

# EIR

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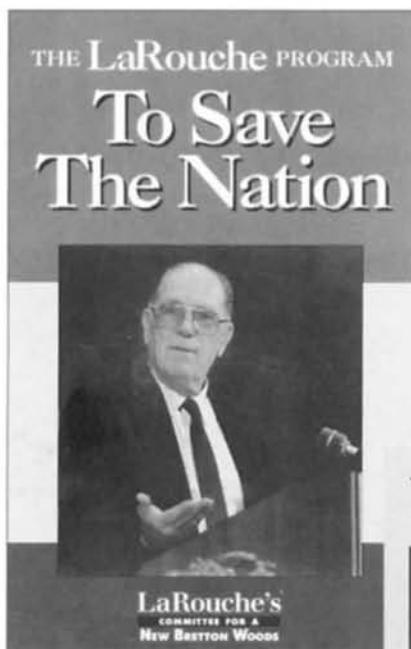
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America can't afford another Bush 'dope decade'  
U.S.-China WTO deal is the wrong breakthrough  
London declares 'jihad' against Russia

**Fowler, Keeney revive racism  
in the Democratic Party**



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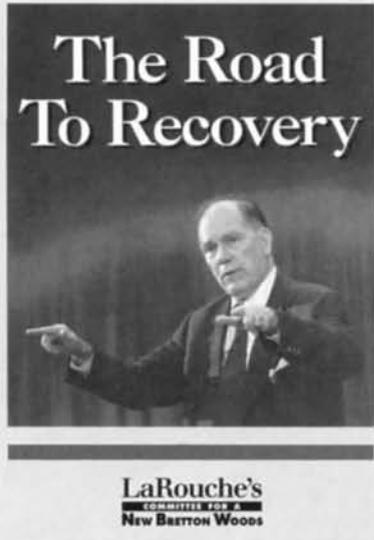
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World Wide Web site: <http://www.larouchepub.com>  
e-mail: [eirns@larouchepub.com](mailto:eirns@larouchepub.com)

**European Headquarters:** Executive Intelligence Review  
Nachrichtenagentur GmbH, Postfach 2308,  
D-65013 Wiesbaden, Bahnstrasse 9-A, D-65205,  
Wiesbaden, Federal Republic of Germany  
Tel: 49-611-73650. Homepage: <http://www.eirna.com>  
E-mail: [eirna@eirna.com](mailto:eirna@eirna.com) Executive Directors: Anno  
Hellenbroich, Michael Liebig

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

**In Mexico:** EIR, Río Tiber No. 87, 5o piso, Colonia  
Cuauhtémoc, México, DF, CP 06500. Tel: 208-3016 y 533-  
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## From the Associate Editor

This issue features detailed and irrefutable documentation of two assertions that “most people” would consider *absolutely, axiomatically, impossible*. To wit: 1) that a powerful faction within the leadership of the Democratic Party is committed to returning that party to the racist, pro-Confederate policies of Woodrow Wilson’s Ku Klux Klan, by repealing the 1965 Voting Rights Act; and 2) that the senior George Bush wittingly presided over the biggest explosion of cocaine and heroin use in American history.

Are we, perhaps, exaggerating? Not in the slightest.

Our cover story establishes that former Democratic National Committee chairman Donald Fowler, aided by DNC attorney Jack Keeney, Jr., argue explicitly that the exclusion of delegates pledged to Lyndon H. LaRouche, Jr., from the Democratic Party’s 1996 Presidential nominating convention, was fully justified, on the grounds that the 1965 Voting Rights Act is *unconstitutional* and should be revoked. That act was passed, in reaction against the shameless action by then-Senators Walter Mondale and Al Gore, Sr., to throw an integrated delegation, the Mississippi Freedom Democrats, out of the 1964 Democratic convention. Fowler and Keeney are attempting to revive the traditions of President Woodrow Wilson, who viewed and praised the film “The Birth of a Nation,” which was used to mobilize a mass revival of the Klan. The film itself quotes Wilson, with reference to the period of Reconstruction after the U.S. Civil War: “The policy of congressional leaders wrought . . . a veritable overthrow of civilization in the South . . . in their determination to ‘*put the white South under the heel of the black South.*’ The white men were roused by a mere instinct of self-preservation . . . until at last there had sprung into existence a great Ku Klux Klan, a veritable empire of the South, to protect the southern country (emphasis and ellipses in original).”

As to Bush’s role as the drug kingpin of the 1980s, detailed in our *Feature*, regular readers of *EIR* remember the story from 1996, when we first proved that it was not “the CIA,” but rather the Bush apparatus in the White House, that promoted the drug-trafficking Contras. “Most people” didn’t want to hear that, when we published it then; now, with another George Bush seeking Presidential office, they had better listen, and learn.

*Susan Welsh*

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## U.S.-China WTO agreement is the wrong breakthrough

by Jonathan Tennenbaum

On Nov. 15, after some 13 years of negotiations, the United States and China signed a bilateral agreement paving the way for China's entry into the World Trade Organization (WTO). The hard-won agreement was hailed as an historic breakthrough by U.S. President Clinton and China's President Jiang Zemin. Assuming that the agreement is ratified by the U.S. Congress, which cannot be regarded as certain, what has been officially *perceived* as a major stumbling-block to improving relations between the two countries, would appear to have been cleared away. The breakthrough occurred thanks to the repeated personal intervention of U.S. President Clinton and top Chinese leaders Jiang Zemin and Prime Minister Zhu Rongji.

It is too early to pass judgment on the full economic and other implications of the WTO agreement, whose explicit and implicit "fine print" is not publicly known. Whether the agreement is actually a good thing for either country — which is more than doubtful — the signing itself, after so many years of irritation, at least attests to the good intentions of both Presidents, that U.S.-China relations should truly advance, that the last vestiges of China's erstwhile isolation should be eliminated, and that China should be fully integrated into the "world community." Undoubtedly, the leaders intend that the agreement should make it more difficult for the enemies of China, and of a U.S.-China partnership, to drive wedges between the two countries, and eventually, even to provoke a direct military conflict. Unfortunately, good intentions alone are not sufficient.

### **Life-and-death issue not addressed**

From all indications, the U.S.-China negotiations have utterly failed to address the real, life-and-death issue con-

fronting the two countries. That issue is emphatically not China's membership or non-membership in the WTO, nor any of the particulars of this or that advantage or concession, which have so much occupied the energies of both sides in the long course of the negotiations.

Unless the present course of world events is radically changed, neither the United States nor China, nor any of the other remaining nation-states of this planet, have much chance of surviving beyond the early years of the coming century. Not only do we face the imminent prospect of an uncontrolled disintegration of the entire global financial system, plunging the world into economic and social chaos, but the British-centered oligarchical forces, responsible for orchestrating two world wars in this century, are currently feeding the fires of a new, generalized global conflagration from which civilization as we know it might not emerge for many decades ahead.

### **Emergency action needed**

For this reason, Lyndon LaRouche has insisted on the absolute necessity, that the President of the United States urgently convene an emergency gathering among a suitable group of nations, *including China at the top of the list*, for the purpose of initiating the bankruptcy reorganization of the global financial system, and launching an era of dirigistic, infrastructure-based, economic reconstruction and technological modernization of the entire world economy. Only the leaders of such a group of nations, acting in community of principle, could defeat the London-centered oligarchical force which is now positioning itself to rule over a projected neo-feudalist dark age, built on the ruins of the world's nation-states.



*President Bill Clinton and Chinese President Jiang Zemin, in Beijing on June 27, 1998. Despite their personal commitment to good U.S.-China relations, only implementation of a New Bretton Woods system will provide the basis for their desire for better relations to succeed.*

That context, and nothing less, now defines the immediate, life-or-death mission of a U.S.-China strategic partnership. It also highlights the tragic inadequacy, at best, of the recent display of good intentions between Clinton and the Chinese leadership in connection with the WTO negotiations.

Let us hope, on an optimistic note, that the two sides will exploit the margin of trust which may have been established in the process, to now address the *real* issues identified by LaRouche. Let us hope that the agreement will not become a “suicide pact,” chaining the future of U.S.-China relations to policies of financial globalization and free trade that imply the eventual destruction of *both* nations.

One should have no illusions. The attempt by the financial oligarchy, with the help of foolish governments and institutions, to maintain the hopelessly bankrupt world financial system at all costs—including the cancerous “derivatives bubble” of more than \$300 trillion—has generated incredible pressures within the system. This is driving a mad search for any possible means to expand the income flows upon which the whole vast pyramid depends. But the capacity of the nations, already fully digested into the “globaliza-

tion” process, to sustain even the current rates of looting, has come to an end. So, feverish eyes are set on China, as the last great chunk of “fuel” which might be consumed to keep the bubble going a while longer.

So far, Chinese government policies have blocked the direct financial looting of the country. But with the WTO agreement, and the projected major expansion of activities of foreign insurance and banking conglomerates in China, the pressure will drastically increase, for China to eliminate capital controls, and carry out other “reforms” which would provide access to the savings and accumulated wealth of 1.2 billion people. The dangers of that are clearly recognized in Beijing and elsewhere, but they remain nonetheless.

### **China’s pragmatism**

At first glance, China’s decision to enter a WTO strongly vectored toward globalization and free trade, would seem incompatible with the commitment, shown by its leadership, to pursue a *sovereign* policy of national economic development. It would be an error, however, to jump to conclusions concerning a supposed Chinese acquiescence to policies clearly recognized as instruments for looting and destroying

the developing nations. There are complex pressures shaping the tactical approach of the Chinese leadership toward the WTO—the only major international organization of which China is still not a member.

Often cited by Chinese observers, is the yearning for relief from the yearly torture of the U.S. Congress's vote on Most Favored Nation trade status, and the hope that WTO membership will provide at least a partial degree of protection against unilateral sanctions and discrimination by the United States or other nations, shifting such conflicts from the domain of direct political confrontation, into a supposedly more objective international forum. Furthermore, the Chinese leadership has carefully considered the risks and vulnerabilities embodied in the new agreement, and the dirigistic means it might employ to counteract them, as well as some potential tactical advantages.

Thus, many Chinese experts calculate that strong government control over domestic agricultural markets will prevent a potentially catastrophic collapse of farmers' income as a result of food imports. They believe that China has essentially succeeded, in the negotiations, in upholding its demand for the status of a developing country in the WTO—and thereby reserves the right to adopt certain types of protectionist measures.

On the other hand, Zhu Rongji and others view introducing a certain controlled dosage of competitive pressure, through a regulated foreign access to China's markets, as a positive instrument for overcoming the bureaucratic inertia and passivity which plague much of the state sector. The painful overcapacity in the Chinese textile sector, for example, and the prospect of opening up further outlets for these and other goods which are presently glutting the deflation-plagued Chinese market, is another consideration.

Not to be underestimated, at the same time, is the corrupting influence of the free-trade lobby inside China itself, concentrated especially in the coastal provinces, which has not grown weaker with the "return" of Britain's longtime Chinese asset, Hong Kong.

Also not to be underestimated, is the strength of forces within China, which demand an opposite, strongly protectionist course.

### **British 'globalization'**

Apart from these complex and conflicting pressures, however, leading circles in Beijing are broadly aware of the fact, that globalization is essentially just another word for a revival of the free-trade policies of the British Empire, and that the emergence of the WTO is inseparable from that process. It is recognized that China would today be in the same disastrous condition as most so-called developing countries, if the government had not insisted on "national economic sovereignty" and "national economic security" in the face of massive pressure for financial globalization.

