aviv	2400
Houston	1600	Tokyo	0700*
Istanbul	2400	Toronto	1700
Jakarta	0500*	Vancouver	1400
Jerusalem	2400	Vladivostok	0800*
Johannesburg	2400	Venice	2300
Karachi	0300*	Warsaw	2300
Kenebunkport	1700	Washington	1700
Kiev	2400	Wellington	1000*
Khartoum	2400	Wiesbaden	2300
Lagos	2300	Winnipeg	1700
Lima	1700	Yokohama	0700*
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Lisbon	2300		Mondays

Chubais's voucher privatization scheme, who competed with Salys for influence in the Leningrad People's Front (1989-90), then moved to Moscow as a "democratic" Supreme Soviet deputy. Filippov later teamed up with DPR chairman Nikolai Travkin on some commercial projects, discrediting Travkin within the DPR and splitting it for the fourth time, then worked with Russia's Choice, and later surfaced as a key figure in the International Republican Institute's "Civil Initiative" program, spending a lot of budget money for noisy "youth activity" in support of Yeltsin.

Not all the Krieble protégés created political parties. Some preferred to remain in the shadowy role of political ma-

nipulators.

Arkady Murashov, appointed by Popov as Moscow chief of police, became another symbol of disgrace for Muscovites. On one occasion, the "democratic" police chief was found in his car in a Moscow suburb, drunk and without documents. Murashov moved to Gaidar's election staff, and organized two unsuccessful campaigns for him (1993, 1995). Today his activity is concentrated around the so-called Liberal-Conservative Center, occupying a huge office on the New Arbat. The Center, named for Margaret Thatcher when it was founded in 1990, became the Heritage Foundation's base of activities in Moscow. The Moscow branch of Heritage was headed by

Krieble's friends in Yeltsin's service

The two brightest luminaries featured in the infamous Krieble Institute ads in the Russian press in 1992, were President Yeltsin's close associates Gennadi Burbulis and Mikhail Poltoranin. They were major figures in Russian circles of power, from 1991 to 1993: State Secretary Burbulis ran personnel policy, while Poltoranin was in charge of the press.

A member of the "Yekaterinburg clan" in the Russian leadership, hailing from Yeltsin's hometown in the Ural region, Burbulis brought to his task the experience of a teacher of scientific communism, and some of the practices of a CPSU thug. He transformed the former Higher Party Schools into Cadre Centers, which undertook an ideological espionage function, ferreting out implicit disloyalty to the new leadership. Personnel deemed disloyal to "democratic views" were replaced by local activists, who usually had no managerial experience. The "analytical apparatus" at the Centers surreptitiously studied the behavior of trainees and the correlation of forces within local power bodies. The analysts were mostly former junior KGB or Interior Ministry officers, who had lost their jobs due to cutbacks in intelligence agencies, or for some other reason. In one case, the Cadre Center chief had been fired from a police academy for heavy drinking, and he habitually rented out the former CPSU hostel to small companies, using the proceeds for business abroad. Until Burbulis departed from office, there was nothing to be done about this, as the man was rated a "true democrat."

As information minister in 1991-92 and head of the Federal Information Center (created just for him) in 1993, Mikhail Poltoranin, together with state television director Vyacheslav Bragin, an ex-CPSU secretary in Tambov and protégé of both Burbulis and Poltoranin, conducted a non-stop propaganda campaign to denigrate the entire Soviet

period of Russian history and everything connected with it, including the achievements of industry and sometimes even the victory in World War II. At the same time, Bragin allowed the neo-conservative Aleksandr Dugin, the friend of French New Right ideologue Alain de Benoist, to run a TV program promoting Aryan mythology and the theory and history of Nazism.

In December 1993, the state-run Ostankino TV company, under the direction of Poltoranin's FIC, portrayed Liberal Democratic Party leader Vladimir Zhirinovskiy, with his expansionist geopolitical tirades, almost every day—as if to make him the sole voice of opposition to Yeltsin. Asked by journalists about the preferential treatment of Zhirinovskiy, Poltoranin replied that he would join anybody against the Communists.

When Poltoranin lost his influence, it was due not to any reaction against such politicking, but to his feud with the NTV company and its financial backer, Vladimir Guskinsky's Most Bank. Denouncing NTV, Poltoranin blurted out that "NTV is speaking camp Hebrew language." Active "anti-fascist" groups suddenly recollected, as if they didn't know it before, that in a novel by Poltoranin's sidekick, Information and Mass Media Minister Boris Mironov, the media boss had appeared only slightly disguised as Mikhail Poltoraivanov, "a fighter against communism and Zionism."

Property seemed to be a greater obsession for Poltoranin than Zionism. Almost immediately after the crushing of the opposition in 1993, winners Poltoranin and Federation Council chairman Vladimir Shumeiko got into a violent quarrel, the main reason for which appears to be competing property claims on the Russian-owned former Palace of Science and Technology, in Berlin.

After leaving state service, Poltoranin acquired a floor of the Russian Press House, to accommodate his commercial TV station, TV-27-Russia. This building had been given to the "new, free Russian press," on his initiative, in 1992. Today, only six small newspapers occupy a tiny part

Yevgeni Volk, and its group of Moscow “field officers” headed by none other than Vitali Naishul.⁵

Fragmentation

Politicians are evaluated by the final results of their activity. The result of the “struggle for multiparty democracy,” run by Burbulis, Popov, Murashov, and other puppets of Free Congress Foundation/Krieble Institute, was the total discreditation of the reform parties, subversion of their political and economic agenda, scattering of their activists, as well as the

5. See part 1 of this series, *EIR*, Sept. 6.

of the building, while the rest houses private companies which owe their real estate privileges to Burbulis, Poltoranin, and another of their circle, Valeri Volyansky of the UMAREKS company, which *Obshchaya Gazeta* reports is engaged in the arms trade. Another floor belongs to Travel Global Service Asiana, which sells diplomatic passports, certificates of noble birth, and, supposedly, citizenship rights in various South American countries, for fees ranging from \$3,000 to \$70,000.

‘True Yeltsinists’ against Yeltsin

Boris Yeltsin dumped Burbulis in early 1993, when the state secretary was aggravating his conflict with the Supreme Soviet and Yeltsin landed in an awkward situation. When Yeltsin demonstratively walked out of the Sixth Congress of Soviets and none of his key ministers followed, the President had to seek support from the new mayor of Moscow, Yuri Luzhkov, falling into a dependence on him and his clan, which brought a lot of problems later on. In his memoir, an angry Yeltsin portrayed Burbulis as an ambitious thug.

The later behavior of Burbulis revealed the influence of his foreign friends even more. He was a guest at several British Tory Party-dominated conferences of the Conservative International (also known as the European Democratic Union). In early 1993, he even tried to set up a political party called the Tactical Union of Russian Voters, with the Russian acronym “TORI.”

For a short time in 1995, Burbulis promoted the World Bank’s Boris Fyodorov, who was styling himself as the “Russian Berlusconi,” with a party called, approximately, “Go, Russia!” Fyodorov scarcely got wind in his sails, when Burbulis and some of his cronies (Murashov, Golovkov) switched to Prime Minister Viktor Chernomyrdin, promoting him for the Presidency. After some hesitation, Chernomyrdin brought Burbulis onto the image-making staff of his new party, Our Home Russia. Burbulis ran the summer 1995 campaign of Our Home’s candidate for

electorate, into small, warring pieces, and the renunciation of all the ideas and values associated with democracy. Freedom of thought and expression, human rights, economic competition, legitimacy—all this was discredited and doomed for an indefinite period of time, and people made to believe only in the authority of force and a “strong hand” that might put an end to the political and economic disorder.