Not accidentally, China has been a major behind-the-

scenes supporter of Malaysia's Prime Minister Dr. Mahathir bin Mohamad in his polemical battle against the financial oligarchy. China's continued growth, in spite of the so-called Asian financial crisis and enormous internal difficulties, would have been impossible, if not for the Chinese government's refusal to eliminate currency controls, its insistence on the right to employ protectionist and other dirigistic measures to foster domestic production, its policy for basic food self-sufficiency, and, not least of all, the massive state investments into infrastructure and related development.

Beyond this, President Jiang Zemin has repeatedly emphasized that the present world economic and financial order is fundamentally unjust and destructive of the interests of developing countries generally, and has called for the creation of a new global financial system and a just world economic order. In essence, if not in detail, the Chinese government is in public accord with the basic concept of a "New Bretton Woods" system as put forward by Lyndon LaRouche.

### **Who will take the initiative?**

The problem is: Who will take the actual initiative, beyond merely expressing good will, to make that a reality? There is no evidence, so far, that the Chinese leadership, burdened as it is by the immense problems of a 1.2 billion population emerging from a long feudal past, is subjectively or objectively prepared to assume that degree of world leadership at this time. The initiative can only come from the United States, which is where the whole dilemma lies.

In this situation, senior Chinese observers have stressed to *EIR* the overriding *political* character of the Chinese leadership's decision to push the WTO negotiations with the United States to a conclusion now—even at the cost of risky compromises in terms of the highly complicated domestic situation in China. There is no mystery here.

The Chinese leadership knows, that the ongoing anti-China campaign in the United States and elsewhere is being orchestrated by forces who are committed to the destruction of China. The Chinese evidently hope, that by making certain compromises, they will be able to gain time, and weaken the assault against them, playing on the enormous commercial interests at stake in expanding China trade. At the same time, they are hoping that the U.S. President will be able to block or restrain at least the most destructive operations being orchestrated through such agencies as Sen. Jesse Helms (R-N.C.), the Republican Congress, U.S. Secretary of State Madeleine Albright, and sections of the U.S. military.

Will this defensive tactic work? Or will the enemies of both China and the U.S. Presidency simply exploit the tragic tendency on both sides to go for pragmatic compromises instead of addressing the real issue, and escalate the attack? Survival will need more than mere good intentions. It requires the kind of leadership which only Lyndon LaRouche has demonstrated the will, and ability, to provide.

# Mergers, layoffs are destroying industry

by Rainer Apel

The German economy has a big internal problem: There has been a phase-change since the beginning of this decade, from managers who have a sound engineering or industrial background, to a new type of manager who has no other “qualification” for a top job in industry than an arsenal of tricks to make shareholders happy. These tricks bypass reality, pretending that the world of the money markets is the “real world that counts.”

Fortunately, reality reasserts itself, and the more so in recent weeks, as top German managers seem to be infected with the virus of “millennium panic.” There is not a single day without news in Germany about new plans for super-mergers, friendly or hostile takeover bids, restructuring of entire corporations, and the accompanying mass lay-offs. Reading the economic pages of the leading German dailies these days, is like reading the daily journal of a gambling casino.

The case of Mannesmann, one of the big German machine-building companies which has become involved in information technology in recent years, is illustrative of the new pattern. When the top management changed, a few months ago, a new corporate strategy was launched under Klaus Esser, a man who learned his “economics” at the Massachusetts Institute of Technology. Esser convinced the management to undertake a giant takeover drive in the international telecommunications branch, aimed at transforming Mannesmann into a global player in information and Internet technology. The traditional machine-building and related industrial branches of the company are going to be phased out.

Esser and his management worked on this strategy with three leading Wall Street investment consultant firms — Goldman Sachs, J.P. Morgan, and Merrill Lynch. Goldman Sachs convinced Esser that a takeover of the British telecommunications company Orange would be a good bet, instantly making Mannesmann one of Europe’s biggest telecommunications operations. But, hardly had the takeover agreements been signed in October, than Esser was approached by Chris Gent, who told him that his own Anglo-American telecommunications giant, Vodafone-Airtouch, now planned to take over Mannesmann. In what was first presented as a friendly takeover bid by Vodafone, Gent kept increasing his offer, reaching

the unprecedented level of 200 billion deutschemarks on Nov. 15. When Esser rejected the offer, Gent announced that he would pursue a hostile takeover strategy, which means that he will appeal to the private greed of Mannesmann shareholders, enticing them to desert Esser and sell their shares to him.

Experts see a close connection between Gent’s strategy, insofar as he relies on the advice of the same Goldman Sachs experts who previously advised Esser, and Esser’s policies. Like Esser, Gent has announced that he would sell off Mannesmann’s traditional industrial assets and turn the company into an exclusive provider of telecommunications and Internet systems. Which of the two gamblers wins, is almost irrelevant to the workforce, which will be sacrificed under either plan.

## The Philipp Holzmann case

The case of Philipp Holzmann, one of Germany’s biggest traditional construction firms, is also illustrative. The company ran into a big crisis in 1996 and was forced to restructure, cutting the company’s workforce from 48,000 to 28,000. The company had been driven into deep trouble in the early 1990s, when its managers got involved in speculative real estate development projects and lost DM 3 billion. However, the proper lesson from that foray into speculation was not drawn, and, just as Mannesmann’s Esser was making headlines, Philipp Holzmann’s management was reported to have lost DM 2.4 billion, in the same kind of deals that ran the company into trouble three years ago.

The company is now close to bankruptcy; the “consolidation” that is being mooted not only will sacrifice more of the workforce, but it will also hit the shareholders, whose shares will be devalued at 26 to 1.

The Philipp Holzmann case is illustrative also of the role of the banks, the big lenders that have their people seated on the boards of Germany’s industrial firms. Deutsche Bank has been the main lender to Philipp Holzmann for many years, and it has a direct 15% share in the firm. Carl von Boehm-Bezing is Deutsche Bank’s man on the board of Philipp Holzmann, and the question is posed, whether he was not paying enough attention to realize that speculative investments were being made, or whether that was his own policy as well.

On Nov. 9, Boehm-Bezing went on the record at the German *Mittelstand* (small and medium-sized firms) Congress on Berlin, saying that due to its ongoing restructuring, Deutsche Bank can no longer afford to give credits to anybody who asks. He said so in response to public charges that the bank no longer lends to smaller industrial companies, because their operations are “not a profitable investment.” Only those firms which fit into the new field of Deutsche Bank financial products, Boehm-Bezing said, will receive credits from the bank in the future. The highly speculative real estate project developments that Philipp Holzmann undertook, certainly were more in tune with that new field of Deutsche Bank financial products.

## Recognition grows that crisis is looming

*While the majority of the international financial press maintains the myth that booming stock markets mean that the economy is doing just fine, incisive comments by some European analysts dispel that illusion. We excerpt here from a report carried in the Swiss business daily Neue Zürcher Zeitung, warning that “classic inflation” lies ahead, and from a pamphlet by French Prime Minister Lionel Jospin, repudiating the “Third Way” ideology of Britain’s Tony Blair.*

### **Neue Zürcher Zeitung, Nov. 15:**

While most stock market participants are still claiming that ever-rising asset prices—due to the “new economy” achievements of globalization, liberalization, and computerization—have no inflationary effects, several financial experts, and particularly central bankers, are now expressing different views, the newspaper reports. They fear “that the stock market boom of recent years could have laid the foundation for a strong inflationary push in the future. It’s only a matter of time, until the high stock market prices and the prices of other assets, such as real estate, will materialize into a rise of the overall price level.”

As a consequence of central bank monetary policies and of a series of IMF bailouts, which in 1997 and 1998 alone created \$181 billion of additional liquidity, we are now experiencing a “classic inflation process.” That is, a rapidly growing volume of liquidity is meeting a limited amount of stocks and real estate. And there are “powerful transmission mechanisms” at work, which will sooner or later lead to general price inflation. With the same amount of stocks, you now can buy much more goods and services than a few years ago. The U.S. consumer boom and the rapidly growing U.S. trade deficit, already requiring \$1 billion of external financing every single day, are alarming signs in this respect.

### **French Prime Minister Lionel Jospin, *Modern Socialism*, pamphlet published by the British Fabian Society, reported in the London *Guardian* on Nov. 16.**

Jospin situates “globalization” in the context of British historical policy: “Great Britain has always been more ‘globalized’ than France. It is a country that invented free trade and gave it life—while at the same time knowing how to manipulate imperial preferences when this was in its interest.

The Thatcher revolution was deeply hostile to values that are still held dear in France.”

Jospin says he is not sure what Tony Blair’s so-called Third Way is: “If it lies between capitalism and communism, it is merely a new name peculiar to the British.”

“Capitalism is a force that moves,” he writes, “but it does not know where it is going. The simultaneous domination of the economy by global finance and the coming of the information revolution make this feature of capitalism now even more pronounced. Indeed, there is now a disjunction between the movements of finance and the development of production and society. The former seems to move at the speed of light. The latter moves at the speed of sound. . . . In finance there is absolute fluidity and everything is instantaneous. . . . Financial movements are too rapid for the pace of the real economy. That is why financial movements must be regulated, so that meaning is restored to these transactions. The production of wealth must be geared to human aims.

“The financial crises of 1997 and 1998 in Asia and Russia had at least one positive effect. They shattered the claims of neo-liberalism. The first claim, made by optimistic neo-liberals, was that giving market forces free rein, particularly in financial markets, was the best way of making the world economy work. The second, made by pessimistic neo-liberals, was that globalization had to be accepted and that there was no hope of controlling it.” The crisis “brought to center stage the need to regulate global capitalism in such a way as to ensure that the system is not swept away by its so-called ‘natural’ mechanisms.”

Jospin underscores the responsibility of the state in managing the economy, in opposition to the free-market ideology of neo-liberalism.

“This need to take control in adapting to reality places a special responsibility on the state. The state is in a position to provide the necessary direction, without taking the place of other actors in society. Often it is the only agent that can clear away or navigate around the archaic forces standing in the way of changes that society wants. In France, we call this approach *volontarisme*. . . .

“The concept of *volontarisme*, or an active state, is a key part of our approach to modernization. It is particularly necessary in the conduct of economic policy.”

*In a speech at the Socialist International meeting in France on Nov. 8-10, Jospin also emphasized the need for state regulation of the economy, but—incredibly!—plugged the role of the International Monetary Fund in this context:*

“The international financial crisis of last year,” he said, “reminded everyone of this teaching of history: Capitalism must be always mastered and regulated. This is why we must re-enforce the role and the political legitimacy of the IMF; we must fight drug trafficking and international financial crime, and create a common juridical space.”

# Globalization threatens Poland's survival

by Frank Hahn

If it can be counted as “Western style” to have interminable traffic jams, postmodern office doors à la Potsdam Square in Berlin, a high density of mobile telephones, expensive yuppie restaurants with dubious menus, and extravagant elegance in the latest clothing fashions, then Warsaw has made it into the big leagues among Western capital cities. Polish youth celebrate the arrival of the world of glamour in the formerly austere East with frenetic parties, and they believe in democracy, globalization, and liberalism.

But this glittering scene may quickly prove to be nothing but a Potemkin village. Not only are pessimism, drug consumption, and similar symptoms of the oft-cited Western collapse of values spreading, but also, behind the colorful shopping windows in Warsaw or Krakow, the economic crisis is threatening to boil over. Poland finds itself caught up in the world economic crisis, and hit by the crisis in Russian in particular, while it is being squeezed by the International Monetary Fund (IMF) and the European Union (EU) in equal measure.

To give a few examples: 120,000 miners will be laid off by 2002, and in the steel sector, one-third of 74,000 employees will lose their jobs over the next three years. The Polish railway PKP plans drastic cuts (60,000 layoffs out of 204,000 employees). In the health sector, the “great reform” has been in effect since the beginning of the year, and has resulted in layoffs of two-thirds of the doctors and nurses, and a severe deterioration of health care for all of those patients who cannot afford private physicians.

All of the “reforms” and privatizations are the prerequisites for Poland's membership in the EU. And, the European Commission is making new demands for accelerated layoffs. The Brussels Commission has rejected the original plan for reducing steel production from 15 million tons to 13.5 million tons, and is insisting on a reduction to 9 million tons — which would be less than one-third of Poland's steel production in 1990! No wonder that, under these circumstances, 54% of all Poles are now against entry into the EU.

It would be foolish to assume that anyone really intends to increase the productivity of firms with layoffs of these magnitudes. The simple fact is that layoffs result from a radical policy of deindustrialization — as the rest of Europe already knows. The Polish rail system, for example, is to be reduced from its current 22,000 kilometers to 16,000, and the number of passengers transported annually is to drop from

386 million to 212 million. One wonders whether people are supposed to switch to bicycles or airplanes. A car would be a precarious alternative, given the current state of the roads. Maybe the idea is that the people should just stay home, since they have contact with the rest of the world through the Internet anyway.

The railways were once the pride of the Polish nation, efficient and punctual, and they were also the largest employer. Now they are an example of the results of globalization and shock therapy. Industries — steel and coal, especially — have paid no rail fees for several years now, and so, the debt-spiral has been shifted from one sector of the economy to the other. According to testimony by PKP president Krzysztof Celinski, no bank is willing to give credits to the railway, and so the problems become more severe, to the point where the railway is now no longer able to pay pensions and health insurance for its employees.

The newspaper of the railway trade union, *Wolna Droga* (*Free Ride*), reported these conditions under the title, “To Be or Not To Be,” and called on the Pope, who repeatedly has warned against “wild capitalism,” in which “human beings are treated not as creative beings but as simple tools of production,” for help.

## Political conflicts amidst crisis

The symbol of this “wild capitalism” is Finance Minister Leszek Balcerowicz, in office for ten years now, who supports the radical-liberal policies of IMF shock therapy. An active cadre of the communists and a lecturer on Marxist theory up to 1989, his campaigns against his opponents have recently come to resemble the hysterical features of a political purge: the chairman of the Committee for Agriculture in the Polish Sejm (Parliament), Gabriel Janowski, as well as the Minister for the Environment, were abruptly fired from their posts after criticizing Balcerowicz's policies. And also, the chairman of the Finance Committee, Henryk Goryszewski, promptly found himself tied up in a tax-scandal when he criticized Balcerowicz. There is a tense and repressive atmosphere in the country's political circles.

Since late October, however, Minister Without Portfolio Jerzy Kropiwnicki, Balcerowicz's nemesis in the cabinet, and head of the Government Center for Strategic Studies, has gone on the offensive. In a press conference on Oct. 27, he painted a realistic picture of the current situation, including the alarming figures on unemployment, the trade deficit, and inflation, and wryly observed that the policy of “cooling off” the economy (Balcerowicz's favorite slogan) had not achieved the expected results.

In fact, the statistics are rather embarrassing: Balcerowicz's prognosis at the beginning of the year and the current reality diverge considerably. Instead of 9.5% unemployment, the reality is 12.5%. Industrial production did not increase by the projected 8%, but instead, it stagnated at 0.9%. Exports collapsed as a consequence of the global and Russian crises



*The real story of Poland's financial "reforms": A woman is reduced to begging, on the streets of a small town near Warsaw, 1999.*

by approximately 7%, instead of rising at the forecast rate of 14%.

There was an immediate uproar in the ranks of the liberals following Kropiwniki's press conference. Kropiwniki had painted "a black picture," according to *Gazeta Wyborcza*, the neo-liberal propaganda sheet for Solidarnosc circles. Representatives of the National Bank were banging the drums of hysteria because the Polish currency, the zloty, fell 1% within three minutes after Kropiwniki's press conference had ended; they called for shutting him up, so that such things would not be said in public.

Balcerowicz promptly demanded that Kropiwniki resign, and Prime Minister Jerzy Buzek decided to send the target of the criticism on a vacation. Political observers in Warsaw see this as more of a Pyrrhic victory for Balcerowicz, and the beginning of Kropiwniki's political come-back.

People around Kropiwniki are optimistic: They are counting on a new international agreement for solving the global financial crisis in 2000, and in this context, Poland would take the lead in creating new instruments of credit for investments in infrastructure, and new technologies, including in space research. These circles are talking about criteria of physical economy, and about how human beings are created in the image of God to subdue the Earth. This reflects the continuing process of discussion around the ideas of Lyndon LaRouche and the Schiller Institute in parts of the Polish government.

## Debate on globalization

These ideas are being discussed widely in other quarters as well. The most recent issue the magazine *Wies i Panstwo*, the theoretical journal of the Polish farmers' party PSL, which was in the government from 1993 to 1997, and for a time even had one of its own members as Prime Minister, reports in detail on LaRouche's economic theoretical work. Prof. Tadeusz Przewozniak authored an article on the history of ideas about the social market economy, and, rather unusually, in his treatment of the 19th century, he discussed the opponents of radical liberalism: Alexander Hamilton, Friedrich List, and Henry Carey. In the chapter on the history of economic thinking since 1971, two pages are devoted to LaRouche and his theory of physical economy. Professor Przewozniak notes the origins of LaRouche's economic ideas in the work of Leibniz (particularly "Society and Economy"), and he mentions that LaRouche's book, *So, You Wish To Learn All About Economics?* is also available in Polish.

The basic ideas of LaRouche and his wife, Helga Zepp-LaRouche, are summarized in two theses:

1. The world financial system, which has generated an immense speculative financial bubble, in which only 2% of the daily financial turnover on the financial markets has anything to do with the exchange of real goods, is threatening to disintegrate.

2. The massive issuance of credit for productive projects in infrastructure and industry, particularly the development of infrastructure corridors from Europe to China, is a necessity.

This article is important because a heated debate broke out recently in the PSL, and also in scientific circles otherwise, on globalization. The recent translation into Polish of *The Globalization Trap*, a book by Hans-Peter Martin and Harald Schumann, which was originally published in Germany in 1995, unleashed considerable turmoil. It was a shock to read that 80% of the population is viewed as superfluous in the eyes of the proponents of globalization, and that their only fate is unemployment and poverty. Some professors and political activists of the "anti-Balcerowicz camp" do not shy away from comparisons between globalization and the policies of Hitler or Stalin, or even calling globalization planned genocide. That is characteristic of the atmosphere in which the Schiller Institute's new study, "Neo-Liberalism Kills" (*EIR*, Nov. 5, 1999), is being met with great interest even in advance of its publication in Polish.

Representatives of the Schiller Institute were invited by the anti-Balcerowicz camp for a number of discussions inside and outside of the Sejm, and many expressed joy at hearing about the progress of Lyndon LaRouche's Presidential campaign, since LaRouche is seen as at the center of resistance against globalization.

## The condition of trade unions

As far as the trade unions are concerned, the disastrous economic conditions are having their impact. There is talk

about large demonstrations and a “pre-revolutionary situation” in the country. That is surely an exaggeration, because, for all of the criticism of the social consequences of the drastic budget cuts (in which the trade unions resemble their German counterparts), there is still no criticism of the system itself. The majority of the population is dissatisfied with the policies of the Solidarnosc-led government, but it is still far from rejecting the system of globalization and neo-liberalism. The trade union movement outside of the now radical-liberal Solidarnosc is fragmented, and often limits its focus to representing particularist interests. That was why the long-announced grand demonstration of four different trade unions in Warsaw on Sept. 24 was a disappointment: Instead of the expected 100,000 people, only 30,000 showed up, and they won’t be seen on the streets again very soon in that formation.

One of the few trade union leaders who has a real program, and who wants to expand the political vision of his members, is Daniel Podrzycki, the chairman of the mining union “August 80,” whose base is primarily in Upper Silesia. He publicly supports the program for the Eurasian Land-Bridge, and his articles on the Schiller Institute and LaRouche appear regularly in the union’s weekly newspaper, *Kurier Zwiazkowy*. That is why the radical-liberal *Gazeta Wyborcza* recently unleashed a tirade against the Schiller Institute, claiming that “August 80” is “financed by the Schiller Institute.”

The Schiller Institute and “August 80” held a joint press conference in Katowice on Oct. 25 to counter these reports. Podrzycki ridiculed the press reports about the Schiller’s Institute’s alleged financing of “August 80,” and said that it would be the equivalent of Uganda financing the United States.

Anna Kaczor-Wei, the chairman of the Polish Schiller Institute, emphasized that the Schiller Institute does not cultivate official cooperation with any institution in Poland, but it does have an intense exchange of ideas with various political, social, and scientific institutions. She astonished the assembled journalists with a competent analysis of the global financial crisis, and the consequences of globalization and free trade, and elaborated in detail on the necessity for a New Bretton Woods global financial system, on behalf of which LaRouche is campaigning for President in the United States.

Two newspapers from the region of Katowice, including *Trybuna*, have publicly clarified that the Schiller Institute does not finance “August 80.”

Among the so-called “elder statesmen” in Poland, the idea of a new political leadership, engaged in a Socratic dialogue with the population, as LaRouche epitomizes this, is being met with great sympathy. One of the most important political advisers behind the scenes said that, without the philosophical foundation of politics in the sense of Socrates or Leibniz, civilization would destroy itself. The discussion about the quality of political leadership in the coming century has, in any case, already begun in Poland.

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## Interview: Janusz Dobrosz

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# Poland needs an end to free-market insanity

*Mr. Dobrosz is the chairman of the Polish Peasant Party (PSL) Club in the Sejm (Polish Parliament). He was interviewed by Anna Kaczor-Wei in Warsaw on Nov. 5.*



*In his interview, he discusses Poland’s relationship to the European Union. Warsaw has signed a preliminary agreement regarding association with the EU, and in three years, it may become a full member. But the European Commission is demanding that the Polish government satisfy certain austerity conditionalities now, even before becoming a member.*

**EIR:** For ten years, Poland has been implementing free-market reforms according to the International Monetary Fund’s (IMF) conditionalities; additionally, for a few years now, this country has been adapting to the European Union, which, from what I know, has had a rather bad impact on the Polish economy. Because of that, social support for Poland’s membership in the Union is decreasing. What effects do Brussels’ directives have on Polish agriculture?

**Dobrosz:** As a political formation, we have a clear conscience, because, since 1990, we have been warning against all the dangers and obstacles accompanying the decision to adopt everything that Brussels and the IMF dictate, without any alternative. There are many groups which are now suddenly waking up, when the situation is already dangerous, and one can clearly see the consequences of their policies.