No wonder. The whole outline of the U.S. Republican people’s activity in the Russian democratic movement followed a pattern of provocative actions, ultimately designed to undermine the authority of this movement and the state leadership it supported.

mayor of Yekaterinburg, Alexei Strakhov, who lost in disgrace after spending a lot of money from Chernomyrdin’s team. (We can only guess what advice Burbulis was giving to Strakhov, but it is noteworthy that the International Republican Institute supported Strakhov’s victorious rival, Edward Rossel.)

Manipulating the opposition

During 1992, Burbulis, Moscow Mayor Gavriil Popov, and police chief Murashov manipulated open clashes between liberals and communists on the streets of the capital, which gave shape to the opposition for a long time to come. The clash of May 1, 1992, which became an opposition *cause célèbre*, was created artificially: First, permission for public rallies was granted; then, several hours before they began, it was revoked, and so on. A days-long opposition rally outside the Ostankino TV studio was dispersed by nightstick-wielding policemen, at 4 a.m. on June 22, 1992, precisely the anniversary of the Nazi invasion of the Soviet Union. In liberal circles, Burbulis’s explanation of the timing was quoted: “We have to break the mentality.”

Apparently, the “mentality improvement” brought more popularity to the victims than to the authorities. It made the political career of a former Soviet correspondent in Nicaragua, Victor Anpilov, who was the organizer of the rally.

The delayed result of the Krieble interlocutors’ methods would be seen a year and a half later, when old liberal dissidents, as well as Orthodox priests, were standing under red banners under the walls of the Russian Supreme Soviet, to defend it. The West stared at all this, perhaps slightly embarrassed, recognizing that something was going wrong, but taking no positive initiative. Western leaders were presented with a choice, defined by the “democratizers” of Russia as either “nationalist-communist dictatorship” or “democratic reform” (now rescued by the methods of dictatorship).—*R. Bessonov*

'CIA' is a dead end in Contra-cocaine scandal

by Edward Spannaus

"That's a loser," was the comment of *EIR* Founding Editor Lyndon LaRouche, when asked recently about the focus by many people on the CIA as being responsible for using the Contras to bring crack cocaine in Los Angeles. LaRouche said that, although the CIA has its own problems, "the key to this operation was that the CIA was *not* in control of the Contras," but rather that *George Bush*, as vice president, had acquired special powers over the National Security Council (NSC), and Bush was running the so-called "Iran-Contra" operation as a private operation under "secret government" control. Bush and his subordinates, such as Donald Gregg (his national security adviser) and Oliver North (Bush's "go-pher" on the NSC staff), were dumping cocaine into the United States as a means of raising money for privatized covert operations.

If we go at this from the standpoint that, "Oh, gee, it was the CIA that ran it," LaRouche warned, "you're going up a dead end, where there are no records, or very few records that could be disclosed. You are avoiding the thing you should face."

In the popular mythology, the CIA is an all-powerful, omnipresent agency that runs the U.S. government, the military, and private networks. In reality, the CIA is a cautious, aging bureaucracy which takes up only a small portion of the U.S. intelligence budget. The take-down of the CIA began during the Carter administration, after the exposures of CIA covert operations through the Church and Pike committees; during the Reagan-Bush administration, the big buildup occurred in the special operations branches of the Defense Department, and in private networks, usually composed of former CIA or military special forces operatives.

This is an apparatus, mostly outside of the CIA itself, which Bush controlled through his accumulation and seizure of special powers from 1981-86, as documented in *EIR*'s

recent *Special Report*, "Would a President Bob Dole Prosecute Drug Super-Kingpin George Bush?"

To call Bush's secret government apparatus the "CIA" is a dangerous illusion; to make the CIA the primary focus of demands for investigation of the Contra-cocaine scandal is folly. Some of those who insist on limiting the demands to the CIA are simply being opportunistic, picking an easy target; others, who know better, are deliberately ensuring that any investigation launched today suffers the same fate as every previous investigation, and therefore that our neighborhoods will continue to be flooded with drugs, and hundreds of thousands of Americans will continue to rot in U.S. prisons "doing George Bush's time."

Are there any records?

The most thorough investigation to date of the links between the Contras and drug-trafficking was conducted by the "Kerry Committee," a subcommittee of the Senate Foreign Relations Committee—and even that investigation was obstructed and diverted throughout.

A former counsel to that committee, Jonathan Winer, recently pointed to the problems of trying to determine what happened ten years ago, with such "privatized" operations. In the same discussion, the General Counsel of the CIA acknowledged, for the first time, that records of such activities may not exist, for the same reason: that U.S. government officials may have been involved in privatized, "off-line" secret operations. These comments, which implicitly point to the "off the books" operations being run out of the White House-NSC apparatus supervised by Bush, were made publicly in response to a question posed by this writer during a conference on "Law Enforcement and Intelligence," sponsored by the American Bar Association Standing Committee on Law and National Security, held in Washington on Sept. 20.

Winer, who is now deputy assistant secretary of state for International Narcotics and Law Enforcement Affairs, commented that “we had a semi-privatization of aspects of our foreign policy in that period,” and he elaborated the risks of this. “One of the things that I hope we all learned from the mid-1980s,” he said, “is that any time you privatize government activities, you create activities which are government-sponsored but not official, you provide funding for governmental activities which are outside the parameters of Congressional oversight, you run the risk of creating activities which it is very difficult to determine if they are, or are not, government-sponsored. You create tremendous difficulties for oversight; you also create activities which will not be recorded in governmental documents. In seeking to determine in the mid-1990s, precisely what happened in the mid-1980s, you’re going to be confined, or constrained, by the fact that there may not have been systematic record-keeping of certain activities, which some government officials may have known about.”

Following up Winer’s comment, CIA General Counsel Jeffrey Smith said that the CIA is determined to get to the bottom of the allegations raised by the *San Jose Mercury News*, but, he said, “it may be difficult because, as Jonathan [Winer] says, there may not be records, some of it may have been done off-line, by people who were not U.S. government employees and who were part of the private operations being run down there” in Central America by Oliver North and the like.

Winer then highlighted the problems involved when U.S. intelligence agencies “deal with certain kinds of people” who provide services and assistance to the U.S. government, and that “they may be engaged in activities at the same time which may be quite pernicious.” Winer cautioned: “And one of the obligations of anybody in the U.S. government is to make sure that pernicious activities are not being condoned or facilitated. To the extent that people are working with the government off-line, that oversight function becomes even more difficult. And I think if you look at the report that was issued ten years ago [by the Kerry Committee], it provides some perspective on those issues.”

Three investigations under way

There are now at least three official investigations under way into the CIA drug-running allegations. On Sept. 4, CIA director John Deutch asked the CIA Inspector General to conduct an internal inquiry and to report within 60 days. On Sept. 20, Justice Department Inspector General Michael Bromwich announced that he was opening an investigation “into allegations that federal agencies helped funnel drug profits to rebels in Nicaragua, known as the Contras, in the 1980s.”

And also on Sept. 20, Rep. Maxine Waters (D-Calif.) released a letter from House Speaker Newt Gingrich (R-Ga.), in which he said he had asked the House Select Committee on Intelligence to investigate the matter. During a hearing of the Intelligence Committee on Sept. 25, the matter was raised, including that the former chairman of the committee, Rep.