Politics is mainly about forecasting. We have forecast that there will be problems, if Poland abruptly gives up everything that the developed countries maintained, during the period of their dynamic growth, when they stuck to state interventionism and took care about their economic progress in the framework of their national economy. We were labelled as irresponsible, conservative, or post-communists. We were told that if we want an economy with state intervention, we must be pro-Russian. But today, anybody can see the fatal consequences of the European Union’s policies toward us.

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*When it comes to LaRouche's ideas in the field of monetary policy, one can only endorse them enthusiastically, because such a program would guarantee that money would reflect real value, the goods or work that was invested.*

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Two-thirds of the imports coming into Poland equal two-thirds of the European Union surplus in trade balance. The agreement that Poland signed with the EU was supposed to be beneficial for Poland, but the results are dramatically opposite to what was expected. This path is leading Poland nowhere, especially when it comes to agriculture. Unlike Poland, the EU uses subsidies, export subsidies, etc. So, it is completely absurd to say that Poland should adapt to the Union by abandoning state interventionism, and that in the future this will allow us to compete.

Paradoxically, before 1989, under the old system — which we used to criticize as well — Poland's agriculture used more of the instruments that are characteristic of the EU, than it does now. Today's efficiency and production in agriculture are much lower than that before 1989; for example, cattle herds have shrunk by 50%, sheep herds by 90%. If somebody believes that limiting production constitutes progress, I think this is total nonsense.

Remember that according to the rules, when the full integration of Poland with the EU takes place, and our agricultural quotas are established, it will be done on the basis of our productivity at the point of integration. But our productivity is continuously collapsing. If we were included as full EU members, based on the level of the production that existed before 1989, under so-called socialist Poland, they would have to consider parameters which were 30% higher! Back then, there were also bigger reserves for the economic development of rural Poland.

When we signed the agreement with the EU, our party stressed that there were many question marks, and some things we had to fight for. When we had some influence on the government, in 1994-95, we introduced balanced payments [subsidies to farmers, something like a parity price for their production — ed.], credit instruments — the same as in the EU — and guaranteed minimum prices. Today, those who are negotiating with the EU are not defending our national interests.

**EIR:** In a recent speech in the Sejm, PSL Chairman J. Kalinowski presented a rather bleak picture of the whole economy — not only in agriculture, but also for industry, infrastructure, and unemployment (which is now 12.5%). What could you say about the general economic situation of the country?

**Dobrosz:** We see clearly now the devastating effects of lib-

eral economic policies. By the way, those policies were implemented by the previous coalition, with the [post-communist] SLD [Social-Democratic Alliance] in charge. As a partner in this coalition, we sparked many debates — not so as to get more official positions, as was suggested, but in order to change policies. Our role was to block certain measures, or present solutions which included state intervention, which could move the economy. When Waldemar Pawlak was Prime Minister, we even had a surplus in our food trade: Our exports were higher than our imports. This, in turn, lowered unemployment and stopped the drain of our economic resources.

However, today, especially during the last two years, we witness the results of [Finance Minister Leszek] Balcero-wicz's absurd policy of "cooling down" the economy. The idea is to combat inflation, but in reality it is *causing* costly inflation; at the same time, there is no attempt to stimulate exports and production — on the contrary, production is constantly shrinking.

You cannot fill that gap with imports. The artificially maintained exchange rate between the dollar and the zloty, the Polish currency, is another problem. It is not [chairman of the Government Center for Strategic Studies] Jerzy Kropiwnicki who is the cause of the devaluation of the Polish currency; the reason for it, is that foreign investors have bought up whatever was profitable in Poland, and now they are not interested in maintaining the present exchange rate.

What we see today is, contrary to the program of the AWS [Solidarity Election Action, a group of parties in which the Solidarnosc trade union plays a major role; it was formed for the purpose of winning Parliamentary elections in 1996; the AWS is now in the governing coalition with the Freedom Union], it is obvious that the coalition is run by one man [Bal-cerowicz].

**EIR:** We have just published a report titled "Neo-Liberalism Kills: The Legacy of Thatcherism" [*EIR*, Nov. 5, 1999], which documents the collapse of standards of living, the many unnecessary deaths that have been caused, the demographic catastrophe in many countries due to IMF policies, and the cost-cutting philosophy in developed countries. Would you agree with the thesis that liberal economic policies are responsible for the loss of many lives?

**Dobrosz:** Neo-liberalism discourages procreation. It is not only a matter of economic policies, but also of a certain culture, which also came to us from the West. Between the two wars, we were not a rich country. The countryside was really poor, but there was a different culture, shaped by tradition and the [Catholic] Church; there was no demographic collapse at that time.

Now, on one hand, people are shaped by consumerism; on the other, they ask themselves if they can support their families, at least at some minimum level. If you look at the great gap between the highest income, enjoyed by a very small part of the population, and the lowest, it is clear that a lot of people just cannot make ends meet. It is no secret that, according to some people's analysis (not discussed openly by those who implement these policies), Poland should have no more than 15-20 million people. [It has about 40 million now.] It was the Club of Rome that published this analysis.

But the world's population today is not limited by food production; on the contrary, the developed countries produce more food than they need, so there is no excuse for claiming that the Earth cannot feed all its inhabitants. What we are dealing with, rather, is an arbitrary ideology, which reflects the fact that the main motto in liberalism is egoism. People who are affected by it, look at one more child as a burden. Here in Poland, the lack of housing is another reason for the demographic decline.

The tragedy is that the 21 postulates of the AWS were realized better by the old Workers' Party [Communists], than by today's liberal governments.

**EIR:** Housing construction has collapsed to the level of 47 years ago, isn't that true?

**Dobrosz:** That is right. Some say that now people can construct housing on their own. They could, but how and why? The kind of freedom that is promoted by the ideologues of liberalism is a very misleading concept, because what kind of freedom is this, if in theory I can do anything, but in practice I have no means to do anything at all. Such freedom exists only in theory. One can talk about true freedom, when a man, an average man—perhaps not everybody, but an average, talented man—has an opportunity to express his talents. This is impossible in Poland. We are building a caste society. Lawyers' children may become lawyers, doctors' or businessmen's children may get a good education, but workers' children will have no access to it. So, indeed, as some say, in the age of globalization, 80% of people will be "useless eaters"; we convince young people that all of them can become millionaires, not shoe-shine boys, but the truth is, that in this system, 80% will become shoe-shine boys—if there are still shoes to shine.

**EIR:** As you know, *EIR*'s founder and contributing editor, Lyndon LaRouche, has been for years campaigning against

neo-liberalism, the post-industrial society, and similar ideologies. He has proposed a number of economic programs for various parts of the world, for example, the Eurasian Land-Bridge, which you are familiar with. In what way, in your opinion, could Poland participate in the implementation of this program?

**Dobrosz:** Poland could contribute a lot to this project, but there is one condition: The promoters of the current ideology would have to lose power. As long as this ideology is dominant, nothing can be done. During the next elections in Poland, we have to present an alternative, which would have as the main goal strengthening the nation-state and national economic policies. As a result, liberalism would be marginalized, those who promote it would lose a decisive voice, and we would become partners for those who think in a similar way.

It is also the case that some of your proposals are misunderstood, or your opponents misrepresent them in the circles of Polish nationalists. They say that liberalism is indeed dangerous, but what you suggest is like an alliance between Germany and Russia, above Poland, which would not be beneficial for Poland, if you look at it from the historical vantage point. So, we have to strengthen our national institutions in order to have a relation of partnership with Germany and with Russia. For this reason, we have to change our foreign policy.

In the future we, as Poles, the Polish government, have to have a balanced policy toward what comes from Germany, and act without antagonizing Russia. This is a necessary change. The present attitude of Poland on the international scene only strengthens Russia's nationalism, its imperial forces, because, even if this is not the thinking of the Russian government, the Russian population sees some actions, or the lack of action, as anti-Russian.

For example, in the field of economy: We, as a party, had some rough discussions with the Russian side about political matters, but at the same time, we had some positive initiatives in the area of economic collaboration. As a result, in 1994-95, a weekly called *Wprost* [a liberal, pro-free-market publication] published the names of PSL deputies, and called them very pro-Russian, because they wanted to stimulate trade with Russia! This is absurd! We were accused of being simple-minded peasants.

But, I think that if we try to artificially integrate Europe, Asia will become stronger in comparison to us—I mean China, India, Japan, South Korea. Building bridges, collaboration, leaving the borders of our own continent, creates a chance for development. You can have collaboration and preserve everybody's identity at the same time.

But, the logic of today's ideologues of the free market is rather strange. They claim that a local government will know better than a central government how to use communal resources. To some extent, they may be right. But the same

people maintain that [the European Union bureaucracy in] Brussels knows better than a national government how to spend money in a given country. We are flooded with this kind of intellectual pulp from TV and the press, 90% of which is controlled by foreign centers, dominated by globalists and new internationalists, so our society does not even try to think and wonder, that this is simply inconsistent.

**EIR:** LaRouche is campaigning for the Democratic Party nomination in the U.S. Presidential elections. Already a few years ago, he proposed a New Bretton Woods system as an alternative to the present bankrupt financial system. The Schiller Institute issued an appeal to President Clinton, calling on him to convene a New Bretton Woods conference. This appeal was signed by a group of Polish parliamentarians, as well as thousands of economists and politicians from all over the world. What is your message to the current and future President of the United States, in the face of the present crisis?

**Dobrosz:** We had certain hopes connected to President Clinton. He tried to show his resistance to the current dangerous trend. But in my opinion, President Clinton did not live up to the hopes placed in him, when he decided to use force against Yugoslavia. We were against this intervention; we were convinced, that it was not thought through, that the whole matter was not so simple, as that the Albanians were only victims, and the Serbs were the aggressors.

Unfortunately, President Clinton signed on to the new doctrine, which says that human rights are more important than the rights of sovereign states. Here in Poland, Professor Geremek [Bronislaw Geremek, the Foreign Minister] supported it. As a result, we do not trust Mr. Clinton so much any more. This is my personal opinion. Today, we see the tragic consequences of this war. I hope that Mr. LaRouche will revoke this doctrine, if he gets the Democratic nomination to run for President.

Of course, when it comes to LaRouche's ideas in the field of monetary policy, one can only endorse them enthusiastically, because such a program would guarantee that money would reflect real value, the goods or work that was invested. Right now, the international financial markets deal with imaginary instruments that have no relation to real production. They are only used for speculation.

I think that if Mr. LaRouche gets the Democratic nomination on the basis of such policies, he will also get the support of Polish-Americans, and this is a big constituency, which can see Poland playing a role in the changes taking place in Europe and in the world.

This would give a chance to improve Polish-American relations. Up until 1989, people in Poland had a very friendly attitude toward the United States—even till 1993. But the fact that the American side tries to force a certain vision on us, is resulting in a growing disillusionment with that country. Economic matters are very important in this case.

# Mahathir paves 'Asia's road to recovery'

by Michael Billington

*Malaysian Prime Minister Dr. Mahathir bin Mohamad, in a speech before the World Economic Forum East Asian Summit, held in Singapore on Oct. 18, presented a devastating rebuttal to the International Monetary Fund's recently released World Economic Outlook report. The IMF, both in this new report and in several other locations, has responded to the mounting international recognition of the success of Malaysia's strict currency controls over the past year, by insisting that the controls, although they may not have caused any damage in the short term, are not the cause of Malaysia's relative economic recovery, because those Asian countries which followed IMF dictates—Thailand, Indonesia, South Korea, and the Philippines—have recovered at an equivalent pace. Further, argues the IMF, Malaysia's controls will cause severe problems in the long run, and other nations must not follow Malaysia's lead, but must stay within the IMF conditionalities. While refuting these lies, Dr. Mahathir also outlined his proposal for an East Asian union of sovereign nations to counter the new colonialism of international speculators and the international financial institutions.*

*Excerpts from his speech, entitled "Asia's Road to Recovery," follow. Subheads have been added.*

## Malaysia's controls compared to IMF conditionalities

I am obviously delighted by the success of Thailand, South Korea, Indonesia, and others. However, someone might note that although the currencies of Malaysia, Thailand, South Korea, the Philippines, and Indonesia are in rough alignment with the U.S. dollar . . . the journey of the Malaysian ringgit has been a straight line, whereas the other currencies have gyrated, sometimes wildly, below and above their present equilibrium level. Others might prefer gyrations. Currency speculators certainly can't make money when there are no gyrations. But Malaysians and the foreign investors in Malaysia are somewhat enthusiastic about the rigid, unchanging, boring straight line, 3.8 to the dollar, 3.8 to the dollar, 3.8 to the dollar. Very boring indeed. But somewhat satisfying. . . .

So, we have all done very dramatically well economically. However, may I point out that in Malaysia's case, we have had a similarly impressive recovery without having to go into massive foreign debt to the IMF or anyone else, and without saddling future generations with massive debt-servicing bur-

dens. We have had a good recovery without having to sell our family silver and our precious heirlooms, . . . without having to auction off our precious corporations, which we had spent a generation to build, to foreigners at fire-sale prices, . . . without Malaysia having to bow or kowtow to anyone. . . .

I am quite confident that had we gone to the IMF for help . . . Malaysia would have been forced to do things which would have destroyed not only the economy of Malaysia, not only the economy of the indigenous people of Malaysia, not only the political fabric of Malaysia, but also the entire Malaysian nation and Malaysian society as we know it. . . .

We have been able to achieve similar economic results as the other crisis-hit economies, whilst maintaining full employment—*full employment*—and without the misery of massive unemployment, . . . without having to forcibly expel the 1.5 million guest workers.

We have been able to achieve similar results without having to throw a single child out of school, much less the millions elsewhere who could no longer afford to go to school.

We have been able to achieve similar results without the decimation of the middle class, which it took us two generations to foster, . . . without the wholesale slaughter of the Malaysian entrepreneurs which we worked so hard to nurture and to mature over several decades. We believe that becoming new and inefficient venturers into business is more honorable than becoming highly paid servants of powerful, huge foreign-owned conglomerates. Misguided national pride perhaps, but we would rather be misguided than be properly guided as the servants of others.

We have achieved similar results as the others without blood on the streets and political turmoil throughout our land, Vice-Presidential encouragement notwithstanding. [A reference to Vice President Al Gore, who, in November 1998, speaking at an Asia Pacific Economic Cooperation Forum (APEC) conference in Malaysia, denounced Malaysia's recently enacted currency controls, and openly praised the small number of violent demonstrators who were rioting in the streets of Kuala Lumpur, Malaysia's capital.—ed.]

These things may not be that important to many fund managers and yuppie equity investors to whom Malaysia appears merely as numbers on a screen. But they mean an awful lot to Malaysians and to Malaysia. We are not computer-generated numbers. We are people, real, live people, with all the joys and sorrows, the pride and the sense of shame which people have. . . .

### **Malaysia's stock market compared to its neighbors' stock markets**

As the IMF stressed, in its recent not-very-sympathetic World Economic Outlook, unlike the stock markets of Thailand, South Korea, and Indonesia, the Malaysian stock market has not been driven up by foreign portfolio investment. It has been driven up, in an economy flushed with funds, essentially by Malaysian investors. Others may not like this, but this is



*Malaysian Prime Minister Dr. Mahathir bin Mohamad, who has called for an East Asian union of sovereign nations to counter the new colonialism.*

fine with Malaysians, who do not assume, as the IMF does, that a rising stock market driven by foreign money is inherently superior to a rising stock market driven by domestic funds. . . .

### **Call for an East Asian Monetary Fund**

*Dr. Mahathir called again for a new alliance of Asian nations to combat the IMF, calling it now an East Asian Monetary Fund. Based on his long-standing call for an East Asian Economic Caucus embracing the Association of Southeast Asian Nations (ASEAN) nations plus China, South Korea, and Japan, Dr. Mahathir said:*

Global capitalism cannot survive, still less thrive, if making money regardless of human cost is its creed. . . . We [in East Asia] should not aim to be just "a caucus within APEC," nor should we aim to be the dominant continent in the world. With apology to none, with good will to all, we in East Asia should embark on comprehensive, multi-dimensional cooperation whose objective is a common peace and a common prosperity, a gift to the people of East Asia and a gift to humankind as a whole. . . . We in East Asia can begin by establishing an East Asian Monetary Fund (EMF), a small, compact, wholly regional funding organization which would be deeply and constantly engaged in East Asian monetary cooperation and problems on a daily basis. as opposed to a once-a-decade-when-crisis-strikes basis. Had such an EMF existed, I believe that the East Asian currency crisis of 1997-98 would not have occurred, would not have endured, and would not have gone to such ridiculous depths.

# Business Briefs

## Technology

### Yantai furthers China, Russia cooperation

The purpose of the new Russian-Chinese high-technology base at Yantai, China, "is to strengthen Sino-Russian cooperation in the field of science and technology in order to introduce more new and high-technology and technical personnel from Russia," *Zhongguo Xinwen She*, the official Chinese paper for overseas Chinese, reported on Oct. 28.

The agreement to build the Yantai base was signed in October, but the idea grew out of the meeting between Chinese Premier Zhu Rongji and then-Russian Prime Minister Yevgeni Primakov last spring. The base will focus on developing electronic, information, new materials, biological engineering, and fine petrochemical industries. It will have an area of 500,000 square meters, of which 300,000 are to be used for developing science and technology and applying achievements in industry, and 200,000 are to be used for residential areas.

An official of the Chinese Ministry of Science and Technology said that there are broad prospects for cooperation in science and technology between China and Russia, and in the past five years, China has introduced more than 1,000 technical projects from Russia.

Russian Vice Minister of Science and Technology Vladislav Nichkov said that China is the most reliable partner, and that Russia is willing to cooperate with China in building the base so that Russian science and technology can be applied in China's industry.

## Debt

### Forgiveness essential, says Nigerian President

Nigerian President Olusegun Obasanjo said on Nov. 12, at the Commonwealth Heads of Government Meeting in Durban, South Africa, that if he had his way, there would be born a Durban Economic Charter of Commonwealth, which would take a definite po-

sition in favor of debt forgiveness, which is essential for the economic health of nations, the Nigerian daily *The Guardian* reported.

Respecting Nigeria, he said, "We are among the 24 poorest countries in the world in terms of the highly indebted poor countries [HIPC] index. But we are committed to regional and global peace. . . . Look, we spent over \$8 billion to maintain our troops in Liberia over a period of between eight and nine years. . . . Our troops are still in Sierra Leone. We are not complaining, but having taken these responsibilities, those who maintained that we are owing must be ready to give concessions.

"We cannot pursue human development with a huge debt overhang. For us, democracy is a necessity, and not a luxury. Debt overhang saps democracy dividends and impoverishes the nation and the people. Therefore, we believe that the world needs to look again at this whole issue if we truly intend to entrench democracy and achieve sustained human development."

## Infrastructure

### TVA-style projects proposed for Brazil

As meteorologists forecast that drought will continue to afflict Brazil's devastated northeast well into 2005, a debate on the need for major infrastructure works has broken out.

On Oct. 20, the northeast Congressional delegation presented in Congress a new book, *Drought: Man as the Starting Point*, which outlines various tasks which must be undertaken by the government. It proposes the establishment of a Semi-Arid Institute, to centrally map the water resources, vegetation, and climate of the ten northeast states, as well as the diversion of the São Francisco River, as key to water management in a region where only an estimated 5% of yearly rainfall is utilized, the rest lost to evaporation or run-off to the sea.

On Oct. 22, Jose Celso de Macedo Soares, in *Jornal do Brasil*, outlined a strategy modelled on the Tennessee Valley Authority (TVA), aimed at eradicating the "panorama of poverty and misery" in the northeast. Without doing this, he warned,

Brazil will never become a developed nation. The key to agricultural and industrial projects, is the provision of basic infrastructure: transport, energy, irrigation, scientific studies, education of a skilled labor force, and health care. The states are unable to mobilize the resources for this kind of investment, and therefore the responsibility falls on the federal government. He proposed that SUDENE, the development ministry for the northeast, be transformed into a public company to oversee the mobilization, and that the Bank of the Northeast be made into a real development bank, to lead the effort.

"What we propose . . . is not original," Macedo Soares wrote. The TVA "is a successful example. Created to resolve the problem of controlling the flooding of the Missouri and Mississippi rivers, it became the great watchspring driving progress in the region, enlarging its initial scope to realize innumerable infrastructure projects of every modality."

## Russia

### Revive military-industry sector to boost output

Russia's military-industrial complex must be revived for defense purposes, and also for the production of other goods, Vladimir Kucherenko wrote in an article entitled "Preparing an Offensive for the 'Defense,'" in the government newspaper *Rossiskaya Gazeta* on Nov. 11.

Kucherenko said that many people reacted negatively to Prime Minister Vladimir Putin's statement that "the military-industrial complex and the weapons trade will be a priority of the country's economic policy. Man does not live by oil and gas alone," but the destruction of Russia's military industry has left "millions of people without work and, indirectly, left old people without pensions and budgets without taxes. . . . We were turned into beggars seeking international credits on very harsh terms. We regressed to being a primitive trader in raw materials who is hit when oil and gas prices fall."

Kucherenko said that "the military-industrial complex had and still has a colossal

**CHINESE** investment in Nigeria, involving at least ten firms with an investment of \$500 million, is going primarily into agricultural technology, the Nigerian daily *The Guardian* reported on Nov. 10. The Chinese investment will be in textiles, agro-processing, and development and fabrication of agricultural technology.

**MICHEL CAMDESSUS** resigned as Managing Director of the IMF "because of growing antipathy" from U.S. Treasury Secretary Lawrence Summers, a London source told *EIR* on Nov. 10. Mooted replacements include German Deputy Secretary of Finance Caio Koch-Weser. "It could be, Britain throws its support to a German to weaken the French role," the source said.

**MOROCCAN** King Mohammed VI held "a long conversation on the development of Morocco" with French President Jacques Chirac, in Rabat on Oct. 29, Agence France Presse reported.

**ENRON**, the world's biggest energy trader, is selling its Portland General Electric Oregon electric utility to Sierra Pacific Resources for \$3.1 billion. The sale is reportedly part of its strategy to unload assets with regulated rates of return, and concentrate on energy trading and power plant development.

**SUDAN'S** Ambassador to Malaysia, Mohamed Adam Ismail, said that Sudan welcomes Malaysian firms' participation in strategic infrastructure areas, including telecommunications, power production, roads, ports, and airport construction. He said that Sudan could serve as Malaysia's gateway to Africa.