Louis Stokes (D-Ohio), had asked to review records of the committee with respect to the Contras, many of which are still classified. Stokes, a founder of the Congressional Black Caucus, chaired the Intelligence Committee during 1987-88.

EIR has also received indications that some sort of inquiry is also under way in the Department of Defense.

Another potentially significant move in the Congress is a plan to introduce legislation that would establish a Presidential Commission to review, and declassify, files relating to the 1980s Contra operations and other covert actions of the Reagan-Bush period. This would be similar to the “Records Act” that established the Presidential Review Panel on the John F. Kennedy assassination. That panel has unearthed important new documentation about the Kennedy assassination, and has prevented many key records from being either destroyed, or permanently buried under a blanket of bogus national security exemptions.

Ibero-America gets the story first

While almost all of the news media in the United States are treating this as a “CIA” story, a flood of coverage featuring George Bush has broken in Ibero-America, with some also emerging in Europe. Spanish-language NBC-TV, Spanish-language Reuters, and the Mexican news service Notimex all put out extensive news wires on the Bush story, following the press conference held by *EIR* to release its *Special Report* on Sept. 19.

Many of the newspaper stories published mug shots of Bush with their articles, and sported headlines such as “George Bush Involved in Drug Trade to Finance Contra Operations,” and “George Bush, Crack Kingpin?” Stories of varying length have been sighted in Colombia, Mexico, Nicaragua, Venezuela, Argentina, Bolivia, and Panama. In addition, an interview with *EIR*’s Carlos Méndez was broadcast throughout the Ibero-American continent, and into Spain and Hispanic sections of the United States.

The U.S. mass media remain almost completely silent on the Bush angle—even after the *EIR* press conference. A certain amount of coverage broadening the issue to “the White House” followed a press conference given by former Drug Enforcement Administration agent Celerino Castillo III in Washington on Sept. 23. Castillo emphasized that the Contra drug-running was “a White House operation,” and he described his own personal confrontation with George Bush over it in 1986.

Senior Washington journalist Sarah McClendon also raised the Bush issue at the White House press briefing on Sept. 23, when she asked why President Clinton doesn’t just come out and say that over “the last two or three days around here there’s been documented evidence that it was George Bush and Oliver North and the CIA that was bringing in the narcotics?”

And the Sept. 30 *Time* magazine, noted, by way of a warning, that Lyndon LaRouche “wants to put George Bush on trial as ‘the crack kingpin of the ’80s.’ ”

Who murdered Edgar Allan Poe?

The lie that Poe died as a result of alcohol and drug abuse, was refuted 25 years ago by EIR researcher Allen Salisbury. Marianna Wertz reports.

Edgar Allan Poe (1809-49) was America's greatest poet and a leading counterintelligence agent for the anti-British republican faction in pre-Civil War America. Recent press reports on medical findings about the cause of his early death have raised anew one of the greatest unsolved crimes in American history—who murdered Edgar Allan Poe?

The truth about Poe's death was immediately covered up by his enemies, with utter fabrications about his alleged drug and alcohol addictions. In the late 1970s, Allen Salisbury, an associate of Lyndon LaRouche and a writer for *EIR* and other publications associated with LaRouche, produced groundbreaking work to define Poe's real contributions to this nation, its culture, and its battle against the British oligarchical enemy. That research led Salisbury to conclude that Poe was murdered by his enemies, in order to stop his work.

Salisbury showed that Poe was trained at West Point but, because of his epilepsy, went into a career in counterintelligence for the Whig/Federalist republican faction, using his substantial talents as a writer in defense of the United States against the growing British-run Confederate cause. He was involved in a counterintelligence job, investigating matters which pertained to the national security, when he died in Baltimore, a hotbed of pro-Confederate activity, under very bizarre circumstances, at the age of 40.

Tragically, Allen Salisbury also died at a young age, in September 1992, but his work on Poe stands unchallenged to this day.

Medical report

Medical speculation as to the cause of Poe's death appeared in the September issue of the *Maryland Medical Journal*, in a report by Dr. R. Michael Benitez, chief of the coronary care unit at the Baltimore VA Medical Center and assistant professor of medicine at the University of Maryland Medical System. The report was given big media play.

According to Dr. Benitez, Poe died on Oct. 7, 1849. Poe had stopped in Baltimore by train on Sept. 28, on his way from his home in Richmond, Virginia to Philadelphia, to conduct some last-minute business before his marriage. He was neither seen nor heard from for five days, until Oct. 3, when he was found semiconscious, sprawled across a broad plank outside Ryan's saloon on Lombard Street, wearing someone else's clothing. He was admitted to Washington College Hospital (now Church Hospital), where he died four days later.

While Dr. Benitez pays lip service in his study to the lie about Poe's "history of alcohol abuse" and "possibly of opiate abuse," he establishes that there was no evidence of drugs or alcohol in Poe's system. In fact, the record shows that Poe vehemently refused alcohol when the physicians attempted to treat him with it. The medical records also gave no evidence of symptoms of withdrawal from an addiction.

Instead, Dr. Benitez concluded, based on the hospital records, that Poe died of rabies. Smelling yet another coverup, *EIR* contacted Dr. Benitez by fax and asked whether he had looked into poison as the cause of Poe's death. He replied: "I read with great interest your recent fax regarding E.A.P. and his envelopment in the world of political intrigue, as well as the possibility of 'wrongful death.' I considered poisoning, although this is not expounded upon in the article in the *Maryland Medical Journal*, but I discarded this notion because I am not aware of any poisons which induce the type of cyclical or relapsing delirium which Poe suffered prior to his death. One can not discount the possibility that he was poisoned *twice* (that is, he survived the first poisoning but was poisoned again while he was in the hospital) . . ." (emphasis in the original).

This finding, while mixed, should be viewed as helpful evidence in support of the already-established case, presented by Allen Salisbury 25 years ago, that Poe was indeed murdered. Dr. Benitez's research has put the spotlight once again on a subject which is actually crucial to an honest history of America's fight against its British enemy.

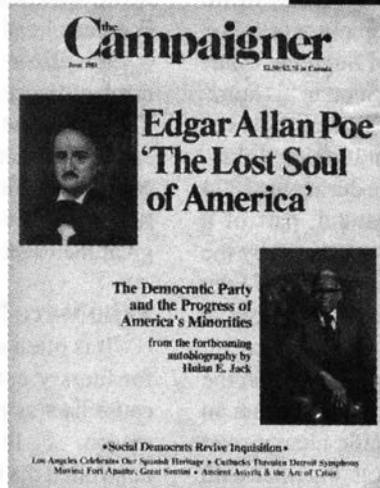
Therefore, Lyndon LaRouche proposed that *EIR* publish some highlights of Salisbury's work, to establish the truth about Edgar Allan Poe and to give impetus to the investigation into who murdered him.

Here, then, are relevant excerpts from the work of Allen Salisbury.

'The Lost Soul of America'

From "Edgar Allan Poe, 'The Lost Soul of America,' " by Allen Salisbury, The Campaigner, June 1981:

In Europe, it is often said that you can tell the spirit of a region by its wine. If that is true, then you most assuredly must be able to discern the true soul of a nation by the way in which it honors its poets. . . . But in America, here in America,



Edgar Allan Poe (left) was a top intelligence agent for the republican faction in America, a threat to British geopolitical strategy. Is it any wonder that 150 years of British-dominated historiography have branded him an alcoholic and drug addict? Allen Salisbury (right) unearthed the truth about Poe and published it in 1981. Today, medical research provides secondary corroborating evidence.

which has for the last 200 years been the recipient of the benefits of the best minds the rest of the world has to offer, the nation has allowed its only poet to be treated in such a despicable manner that one can argue that the very soul of the country has departed. . . .

I do not hold you, the reader, responsible in this matter, because you have been lied to on the subject of poetry and art in general to the point that most of you recoil with visions of Andy Warhol's soup cans or some group of nuts performing a pagan ritual on stage accompanied by electronic grunts, groans, and screams.

To prove that most of you have been lied to, what do you think of when you hear the name Edgar Allan Poe?

The great majority of you have been told . . . that Poe was some sort of alcoholic or opium-eater. A great majority of you have images of Vincent Price's performances on the Late Late Show or Chiller Theater. . . . It is my purpose in this excerpt to give an accurate account of who Edgar Allan Poe really was, as well as to show you exactly how, by whom, and for what purpose you have been deliberately misled. . . .

The evidence points to the fact that in the early 1830s, Poe was assisting James Fenimore Cooper in the Marquis de Lafayette's attempts to establish a French republic for the second time. The Marquis de Lafayette headed the European branch intelligence services for the Society of Cincinnati, which he founded with George Washington and Alexander Hamilton, and which included Quartermaster General David Poe, Poe's grandfather and close collaborator of Lafayette during the Revolutionary War.

Cooper's public activities in France at that time consisted of organizing for a republic in France as well as in Poland. He was instrumental, along with Lafayette, in countering a vicious anti-American propaganda campaign being conducted by British magazines and British-influenced journals in France. Cooper also solicited the aid of his, and later Poe's, American publisher, economist Mathew Carey. Carey was requested to send to France a refutation of the British propaganda line which claimed that it was cheaper to run an aristocracy like Britain than to run a republic like the United States. Carey had been an associate of Lafayette's since he worked as an Irish emigré publishing the dispatches of Benjamin Franklin from Franklin's print shop in Passy. . . .

That Poe planned to go to France to aid the allies of Lafayette is clear in this letter that he wrote to Commandant [Sylvanus] Thayer of West Point shortly after his departure from the academy:

" . . . I intend by the first opportunity to proceed to Paris with the view of obtaining through the interest of the Marquis de Lafayette, an appointment (if possible) in the Polish Army. . . ."

The name C. Auguste Dupin [Poe's detective character in "The Murders in the Rue Morgue" and "The Purloined Letter"] has also been the subject of much debate among Poe Scholars. . . . Poe could have been referring to one person only: Charles A. Dupin of Paris, a leading figure in the Ecole Polytechnique circles of Gaspard Monge, Lazare Carnot, and their associates. It is the Ecole Polytechnique method of scientific investigation that is the subject of Poe's detective tales, or

"Tales of Ratiocination," as Poe more properly termed them.

This is no matter of mere conjecture or guess-work. Poe very early in life came under the influence of Supreme Court Justice John Marshall and General Winfield Scott in his home in Richmond, Virginia. In his early teens, Poe was selected to serve as second in command of the Richmond Junior Volunteers honor guard that accompanied Lafayette during his 1824 visit to the city. Lafayette's visit to Richmond, part of a months-long tour of the United States, was organized by the Cincinnatus Society to secure the presidential election of John Quincy Adams and to raise funds for Lafayette's forces in Europe.

Marshall had been influential in helping to establish the Society of Cincinnatus, and Winfield Scott later became an honorary member of the society, with specific charge over matters of military intelligence. General Scott, together with Commandant Thayer, made several trips to Paris for the specific purpose of acquiring the necessary textbooks and related materials to firmly establish the tradition of the Ecole Polytechnique at West Point.

The military-artillery training acquired directly from the French military genius Carnot was taught to West Point upperclassmen at Fortress Monroe, where Poe had enlisted under the pseudonym Edgar Perry. Poe's commanding officer at Fortress Monroe was Colonel Worth, along with General

Scott, who obtained for Poe his cadetship at West Point after Poe had already completed the advanced training. . . .

It is also a matter of note that a good portion of the American intelligence community was in France during Poe's visit. To name a few, these included General Scott, Colonel Worth, James Fenimore Cooper, and the inventor Samuel Morse. Of course, any biography of these individuals will say that their trips to Paris were for reasons of health. Funny how so many great men seem to get sick all at once. . . .

Who were Poe's enemies?

It is often said by Poe's critics that Poe chose his victims for literary criticism out of jealousy of their success or because he was prejudiced against their literary style for some reason. . . . In the case of Willis and Gaylord Clark, who controlled the New York Knickerbocker clique, Poe's venom struck at the core of matters vital to the United States and its security.

Both brothers were run from the Edinburgh division of the British Secret Intelligence Services. Their literary affairs, and their other assignments, were controlled directly by Sir Walter Scott's private secretary and literary agent, Gordon Lockhardt.

The Clark brothers were instrumental in conducting a vile slander campaign against the vital assistance James Fenimore Cooper was rendering to Lafayette in France. By besmirching Cooper's name in the United States, it was hoped that his role as spokesman in Europe for the American form of government could be drastically undercut. . . .

It is no wonder then that one of Poe's first editorial announcements concerning the literary cliques who paid homage to British masters was the following:

"We know that the British bear us little but ill will—we know that in no case do they utter unbiased opinions of American books—we know that in the few instances in which our writers have been treated with common decency in England these writers have either paid homage to English institutions or have had lurking at the bottom of their hearts a secret principle at war with democracy. We do indeed demand the Nationality of Self-respect. In letters as in Govt. we require a Declaration of Independence—a better thing still would be a Declaration of War—and that war should be carried forthwith into Africa." . . .

By the time Poe entered on the American literary scene, it was infested with a mad variety of sects and cults. Transcendentalists, Carlisleists, Knickerbockers, Furriorists, and spiritualists were crawling all over the place. . . . Poe's proper and most urgent concern, among his other duties, was to reestablish the universal rules of Neoplatonic poetic composition which had earlier been the root of American culture. It was because of his efforts to accomplish this that he incurred the wrath of the literary charlatans, and still angers them today. . . .

Poe often had a great deal of fun composing tales that mocked the methods employed by the leading British literary

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- that Washington and Franklin championed Big Government?
- that the Founding Fathers promoted partnership between private industry and central government?

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journals. One of Poe's favorite targets in this regard was *Blackwood's Edinburgh Magazine*. *Blackwood's* was notorious for its sense-certainty literary style, and this style was the source for two of the most hilarious satires written by Poe, "How to Write a Blackwood Article" and "A Predicament." . . .

'Poe Lives!'

From "Poe Lives!" by Allen Salisbury, *New Solidarity*, April 13, 1979 (a review of the book *Poe Must Die*, by Marc Olden, *New York, Charter Fiction*, 1978:

Far from being an occultist, Poe was one of the greatest intellects created by 19th-century America. He was also, as I documented in my book, *The Civil War and the American System*,¹ one of the most feared members of an American Whig-centered counterintelligence service that included such American patriots as John Quincy Adams, Washington Irving, James Fenimore Cooper, Samuel Morse, and John Marshall.

That fact is essential to understanding Poe's tenacious hos-

1. The second edition of Salisbury's book was published by *EIR* in 1992.

tility toward the Boston Transcendentalist clique headed by Henry Wadsworth Longfellow, and in turn, defines Poe's literary and investigative work which struck at the heart of the British black nobility and their intelligence scribblers headquartered in *Blackwood's Edinburgh Review* and magazine.