**IRAN AND IRAQ** signed agreements on Nov. 11, for closer economic cooperation, expansion of trade, and tourism. Iraqi Trade Minister Mohammed Mehdi Saleh said that the nations were building closer ties "to promote exchange of medicines as well as food, industrial, and agricultural products."

reserve of dual-purpose technologies, an army of top-class specialists capable of resolving insoluble tasks, production units with world-class quality and cleanliness, and a body of highly skilled workers. And . . . this achievement of ours was not imported and has not been sold or given to the West. All these factors could give Russia not only a first-rate export commodity, but also the personnel to organize completely new civilian production activities. And without support, all of this is simply dying before our eyes. If it dies, we will finally become a contemptible, 'superfluous' country, which has no place in the world division of labor. We will turn into a country of flea markets and prostitutes."

Kucherenko wrote, "The critics of 'militarism' forget that Russia can feed 50-60 million at most from supplies of raw materials. To prevent the genocide of its own people, the country must enter the world markets with machinery and manufacturing output. But what kind? . . . Our woeful reformers completely destroyed the production of our household electronics industry. . . ."

"There is one thing left—to export things which we make at least as well as the rest of the world. And in many cases even better. And in which we have been investing our best resources for decades. Namely, weapons and dual-purpose technologies. And this must be for export—they should not be funded . . . by cutting social expenditure."

## Investment

### 'Smart money' scrambles for agricultural land

Reports appearing in the Italian press indicate a pattern by some oligarchical factions, including global speculator George Soros, to buy agricultural land, as part of a scramble to convert paper assets into physical wealth.

On Oct. 25, the Italian daily *Corriere della Sera* published a report in its economic magazine, entitled "Soros Invests in Farms," which says that Blakeney Management, a London-based firm which so far had invested only in stocks, "has begun to buy companies that are owners of farms and plantations. Be-

hind Blakeney Management, Soros has surfaced so often that a formal connection between Soros and the London-based firm has been hypothesized." For instance, *Corriere* commented, "The Soros Fund Management is part of the consortium of foreign investors that, headed by Blakeney Management, in 1977 became the largest shareholder in African Lakes Corp., a trading company quoted in London and active in sub-equatorial Africa, where it owns plantations and forests, especially in Malawi and Zimbabwe. African Lakes has now bought Automotive Export Supplies, distributor of Land Rover and BMW in 12 African countries."

In 1998 Blakeney Management became, together with African Lakes, the largest shareholder in Lonrho Africa. Another shareholder in Lonrho Africa is Africa Plantations, "also associated with George Soros." Africa Plantations "bought large tea and coffee plantations in Malawi, Tanzania, Zambia, and Zimbabwe and wants to become the most important producer of tea and coffee throughout Africa."

## Africa

### Water projects need political agreement

Sudanese Irrigation Minister Kamal Ali Mhamed, an engineer by training, said that Sudan has drawn up projects for 4.5 billion cubic meters of water, the unused portion of its 18.5-billion-cubic-meter share of Nile River waters, in addition to those "lost" in the Sudd region in southern Sudan, Agence France Presse reported on Nov. 6. These plans and programs, Mohamed said, include dam, irrigation, electricity, navigation, potable water, and sewerage projects.

Mohamed said that each Nile Basin state has agreed in principle to obtain approval from fellow Nile Basin member-states for any project for the river's waters, but that this system has not been put into practice. It should be discussed at a forthcoming meeting of the eastern Nile Basin states of Sudan, Egypt, and Ethiopia, he said. Khartoum will host the tripartite meetings among water resource ministers on Nov. 18-19.

## The U.S. can't afford another Bush 'dope decade'

by Jeffrey Steinberg

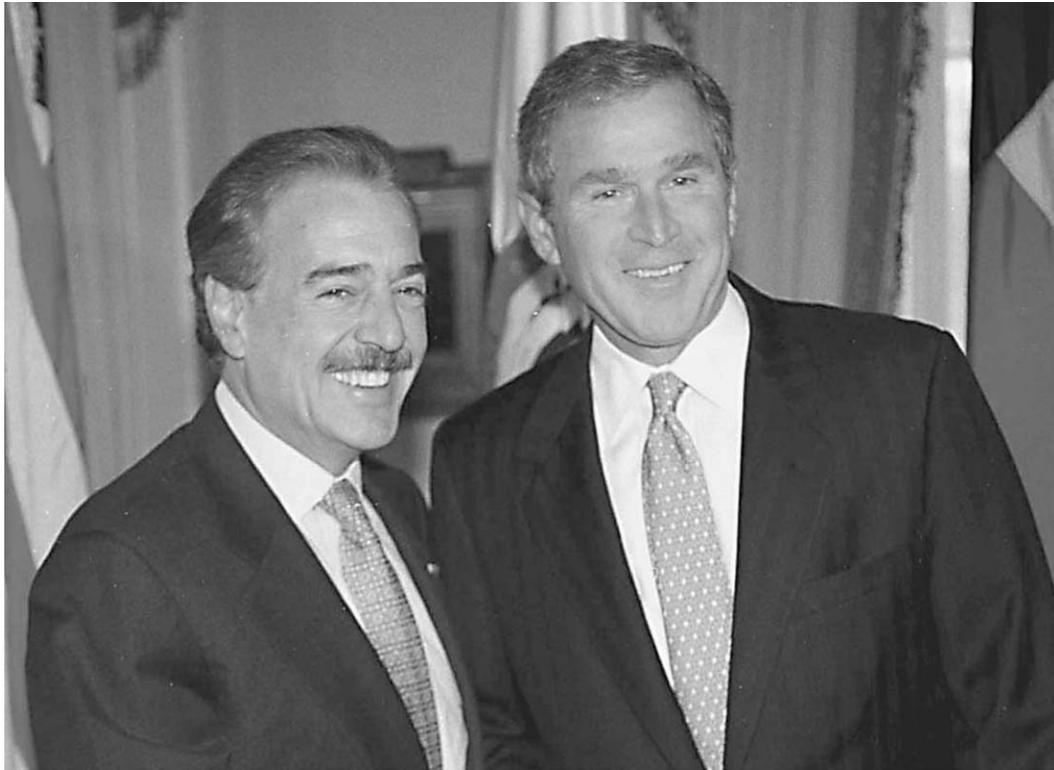
Before you pull any voting booth levers for George W. Bush, the Governor of Texas, and the current front-runner for the year 2000 Republican Party Presidential nomination, turn your mental clock back a decade or so, and recollect the legacy of the last Bush to occupy the Oval Office. While it was George Herbert Walker Bush's "new world order," and his failure to notice that "it's the economy, stupid," that led, most immediately, to his defeat for reelection in 1992, he also presided, personally, over the biggest explosion of illegal drug abuse in American history. When voters saw the opportunity in November 1992, to remove the stench of Iran-Contra from the Oval Office, they jumped at the chance.

For former Trilateral Commissioner Bush, the flooding of the United States with cocaine and heroin "on his watch," as Vice President and President, was perhaps rationalized in his own mind as an unfortunate instance of "collateral damage," or a "necessary evil," flowing from his more primary geopolitical mission: to usher in the post-nation-state "one world order," first spelled out in the mid-1970s Trilateral Commission studies of Samuel Huntington and Zbigniew Brzezinski, and first unleashed by the 1977-81 "all Trilat" Jimmy Carter administration.

Such apologies about "unintended consequences" aside, the facts speak for themselves: George H.W. Bush was the drug kingpin of the 1980s; he wittingly presided over the biggest explosion of cocaine and heroin abuse in recorded history.

- His agents and allies assassinated leading anti-drug figures, such as Colombia's Justice Minister Rodrigo Lara Bonilla, Colombian Presidential candidate Luis Carlos Galán, and even U.S. Drug Enforcement Administration officer Enrique Camarena.

- He, and such White House underlings as Lt. Col. Oliver North, waged a campaign of harassment, intimidation, and cover-up against anyone who attempted to expose their powder-covered hands.



*George W. Bush (right) welcomes Colombian President Andres Pastrana to Austin, Texas, Oct. 19, 1999. During the 1980s, deals between Bush's father and the Colombian drug cartels opened up the market for cocaine in the United States; today, Pastrana is surrendering enormous chunks of his nation to control by the narco-terrorists, with the approval of Madeleine Albright's State Department.*

Democratic Party Presidential pre-candidate and *EIR* contributing editor Lyndon LaRouche was the target of a deadly-force assault by Federal, state, and local law enforcement agencies, backed up by Pentagon sniper units, in October 1986, in part, as a Bush machine response to his and *EIR*'s persistent exposés of the Bush/North/Contra cocaine-for-guns operations. When the “judicial” assassination failed, LaRouche was hounded into jail, along with a dozen colleagues, in what former Attorney General Ramsey Clark described as the most egregious case of judicial frame-up he had ever encountered.

Similarly, Panamanian leader Manuel Noriega was the target of a full-scale military invasion of his country, when he balked at the Bush apparatus's demands that Panama be turned into a safe-haven for the cocaine Contras. In the aftermath of Noriega's “arrest,” Panama was turned over, lock, stock, and bank vault, to the Cali Cartel—under Bush administration supervision.

Furthermore, the invasion of Panama was heralded as the precedent-setting case for a new doctrine of extra-territorial enforcement of American law, the “Thornburgh Doctrine,” as senior officials in the Justice Department (DOJ) were nailed for cocaine trafficking, and one former Justice Department officer “crossed the street” to join the Cali and Medellín cartels. Bush labelled the Panama invasion as a “victory in the war on drugs,” as the drug legalization lobby cackled with glee, and launched their drive to decriminalize marijuana and

cocaine, on the grounds that anything was better than the phony drug war.

- While the Central America cocaine-Contra wars of the 1980s were the subject of numerous Congressional hearings, a Presidential blue-ribbon investigation, and massive media scrutiny, the other “covert war” of the 1980s, the Afghanistan War, saw the “Golden Crescent” region of South Asia (Afghanistan, Pakistan) transformed into the world's biggest opium plantation and heroin laboratory.

The “Afghansi” mujahideen fighters were more reliant on the proceeds of the illegal opium and heroin trade for their military supplies than were the Central American Contras. When the Soviet Red Army fled Afghanistan in 1989, the tens of thousands of Islamic “freedom fighters” who had been brought to Afghanistan from every corner of the world, were left “out in the cold,” to be later recruited into the core of a new international narco-terrorism, which persists to this day as a grave threat to the national security of a majority of nations on this planet.

No voter can consider himself qualified to judge the merits of President Bush's son and protégé, George “Dubya,” without first reviewing the elder Bush's “Dope Dossier.”

What you read in this report, will make the ongoing “did he or didn't he” media debate over whether Governor Bush was busted for cocaine possession in 1972, appear irrelevant. The “sins of the father” far outweigh Dubya's alleged personal drug abuse.

## The chain of command

From virtually the moment that he was sworn in as President Ronald Reagan's Vice President in January 1981, George Bush was formally placed in charge of the covert operations of the administration. During the eight years of the Reagan-Bush administration, Bush amassed near-dictatorial control over anti-drug policy, anti-terrorism policy, and every facet of clandestine activities, by what became notorious as the "secret parallel government."