Poe gave his life defending this nation from such godless organizations as the Knights of St. John of Jerusalem, the Rosicrucian order, the Scottish Freemasons, and the Order of the Golden Dawn, all of which operated as semisecret societies centrally directed from Great Britain and dedicated to restoring British control over the United States.

In fact, Poe's death was effected in a hospice run by the Order of St. John, where he was refused visitors for three days. . . . It was because Poe waged such a successful campaign that he was slandered during his lifetime, and continues to be slandered to this day in the hope of eradicating the significance of his work from the minds of populations all over the world. . . .

The purpose of continually slandering great Neoplatonic figures in that way—when they have not been able to eradicate all traces of such a person's work—has been the method of the oligarchs throughout history: to cut the human race off from the method of acquiring and discovering the knowledge that is in fact responsible for the existence of the human species to this day.

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Republicans in disarray over immigration bill

On Sept. 17, Congressional Republicans cancelled the conference committee meeting scheduled on the Immigration in the National Interest Act. The move was not universally well received within GOP ranks.

The day before, Sen. Alan Simpson (R-Wyo.) complained on the Senate floor that the bill had become a political football, despite strong commitments from both Houses to pass it. He complained that Presidential candidate Bob Dole was lobbying behind the scenes to let the bill die so that "the President will not have a Rose Garden ceremony with regard to illegal immigration," because "somehow this then cripples the effort of my friend Bob Dole." He excoriated the "cynical politics" of the Republican Party for conspiring to let die "the singular issue that is reflected in polls all across the country for years, and that is do something about illegal immigration."

The primary issue holding up the bill, and the reason President Clinton is threatening to veto it, is a House amendment sponsored by Elton Gallegly (R-Calif.) which would allow states to decide whether they will educate the children of illegal immigrants. Democrats are threatening a filibuster over the amendment.

Simpson urged some sort of compromise, because assuredly "there are 10 to 12 Republicans in this body who do not like the Gallegly amendment in any form and who will assist in the filibuster."

Senate Majority Leader Trent Lott (R-Miss.) insisted in a press conference on Sept. 18 that the Gallegly amendment should be in the bill, but that a compromise, perhaps even dropping the amendment, was being considered in order to pass the bill. He denied that Dole is "calling up and saying, 'Do this, do that,'" but that

"we're conscious of what he is saying and what's right and then what should be done."

Waters speaks on CIA cocaine-running

Maxine Waters (D-Calif.), joined by Major Owens (D-N.Y.) and Sheila Jackson-Lee (D-Tex.), spoke on the House floor on Sept. 20, on the Aug. 18-21 *San Jose Mercury News* series that reported on CIA involvement in cocaine-running into the ghettos of south-central Los Angeles.

Owens discussed the historical victimization of blacks in the United States. He called the financing of the Nicaraguan Contras by drug-running, "victimization, probably by conspiracy."

Jackson-Lee complained about how "national security" has been used to cover up these kinds of operations. "Certainly, anyone who would argue," she said, "and come before Congressional hearings and talk about the need for clandestine operations to protect the sanctity of this nation, would cause individuals in Congress and others to try to be sensitive to that, to try to understand what the needs were to protect this nation, why we need to be in Nicaragua and why we needed to be doing clandestine operations; but behind those words by the likes of an Oliver North, behind the White House of the 1980s, controlled by the Republicans, we now find a devastating and decided and directed effort to poison the lives of young African-Americans, inner-city youths in this nation."

Randy Cunningham (R-Calif.) made a feeble attempt to turn the scandal around onto the Clinton administration. He said that "many of us support the investigation" called for by the Congressional Black Caucus, but

that "90% of [the drugs] were purported to go out of Mena, Arkansas when President Clinton was governor." He further claimed that 18 people who were going to testify against then-Governor Clinton in a grand jury investigation, had been murdered to protect him. Cunningham did not address the fact that over a half-dozen federal probes into activities in Mena were quashed, which no governor has the power to do.

Gingrich ethics report demanded by Democrats

House Democrats escalated their demands for the release of the special counsel report on ethics violations by House Speaker Newt Gingrich (R-Ga.), leading to a vote on a privileged resolution on the matter on Sept. 19. The Democratic strategy is to make an issue of the report and Gingrich's ethics on every day remaining in the session.

During the preceding two days, John Lewis (D-Ga.), the sponsor of the resolution called on the ethics panel to "stop the stonewalling." Both times he was gagged by rulings from the Speaker Pro Tem. Lewis was joined at different times by other Democrats, including Pat Schroeder (D-Colo.), who called the ethics panel "the admonishment committee," because they've sent Gingrich six letters of admonishment for violating House rules, but have not punished him.

Vic Fazio (D-Calif.) accused Republicans of having done "tremendous damage to an already fragile process," because of long delays in responding to complaints against the Speaker. Frank Pallone (D-N.J.) and Harold Volkmer (D-Mo.), like Lewis, also spoke until they were gagged by unfavorable rulings from the chair.

The resolution was tabled without debate on a motion by Majority Leader Dick Armey (R-Tex.), which was upheld by a vote of 225-179. However, unlike several previous votes on similar resolutions, four Republicans, Tim Hutchinson (Ark.), Scott Klug (Wisc.), Jack Quinn (N.Y.), and James Walsh (N.Y.), voted to release the report.

Terrorism is undeclared war, general tells panel

Gen. Wayne Downing (ret.), the author of the report which analyzed the Khobar Towers bombing in Saudi Arabia, said that the most important lesson to learn is that terrorism is undeclared war, and must be treated as such if future attacks are to be adequately planned for, in hearings before the House National Security Committee and Senate Armed Services Committee on Sept. 18.

While the Downing report is candidly critical of the failure of the command structure to assimilate these lessons, even after clear warnings following the Riyadh, Saudi Arabia bombing in November 1995, the general refused to engage in partisan finger-pointing in assessing blame for the general problem.

Rep. James Saxton (R-N.J.) emphasized this point in remarks which challenged the "political infrastructure" of the nation for failing to address the nature of the threat in the region—a failure which ultimately constrained the commanders on the scene. "All of us have to share responsibility for that," he said, "because we refused to recognize, collectively, the threat."

Other Republicans, however, engaged in partisan bashing of the Clinton administration. Senate Armed Ser-

vices Committee Chairman Strom Thurmond (R-S.C.) said that he was "astounded" at the administration's failure to support Congress' recommendation on the fiscal 1997 defense budget, because the administration budget "did not contain adequate funding for counterterrorism."

Rep. Duncan Hunter (R-Calif.) accused Defense Secretary William Perry of a "major failure in basic judgment," in allowing a situation where a truck carrying a bomb could park within 80 feet of the living quarters of the U.S. base in Dhahran, Saudi Arabia.

House gushes over drug kingpin George Bush

More than a dozen members of the House fell all over themselves to praise George Bush on Sept. 18, during debate on a bill to authorize a grant of \$3 million to assist in establishing the "George Bush Fellowship Program" at the "George Bush School of Government and Public Service" at Texas A&M University. Bush has been identified at the top of the chain of command of a Contra cocaine-running ring which flooded U.S. cities with drugs, in an *EIR Special Report*, "Would a President Bob Dole Prosecute Drug Super-Kingpin George Bush?" The report has been delivered to House offices.