This authority was codified in a series of Executive Orders and National Security Decision Directives, all signed by President Ronald Reagan. Bush headed the little-known Special Situations Group (SSG), and its subsidiary Crisis Pre-Planning Group (CPPG), both White House working groups that maintained finger-tip control over such programs as the Contra "secret war" in Central America, the arms-for-hostages negotiations with the Ayatollahs in Tehran, and the other "Project Democracy" covert wars in Africa, South Asia, and Southeast Asia. Particularly after Congressional passage of the two Boland amendments, which barred the Central Intelligence Agency from direct involvement in the covert war to overthrow the Sandanista regime in Managua, Nicaragua, the White House "Enterprise" became the focal point for all administration operations in Central America—including the guns-for-drugs programs in El Salvador, Honduras, Costa Rica, Guatemala, and Mexico.

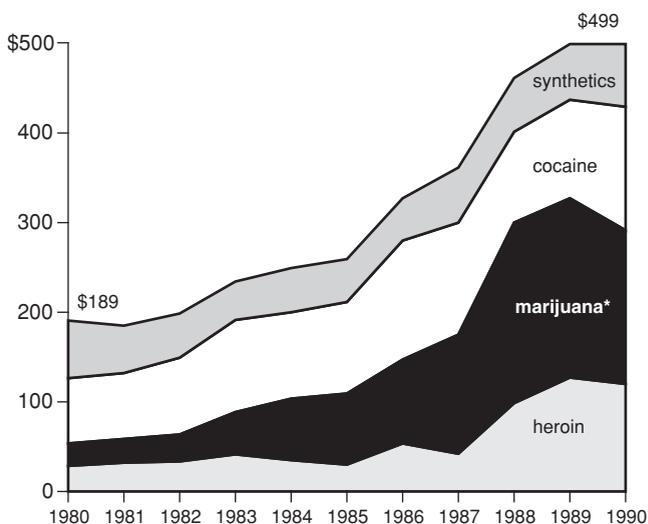
Conveniently, in his capacity as Reagan administration "drug czar," Vice President Bush was also in charge of the El Paso Intelligence Center, the primary intelligence outpost for tracking drug-transporting planes, boats, and trucks attempting to enter the southern United States from Mexico, the Gulf of Mexico, and the Caribbean.

When the *San Jose Mercury* published a three-part series on Aug. 18-20, 1996, charging that the Nicaraguan Contras had been at the center of a drug-trafficking ring, flooding the streets of Southern California with crack cocaine to finance their war in Central America, the scandal erroneously focused on the CIA, leaving the Bush-North White House, the command of the operation, out of the picture. To correct that error, in September 1996, *EIR* published a 116-page documentary *Special Report*, "Would a President Bob Dole Prosecute Drug Super-Kingpin George Bush?" The report drew heavily upon official documents—Congressional investigations, court proceedings, sworn affidavits, and eyewitness accounts—which painted an unambiguous picture that it was indeed a White House command structure, led by George Bush, that had presided over the crack-cocaine epidemic, as well as other drug debacles.

Several years after the initial *San Jose Mercury* revelations, both the Department of Justice and the CIA issued inspectors general reports, corroborating key features of the *Mercury* and *EIR* dossiers, and providing even more damning evidence.

FIGURE 1  
Total value of world drug sales

(billions \$)



\*including hashish

Sources: NNICC; INCSR; DEA; UN; OFECOD, Peru; PGR, Mexico; ANF, Pakistan; NALA; Abt Associates; NORML; *EIR*.

## The dope decade body count

The report that follows provides you with all of the raw material you need to reach your own conclusions about George H.W. Bush's complicity in the "dope decade." Two figures give a good indication of what that decade looked like.

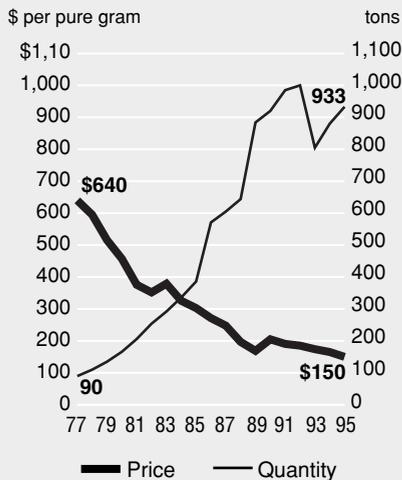
**Figure 1** shows the growth of the worldwide illegal drug trade during the 1980s. In the four categories covered—heroin, marijuana, cocaine, and synthetic drugs—the decade saw a meteoric rise in drug production and consumption, as measured in dollars of sales. In 1980, worldwide illegal drug sales totalled \$189 billion. By 1990, the figure had soared to \$500 billion—a more than twofold jump during the Bush decade.

One further "multiplier effect" must be factored in, however, to fully appreciate the degree to which the streets of America were flooded with drugs during the 1980s. As the volume of cocaine, heroin, marijuana, and "designer drugs" produced by the cartels was skyrocketing, Dope, Inc.'s marketers were systematically driving down the prices of their products—to achieve a saturation effect. Thus, the 200% rise in cash-flow to Dope, Inc. represented a *far more than 200% rise* in the volume of illegal drugs arriving on the streets of the United States.

To appreciate the scale of this "multiplier effect," **Figure 2** shows the decline in price per gram of pure cocaine, and the resulting increase in volume during the 1980s.

FIGURE 2

**Cocaine: world price vs. quantity produced**



Sources: NNICC; UN; OFECOD, Peru; Abt Associates; EIR.

Here is where the crack-cocaine antics of Bush’s Contras come in. Beginning in approximately the autumn of 1985, crack flooded the streets of a dozen blighted inner cities, from New York to Chicago to Atlanta to Los Angeles. Prior to the crack explosion, cocaine had been prohibitively expensive for large-scale ghetto consumption. But, through the deals between Bush and

In all, 1,163 separate felony counts were committed by officials in the bank’s international department. In announcing the shutdown of the case, Weld told the press that the bank had pleaded to a one-count conviction, and agreed to pay a \$500,000 fine. No bank officer was named in the indictment. It was a shameless cover-up of one of the most blatant cases of money laundering uncovered at that time, and it set a precedent for “see-no-evil” treatment of America’s big banks by the Department of Justice. Weld was rewarded with a promotion, to head of the DOJ’s Criminal Division in Washington.

It later emerged, through *EIR*’s own investigation into the case, that the head of the international department of the Bank of Boston at the time of the \$1.2 billion in money laundering was Ogden White, Jr., a cousin of Weld, whose family was also in partnership with the Weld clan in the New York-Boston “family banking concern” of White Weld. White Weld, in turn, had merged, in 1974, with G.H. Walker and Co., owned by Bush’s uncle and financial patron George Herbert Walker. The White Weld Walker amalgam had, at the time of the Bank of Boston case, also merged its London and Swiss operations with *Crédit Suisse*, the premier drug-money-laundering institution of the day, and the domicile for the Bush-North “Enterprise” offshore bank accounts.

By the end of George H.W. Bush’s dope decade, American Express Shearson Lehman Bank, Merrill Lynch, and the Bush family-allied E.F. Hutton, had all been caught laundering drug money for the various international narcotics cartels. And, as in the precedent-setting Bank of Boston case, in each instance, the bankers walked.

the Colombian cartels, a new market for cheap, plentiful cocaine was opened up in urban America.

With crack-cocaine, came the new urban terrorism—gangs like the Los Angeles “Crips” and “Bloods,” which were hard-wired into the gun-and-drug networks of Bush’s Contras. The body count from Central America to South Central Los Angeles from the crack epidemic, is yet to be tallied.

**Bush’s banker friends**

By 1990, the total value of world illegal drug sales had reached \$500 billion a year. An estimated equal amount of illegal weapons sales—often part of the same guns-for-drugs pipeline—was also being conducted by the end of the decade of Bush’s “Project Democracy” secret wars. All told, a trillion dollars a year in criminal proceeds resulted from the sales of guns and drugs.

To facilitate the smooth operation of Dope, Inc. it was essential that the major international commercial banks open their doors to the drug traffickers; and here, once again, we find the trail leading directly to Bush’s door.

On Feb. 7, 1985, the U.S. Attorney in Boston, Massachusetts, William Weld, a Bush family friend and Bush appointee, announced that he had closed down the investigation and blocked prosecution of bank officers caught in a case of criminal money laundering between Boston and Switzerland, totaling \$1.2 billion in illegal cash transactions. Two of the primary banks involved in the pipeline were Bank of Boston and *Crédit Suisse*. A senior Treasury Department official said of the case: “There is every indication that the \$600 million of small bills that the [Bank of Boston] took in was the laundering of drug money.”

**The Bush legacy today**

During the Bush Presidency, the Berlin Wall came down, the Soviet Union collapsed, and the nations of the former Warsaw Pact were formally integrated into the global economy. The results, from the standpoint of the drug plague, have been staggering. By 1995, according to *EIR*’s best estimates, the worldwide drug trade was generating \$521 billion a year in revenue (see “Britain’s Dope, Inc. Grows To a \$521 Billion Business,” *EIR*, July 26, 1996). And the biggest “growth spots” on the world drug map were Russia and eastern Europe.

In Southwest Asia, after a decade-long war in Afghanistan, heroin addiction, once a minor problem, had become an epidemic. Opium production in the “Golden Crescent” and the “Golden Triangle” was earmarked for the burgeoning eastern and western European markets, and for the expanding drug-addict population in Pakistan, India, and other production and transshipment countries. To fill the production shortfalls, the Colombian cartels began producing opium inside Colombia, for processing into heroin for the growing U.S. market.

This is the legacy of the George H.W. Bush dope decade. Do you want another Bush in the White House?

# The indictment of 'drug kingpin' George Bush

by Edward Spannaus

In September 1996, *EIR* drafted a model "drug-kingpin" indictment of George Bush and 10 others for conducting a drug-trafficking "enterprise"; the indictment was published in the *EIR Special Report* "Would a President Bob Dole Prosecute Drug Super-Kingpin George Bush?"

*EIR* explained at the time that the point of publishing the indictment was, first, to demonstrate that the evidence existed, in the public, legal record, to prosecute Bush as a "drug kingpin," and, second, to show that this was an open-and-shut case, by applying the exact same legal standards as have been used to send tens of thousands, if not hundreds of thousands, of drug-traffickers to U.S. prisons.

The indictment opened with a racketeering count, charging that the Bush and the other defendants had "utilized the official positions of defendant **George Herbert Walker Bush** in the Government of the United States of America to facilitate the transfer, importation, and distribution of large quantities of illegal narcotics within the United States."

In describing Bush's role in the "Enterprise," the indictment recounted how, as Vice President, Bush had assumed extraordinary powers over U.S. intelligence and covert operations, and how, under the guise of "crisis management," Bush had been designated to chair the Special Situation Group, which, under the authority of National Security Decision Directives 2 and 3, "superseded and preempted the powers of the National Security Council in areas of 'crisis management,' which encompassed covert operations and counter-terrorism."

Bush took over additional positions from which, the indictment charges, he was able to provide protection for international narcotics traffickers and prevent interdiction of narcotics shipments by U.S. law enforcement agencies. These positions included heading the South Florida Task Force on Drugs, the Terrorist Incident Working Group, and "Operation Alliance," an anti-narcotics effort conducted in cooperation with Mexico.

The indictment was patterned after a number of drug-kingpin and racketeering indictments brought by the U.S. Justice Department, including that against former Panamanian Defense Forces head Gen. Manuel Antonio Noriega.