Bill Goodling (R-Pa.) said the bill "pays tribute to a great President." Joe Barton (R-Tex.) called it a "living memorial . . . to a former President." Sonny Montgomery (D-Miss.) claimed that "in almost 30 years of public service George Bush has never embarrassed this country, and he has tried in every way to help and not hurt President Clinton in his foreign policies, especially in Iraq and Bosnia."

Bill Clinger (R-Pa.) said, "What a wonderful way to recognize a wonderful man and an outstanding President and his wife."

Opponents of the bill were also effusive in their praise of Bush. Peter Hoekstra (R-Mich.) said, "I join my colleagues to honor former President George Bush, but I choose to do so in a very different way, by limiting the federal government and working toward a balanced budget, not by creating a new fellowship program." Hoekstra was echoed by Mark Neumann (R-Wisc.) and Bill Luther (D-Minn.). The bill passed by a vote of 279-116.

Senate fails to agree on wrapping up business

Senate Majority Leader Trent Lott (R-Miss.) attempted, on Sept. 20, to get agreement to put the four remaining appropriations bills (Commerce; Interior; Labor, Health and Human Services; and Treasury) into a continuing resolution in order to wrap up the appropriations process by Sept. 25. Lott sought to have the Senate consider a continuing resolution from the House on Sept. 24 and 25, without amendments.

Sen. Byron Dorgan (D-N.D.) objected that the resolution was still unwritten. "We have no interest in delaying the business of the Senate. By the same token, we have no interest in agreeing to a process that will not allow an opportunity to amend circumstances in this piece of legislation that may well cry out for amendment," he said.

Earlier in the week, House Majority Leader Dick Armey (R-Tex.) said that the goal of the Republican leadership was to get Congress adjourned by Sept. 27, but that members should expect to stay in session on Sept. 28 and 29.

National News

AFL-CIO head: End GOP's reign in Congress

AFL-CIO President John Sweeney, calling Republican Presidential nominee Bob Dole the "Darth Vader of American politics," urged delegates to the Machinists convention in Chicago Sept. 24 to get out and work to reelect President Clinton, and return a Democratic majority to Congress.

"Two years ago we lost 29 Congressional districts to 'Newtie and the Blowhards' by less than 5,000 votes," Sweeney told members of the International Association of Machinists and Aerospace Workers, referring to House Speaker Newt Gingrich and the freshmen Republicans in Congress as a "gangsta rap group." Sweeney noted that in those districts where Republicans won, "we had two to three times that many union members who didn't even vote," Sweeney said.

The AFL-CIO hopes to put at least "100 activists" in each Congressional district, Sweeney said, and is counting on 30 hours of electioneering work from every one of them before Election Day, Nov. 5. "You have to work together with other members in your lodge and with the people in your community like serious voters, and get involved in this dirty business called politics," he said. His message to Dole was, "You've been an anti-worker, anti-union politician for 40 years, and we're not going to forget."

Welfare law destroying decent-paying jobs

Under the new federal welfare law, New York Republican Mayor Rudolf Giuliani is expanding the number of city welfare recipients thrust into slave-labor workfare, by 4,000 to 5,000 persons every month. Despite opposition from the city's municipal workers, Giuliani has rejected a union demand, that the number of welfare recipients herded into the city workforce, be frozen at the current level of 35,000.

As expected, union jobs are already be-

ing eliminated as a result. Recently, the Metropolitan Transportation Authority announced a concession by the Transport Workers Union, permitting the use of thousands of welfare recipients to clean subways and buses, while eliminating 500 unionized cleaning jobs through attrition. Under the arrangement, welfare recipients will perform such tasks as cleaning and clerical work in order to receive their welfare checks, at less than half the pay of union members.

Workfare recipients work a maximum of 26 hours per week, in a formula tying their welfare benefits to the equivalent of minimum wage. The Welfare "Reform" Law stipulates that 2.2 million welfare recipients be placed in workfare jobs nationwide by the year 2002, including up to 200,000 in New York State.

Over 150 saw missile before TWA explosion

Citing high-level federal officials, the *New York Post* reported Sept. 22 that the FBI has interviewed 154 credible witnesses, who described seeing a missile in the sky just before TWA Flight 800 exploded on July 18. The witnesses include scientists, schoolteachers, Army personnel, and business executives. "Some of these people are extremely, extremely credible," a "top federal official" said.

The FBI also sat many of the witnesses down with U.S. military experts, who debriefed them and independently confirmed for the FBI that their descriptions matched surface-to-air missile attacks. "There is no event on land or in the sky that can explain away what these people saw," said the federal official. According to the *Post*, law enforcement sources say that the hardest evidence so far, overwhelmingly suggests that a surface-to-air missile was fired from a boat off Long Island.

The *Washington Post* claimed Sept. 23 that investigators are looking at the possibility that a missile could have passed through the belly of the plane without itself exploding—but touched the center fuel tank, setting off the explosion that destroyed the aircraft.

British lord confirms Bundy was 'our boy'

Lord William Rees-Mogg, notorious for his hatred of President Clinton and of the United States, has engaged in maudlin mourning over the recent death of McGeorge Bundy, a lifelong tool of British interests. In a gushing eulogy in the Sept. 20 issue of *Strategic Weekly Briefings*, Lord Rees-Mogg, a spokesman for the British oligarchy, praised Bundy as "probably the ablest of all the young men in the Kennedy White House.

"He was also the last of the true Brahmins, the last person of a certain American background to exercise great power in American affairs. When he left his post as special assistant to the President for national security affairs [i.e., national security adviser] in December 1965, it marked nearly the end of a particular tradition in American public life."

Writing of Bundy in typical oligarchical fashion, Lord Rees-Mogg reverentially notes, "McGeorge Bundy was a Lowell on his mother's side. He was the best, he was the brightest; he was the right stuff; he was the real thing. He had those qualities that mock the fates, and in the end the fates mocked him back."

From David Halberstam's 1969 book *The Best and the Brightest*, Rees-Mogg quotes his description of Bundy as "above all a man of the Establishment, the right people deciding the right policies in the right way. He believed in the capacity and the right of the elite to govern on its terms."

Five million ex-felons still disenfranchised

An estimated 5 million Americans in 13 states have been permanently deprived of their right to vote, by laws which disenfranchise convicted felons even after they have served their time in prison. A disproportionate percentage of them are African-Americans.

A front-page story in the Sept. 19 Richmond, Virginia *Times-Dispatch* described the ugly features of this obscene practice in

Briefly

Virginia, where the law was enacted to curb the vote of blacks and poor whites. Today, it affects 241,420 felons, including an estimated 144,000 black men (African-Americans make up 60% of the Virginia prison population, but only 19% of the general population). A felon can only regain his right to vote through a costly and elaborate procedure, five years after he is free. Only about 75 felons have their right to vote restored each year.

The 13 states which deprive felons of the right to vote are Maryland, Kentucky, Nevada, Virginia, Mississippi, Alabama, Arizona, Iowa, Washington, Wyoming, Colorado, and Delaware. One national study, conducted in 1991 and published in the November 1993 *Yale Law Review*, estimated that at least 4.1 million felons have lost the right to vote, either permanently or temporarily. Given the huge increase in the prison population since 1991, the figure is probably closer to 5 million today.

State highway officials sound \$350 billion alarm

The task of maintaining or improving existing U.S. highways and bridges will cost \$357.5 billion over a five-year period beginning in 1998, according to a recent official study. The American Association of State Highway and Transportation Officials (AASHTO) issued that estimate in a report released Sept. 17, *The Bottom Line: Transportation Investment Needs 1998-2002*.

Increased spending by state and local governments from 1983 to 1993 has "stabilized" the deterioration of U.S. highways and bridges, but AASHTO warns that "a bigger highway investment challenge is on the horizon." Some 100,000 miles of highway must be refurbished each year to maintain their current physical condition. In addition, 125,000 bridges constructed in the 1960s and 1970s are nearing the end of their useful lives, and must be repaired or replaced.

The U.S. Department of Transportation (DOT) has calculated that each dollar of highway investment yields \$2.60 in benefits—such as time savings from reduced congestion, reduced operating costs, fewer

injuries and fatalities, and less pollution. Excluding the benefit of personal time savings, DOT estimated that \$1 of highway investment still yields \$2.20 in benefits.

State transportation officials report that the condition of mass transit systems has continued to worsen, despite massively increased funding by the states. In the past decade, 3,000 additional buses and rail vehicles have passed their useful life, but remain in service. To maintain 1993 physical conditions, 13,800 buses and 505 rail cars need to be replaced each year, at an estimated cost of \$2.7 billion.

Another \$2 billion a year is needed to improve and repair mass transit infrastructure. To improve performance, and increase the density of service in under-served areas, will require another \$3-4.5 billion a year, AASHTO estimates. The total bill comes to about half the current annual spending on mass transit, by individual users and all levels of government combined.

Morris kept open line to GOP Senator Lott

The *New York Post* claimed Sept. 19 that Dick Morris, the Roy Cohn mole in the Clinton camp, maintained regular telephone contact with Mississippi Republican Sen. Trent Lott throughout 1996, until the political transvestite was purged by the Clinton camp. Morris reportedly continued these chats from his den of iniquity, long after being reprimanded by the White House in February, for leaking information to the Republicans.

According to "a source familiar with Morris's hotel records," says the *Post*, Morris called Trent Lott at least 27 times in 1996 through Aug. 1. During that same period, Morris allegedly called Senate Minority Leader Tom Daschle (D-S.D.) only once.

Following Bob Dole's announcement May 15 that he would resign from the Senate, the radical conservative Lott took Dole's place as Majority Leader in June. Only nine of the reported calls were made after Lott replaced Dole. Lott's aide Susan Irby, in reply to the *Post's* story, said that Lott and Morris "pitched back and forth" proposals on budget matters.

DELINQUENT credit card accounts are at an all-time high, the American Bankers Association reported Sept. 17. Credit card users owed a total of \$454 billion as of June 30, up \$72 billion from the same date in 1995. The current amount owed represents 39% of all outstanding consumer indebtedness. Personal and company bankruptcy filings have also reached record levels.

VIRGINIA Gov. George Allen, the overseer of one of the nation's worst prison systems, bragged Sept. 13 that Virginia inmates have worked without pay for almost 200,000 hours this year, for "localities and state agencies on public works projects that otherwise might not have been completed." Their slave-labor tasks included refurbishing public schools during the summer, which Allen called "a cost-effective way for schools to maintain their facilities."

ARIZONA'S Maricopa County Sheriff Joe Arpaio, hailed by Bob Dole during a Sept. 16 visit to his desert "tent prison" for being tough on crime, fielded the first female chain gang in America Sept. 19. Fifteen women in chains went "voluntarily" into the desert heat, Arpaio claimed, hoping to be freed from permanent lockdown by "earning their way back" into his tents.

PRIVATE SECURITY spending in the United States is almost twice the amount of public expenditures on police. A 1990 study by a research arm of the U.S. Department of Justice put annual public outlays on police forces at \$30 billion, against \$52 billion spent on private security measures. The study projected that by 2000, public spending for police will increase to \$44 billion, while private security costs will hit \$104 billion.

RICHARD ARMEY (R-Tex.), the House Majority Leader, has declared that the Fraternal Order of Police is a "union mob dressed up like policemen." The Armeys are enraged by the police association's endorsement of President Bill Clinton.

Editorial

A shift in Clinton's campaign strategy

The ignominious departure of Clinton campaign adviser Dick Morris (and the impending departure of Democratic National Committee Chairman Donald Fowler), appears to have cleared the decks for a shift in strategy by the Clinton campaign. The President appears once again to be taking up the cudgels against the Republican "Contract on America."

Such a turn was anticipated by Lyndon LaRouche, when he focussed upon the strategic necessity of ending Morris's political clout, if the United States—and the world—were not to be destroyed. This was not an overstatement of the case.

Morris's campaign tactic of turning Bill Clinton into a me-too Republican, meant that Clinton was endorsing fascist austerity measures that were a sure road to a devastating economic collapse of the United States. The United States would be irreparably weakened, domestically and as a world power, and the way would be cleared for Britain's House of Windsor to gain hegemonic power globally.

The latest Clinton-Gore tour across the country has been characterized by their active campaign to support Democratic Congressional candidates who are running against neo-conservatives. There is a good chance that all of the 62 congressmen targeted by LaRouche's FDR-PAC, will be defeated, and that Newt Gingrich's brief reign as Speaker of the House will come to a welcome end.

The recent Clinton swing through the state of Washington demonstrates the shift that is now taking place. In 1994, Republicans defeated six of the eight incumbent Democratic congressman; now, all six of these freshman Republicans are vulnerable to defeat at the polls. This makes Washington a key state for the Democrats' effort to retake the House of Representatives.

The Clinton tour included major cities where Democrats are usually strong, such as Seattle and Tacoma, but campaign events by the President were also scheduled in the heart of several heavily Republican districts. These districts are considered to be conservative strongholds, not swing districts. Clinton campaigned here with Democratic Party challengers.

The Clinton strategy shift to elect a Democrat-controlled Congress has been welcomed by the Kennedy-Daschle wing of the party. Along with LaRouche Democrats and members of the Black Caucus, they had publicly opposed Morris's tactic of urging the President to sign the fascist Welfare Reform Act, passed by the Republicans.

Rep. Joseph P. Kennedy (D-Mass.) was quoted in the Sept. 20 *Boston Globe*, saying that the shift marks a crucial decision for Clinton in how he foresees a second term. Kennedy said: "There is a growing recognition that Clinton may very well win reelection. But if there is just a continuation of the defensive tactics of the last two years, it is very difficult for him to go down in history as anything more than a caretaker President."

Another indication that the Democratic Party is again on the offensive, is the promise by Democratic Campaign Committee officials that they intend to raise up to \$10 million for the Congressional races. The Democratic candidates have been complaining that they were getting no financial support from the Democratic National Committee. The commitment was applauded by Senate Minority Leader Thomas Daschle (S.D.), who said that such collaboration is "unprecedented."

The plan was finalized in meetings of House and Senate Campaign Committee leaders, first with White House Deputy Chief of Staff Harold Ickes, and then with the President himself. Already, \$2 million has been made available to the Democratic Congressional Campaign Committees, and Terry McAuliffe, who is the Clinton-Gore finance chairman, has been appointed to head a fundraising drive to amass the additional \$8 million. Clinton and the Congressional leadership have pledged to join forces to raise the money at two events scheduled for October—one in Los Angeles and one in New York.

Now is the time to rally maximum support behind the efforts of the FDR-PAC, not only to clean the Republicans out of Congress, but to ensure that the Clinton administration and the Congress enact LaRouche's program for getting America back on track.

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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
North County—Ch. 15
Wednesdays—4:30 p.m.
Greater San Diego—Ch. 24
Wednesdays—4:30 p.m.
- 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
Saturdays—1 p.m.

CONNECTICUT

- BETHEL/DANBURY/RIDGEFIELD
Comcast—Ch. 23
Wednesdays—10 p.m.
- BRANFORD—TCI Ch. 21
Weds., 10 a.m. & 7:30 p.m.
- NEWTOWN/NEW MILFORD
Charter—Ch. 21
Thursdays—9:30 p.m.

DISTRICT OF COLUMBIA

- WASHINGTON—DCTV Ch. 25
Sundays—12 Noon

IDAHO

- MOSCOW—Ch. 37
(Check Readerboard)

ILLINOIS

- CHICAGO—CAN Ch. 21
(no programs in Oct.)

INDIANA

- SOUTH BEND—Ch. 31
Thursdays—10 p.m.

KENTUCKY

- LOUISVILLE—TKR Ch. 18
Wednesdays—5 p.m.

LOUISIANA

- NEW ORLEANS—Cox Ch. 8
Mondays—11 p.m.

MARYLAND

- BALTIMORE—BCAC Ch. 42
Mondays—9 p.m.
- BALTIMORE COUNTY—
Comcast Cablevision—Ch. 2
2nd Tues., monthly—9 p.m.
- MONTGOMERY—MCTV Ch. 49
Weds.—1 pm; Fri.—8:30 pm
- P.G. COUNTY—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

- TRENTON—TCI Ch. 44
Wednesdays—2:30 p.m.

MINNESOTA

- EDEN PRAIRIE—Ch. 33
Weds.—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; Tues.—7 am & 2 pm
- ST. LOUIS PARK—Ch. 33
Fri.—Mon. 3 p.m., 11 p.m., 7 a.m.
- ST. PAUL—Ch. 33
Mondays—8 p.m.
- ST. PAUL (NE Suburbs)
Suburban Community—Ch. 15
Wednesdays—12 Midnight

MISSOURI

- ST. LOUIS—Ch. 22
Wednesdays—5 p.m.

NEW JERSEY

- STATEWIDE—CTN
Sundays—5:30 a.m.

NEW YORK

- ALBANY—Ch. 18; Tues.—5 p.m.
- 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/—Ch. 34
(call station for times)
- BUFFALO—BCAM Ch. 18
Tuesdays—11 p.m.
- HUDSON VALLEY—Ch. 6
2nd Sun. monthly—1:30 p.m.
- ILION—T/W Ch. 10
Fridays—3 p.m. & 9 p.m.
- ITHACA—Pegasy—Ch. 57
Mon. & Thurs.—8:05 p.m.
Saturdays—4:35 p.m.
- JOHNSTOWN—Empire Ch. 7
Tuesdays—4 p.m.
- MANHATTAN—MNN Ch. 34
Sun., Oct. 13 & 27—9 a.m.
Sun., Nov. 10 & 24—9 a.m.
Sun., Dec. 8 & 22—9 a.m.
- MONTVALE/MAHWAH—Ch. 14
Wednesdays—5:30 p.m.
- NASSAU—Ch. 25
Last Fri., monthly—4:00 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—QPTV Ch. 57
Wednesdays—10 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.
- SCHENECTADY—PA Ch. 11
Mondays—10 p.m.
- STATEN ISL.—CTV Ch. 24
Weds.—11 p.m.; Thurs.—5 p.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. 12
Saturdays—9 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.

OKLAHOMA

- OKLAHOMA CITY—
Cox Ch. 19
(call station for times)

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—Access Houston
Mondays—5 p.m.

VIRGINIA

- ALEXANDRIA—Jones Ch. 19
(call station for times)
- ARLINGTON—ACT Ch. 33
Sun.—1 pm; Mon.—6:30 pm
Tuesdays—12 Midnight
Wednesdays—12 Noon
- CHESTERFIELD COUNTY—
Comcast—Ch. 6
Tuesdays—5 p.m.
- FAIRFAX—FCAC Ch. 10
Tuesdays—12 Noon
Thurs.—7 pm; Sat.—10 am
- LOUDOUN COUNTY—Ch. 59
Thursdays—10:30 a.m.;
12:30 p.m.; 2:30 p.m.;
4:30 p.m.; 7:30 p.m.;
10:30 p.m.
- MANASSAS—Jones Ch. 64
Saturdays—12 Noon
- 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

- KING COUNTY—TCI Ch. 29
Sun., Oct. 5—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
Mon.—11:30 am; Weds.—6 pm
Thursdays—8:30 pm

WISCONSIN

- WAUSAU—Ch. 10
(call station for times)

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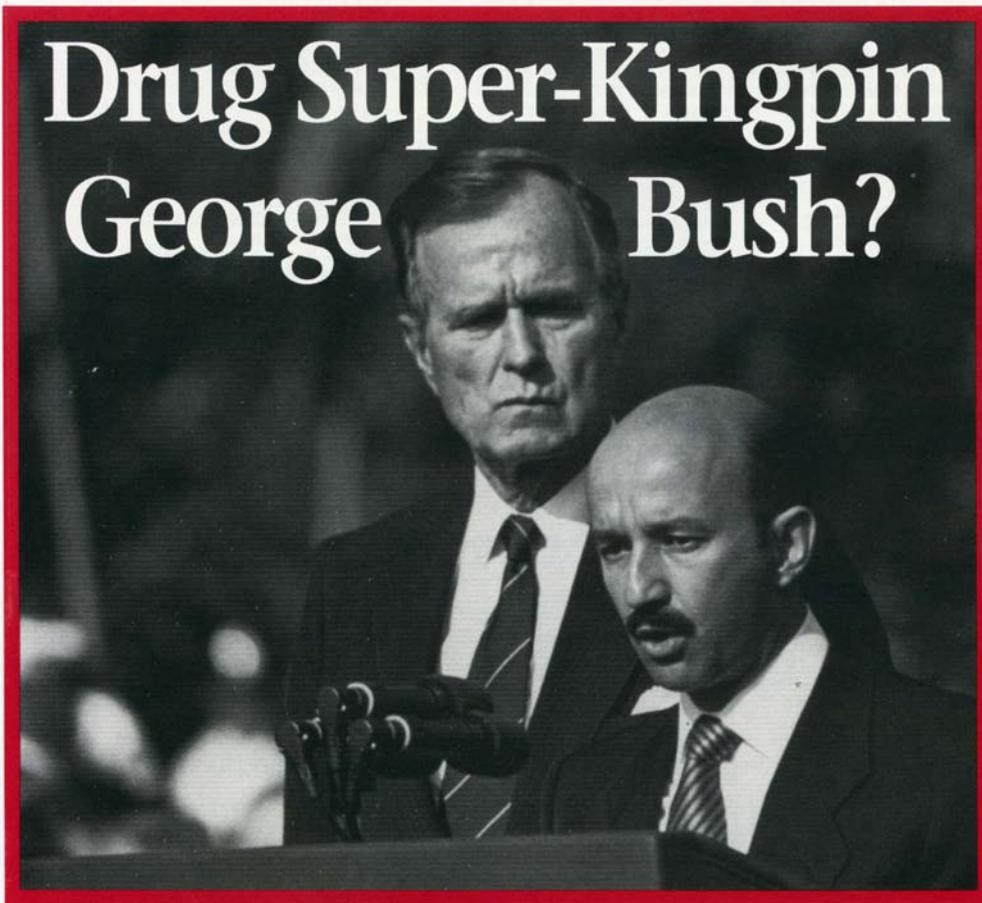
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