## The indictment

Count I of the indictment was a racketeering conspiracy charge under the Racketeer Influenced and Corrupt Organizations Act (RICO), 18 U.S.C. 1962(d)—standard in prosecu-

tions of major drug-traffickers. The model Bush indictment included a description of the "Enterprise," its purposes and objectives (financing the Contras, protecting narcotics shipments and traffickers, and preventing discovery of the illegal activities of the Enterprise), and a listing of 80 overt acts committed in furtherance of the conspiracy.

Count II was a standard conspiracy count, charging a conspiracy to import marijuana and cocaine, in violation of 21 U.S.C. 952, 959, and 963.

Count III was the "kingpin" count, charging that Bush administered, organized, and led a Continuing Criminal Enterprise (CCE), in violation of 21 U.S.C. 848. The sentence for a first conviction under this section is a mandatory minimum of ten years, up to life imprisonment.

Count IV charged a conspiracy to obstruct justice, in order to prevent U.S. law enforcement agencies from investigating and prosecuting the Enterprise, in violation of 18 U.S.C. 1503.

Count V charged a conspiracy to obstruct Congress, by obstructing and impeding investigations by Congressional committees, in particular the Kerry Committee, in violation of 18 U.S.C. 1505.

## The evidence

The evidence compiled against George Bush in the *EIR Special Report*, and chronicled in the indictment, was far greater than exists in most conspiracy cases. And, astonishingly, all of it was from the public record—not from confidential informants or wiretaps which prosecutors often have available to them. The two major sources for the evidence in the indictment are the "Kerry Committee" report, and the Final Report of the Independent Counsel for Iran/Contra Matters.

1. The "Kerry Committee" was the popular name for the Senate Foreign Relations Subcommittee on Terrorism, Narcotics, and Foreign Operations, chaired by John Kerry (D-Mass.), which held hearings on "Drugs, Law Enforcement and Foreign Policy" during 1987 and 1988. The subcommittee began its investigation in early 1986, but its work was overshadowed by the media feeding frenzy around "Iran-Contra" and Oliver North, which began in late 1986. The Kerry Committee took testimony from 47 witnesses in all. Many witnesses, some who were convicted drug-traffickers, testified in great detail about the drug links to the Contra operations. Some were eyewitnesses or direct participants in guns-for-drugs shipments to Contra bases in Central America.

2. The Final Report of the Independent Counsel for Iran/Contra Matters (Lawrence Walsh), issued Aug. 4, 1993, contains a wealth of detail about the central role of George Bush and the Office of the Vice President in the Contra supply operations. The most important material is in the chapter on Donald Gregg, the 30-year CIA veteran who became Bush's National Security Adviser in 1982. Gregg had a decades-long friendship and association with former CIA operative Felix Rodriguez, and it was Bush's office which deployed Rodriguez to Central America and made arrangements for him to

operate out of Ilopango military air base in El Salvador. The Gregg chapter documents numerous meetings and communications among Bush, Gregg, and Rodriguez, and also between them and Oliver North, Richard Secord, and Contra leaders. Elsewhere in the Walsh report is evidence concerning the relationship between North, his “courier” Robert Owen, Owen’s deployment to the ranch of U.S. national John Hull in Costa Rica, and their dealings with Contra leaders such as Adolfo Calero and Col. Enrique Bermúdez.

Putting the two reports together, and adding in some of the court documents from the Los Angeles Contra-cocaine ring, all of the evidence was there to put George Bush and his confederates away for a long, long time.

## How the conspiracy worked

The Kerry Report, plus the court documents in the Danilo Blandón and Norwin Meneses cases (the Los Angeles crack-cocaine cases) give abundant evidence of drug trafficking by and for the Contras, centered at Ilopango Air Base in El Salvador, and at the John Hull Ranch in Costa Rica. A number of those charged in the model indictment were directly involved in this drug trafficking, including Meneses, Blandón, John Hull, Felix Rodriguez, and the late co-conspirator Enrique Bermúdez.

Working “up the ladder,” as prosecutors like to do, we find that Meneses and Blandón were set up in the drug business by Contra leader Bermúdez, and we find from the Walsh report that North, Bermúdez, and Calero often met, and that Robert Owen worked with Calero at North’s request. We find Felix Rodriguez and Owen meeting at a hotel in Arlington, Virginia in January 1985, and then Rodriguez meeting with Bush and Gregg on Jan. 22, 1985.

We have a December 1984 meeting of Calero, Bermúdez, Owen, and Hull; a June 28, 1985 meeting of North, Secord, Calero, and Bermúdez; and an April 20, 1986 meeting of Rodriguez, North, Secord, and Bermúdez, at Ilopango Air Base. In North’s notebooks, we find frequent references to Owen and Hull, and to drug-smuggling, particularly in connection with Hull.

Felix Rodriguez is a frequent link between the top levels of the conspiracy (Bush and Gregg), and the lower-level drug pilots and smugglers at Ilopango. The Walsh Report documents that Bush and Gregg facilitated Rodriguez being set up to operate at Ilopango, and it documents at least three face-to-face meetings of Rodriguez and George Bush. In one instance, ten days after the Rodriguez meeting with North, Secord, and Bermúdez at Ilopango, Rodriguez went to Washington and met Bush.

On Jan. 14, 1986, the Drug Enforcement Administration (DEA) country agent in Costa Rica, Celerino Castillo, met Bush at a reception in the U.S. Embassy in Guatemala, and tried to tell him that there was something funny going on at Ilopango. Bush turned away and refused to talk to Castillo, but five days later, Bush’s Deputy National Security Adviser flew to Ilopango and met with Rodriguez.

## The CIA Inspector General’s report

Over a year after *EIR* published its *Special Report* with the draft indictment of Bush, the CIA’s outgoing Inspector General released the first part of a two-volume report reviewing allegations of CIA involvement in drug trafficking. Issued in January 1998, the first part was entitled “Allegations of Connections Between CIA and the Contras in Cocaine Trafficking to the United States—Volume I: The California Story.” As expected, the report cleared the CIA of any role in the guns-for-drugs trafficking to support the Contras, but it contained a number of new revelations linking several big-time California and Central America cocaine traffickers to the Contras (see *EIR*, Feb. 13, 1998, p. 28).

For example, the IG report confirmed that:

- Both Meneses and Blandón gave cash and other material support to the Contras, using their cocaine profits. During a several-year period, Blandón allowed Contra leader Eden Pastora, the head of the “southern front” operations in Costa Rica, to live, free of charge, in a home he owned there. He also gave substantial cash to Pastora. Pastora also admitted to IG investigators that he received funds from two other cocaine traffickers.

- Blandón was part of a Contra support network in Los Angeles that met with Nicaraguan Democratic Forces (FDN) military commander Col. Enrique Bermúdez in 1981. In 1982, he and Meneses travelled to Bolivia to consolidate a large cocaine shipment, then stopped, en route back to the United States, to meet with Bermúdez in Honduras. Blandón held two subsequent meetings with Bermúdez in 1983. The final meeting took place during a Ft. Lauderdale, Florida “unity summit” of the five top Contra leaders, which Blandón attended.

In October 1998, the second part of the IG’s report was issued, dealing with the broader issue of the Contras as a whole. It provided a devastating road map of Contra links to major Colombian drug-trafficking organizations, and it thoroughly vindicated *EIR*’s 1996 *Special Report* and the proposed Bush indictment. It also showed the crucial role played by the 1981 Executive Order No. 12333 in facilitating the cover-up of drug trafficking by persons acting for, or on behalf of, U.S. intelligence agencies (see *EIR*, Oct. 23, 1998).

The second part of the IG report established that every component of the Contra program was penetrated and heavily contaminated by the cocaine cartels. For example:

- The Democratic Revolutionary Alliance (ARDE) operated on the “southern front,” out of bases in Costa Rica. The CIA received credible evidence that five leading officials of ARDE were “engaged in a drug-trafficking conspiracy with a known narcotics trafficker, Jorge Morales.” The CIA also received credible information that 16 other individuals, involved in support activities for ARDE, were linked to drug cartels.

- The 15th of September Legion was the military arm of the Nicaraguan Revolutionary Democratic Alliance (ADREN), one of the first of the “Contra” organizations, founded

by Enrique Bermúdez in 1980. ADREN merged into the Nicaraguan Democratic Force (FDN) in September 1981. At the time, according to CIA records, ADREN “decided to engage in drug trafficking to the United States to raise funds for its activities.” The 15th of September Legion eventually split off as a separate military operation, which, according to CIA field reports, continued to be financed by drug trafficking into the United States, kidnapping, extortion, and robbery.

- FDN remained the principal Contra organization, operating on the “northern front” out of bases in Honduras. According to the IG, the CIA received information and/or allegations that nine Contra figures in the northern front operations were linked to drug trafficking. An additional five people were identified in CIA reports as drug linked, who were involved in northern front support operations.

- Ilopango Air Base in El Salvador was a major supply center for Contra units backed by the CIA, and by what the IG report referred to as the “Private Benefactor Program,” the White House-based covert support operation, linked to Oliver North, George Bush, and Felix Rodriguez. According to the IG, the CIA received information in 1985, 1986, and 1989 that drug traffickers were using hangars 4 and 5 at the base. These hangars were staging areas, supply depots, and parking areas for the Contra supply programs of both the CIA and the Private Benefactor Program.

- CIA received information that 14 pilots involved in supply runs for the Contras were linked to drug trafficking; and three companies “that were used to support Contra activities from 1984 until at least 1988” were also tied to Colombian narcotics-trafficking organizations.

The report contained much more detail as to each of these organizations, and as to many individuals who were part of the Bush-North Contra operation, and individuals who were flying in and out of Ilopango Air Base. Two such examples:

- A CIA officer was interviewed by investigators from the IG office about DEA allegations concerning drug trafficking at Ilopango. According to the IG report, this officer acknowledged that “another entity conducted operations from Hangar 4. He says he is not certain about the nature or affiliation of that entity, but surmises it may have been associated either with Oliver North, the Private Benefactors, or the Nicaraguan Humanitarian Assistance Office (NHAO).”

- Moisés Nuñez was another associate of ARDE suspected by the CIA of drug trafficking. Nuñez was a part owner and/or senior manager of a number of companies employed by the State Department’s NHAO to channel humanitarian aid to the Contras in the mid-1980s. The companies, including Productos Del Atlántico, Ocean Hunter/Mr. Shrimp, and Frigoríficos De Puntarenas, were the subject of investigation by the Kerry subcommittee. The IG report states:

“On March 25, 1987, CIA questioned Nuñez about narcotics trafficking allegations against him. Nuñez revealed that since 1985, he had engaged in a clandestine relationship with the National Security Council (NSC). Nuñez refused to elaborate on the nature of these actions, but indicated it was difficult

to answer questions relating to his involvement in narcotics trafficking because of the specific tasks he had performed at the direction of the NSC. Nuñez refused to identify the NSC officials with whom he had been involved.”

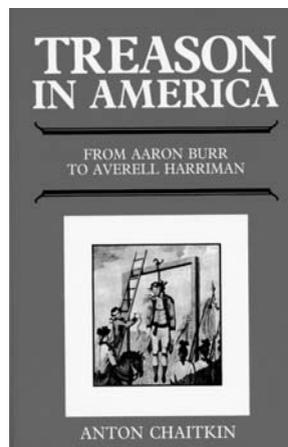
Later, in response to written questions from the Office of Independent Counsel Lawrence Walsh about Nuñez, CIA official Alan Fiers wrote, “My recollection is that because of the NSC connection and the possibility that this could be somehow connected to the Private Benefactor program (otherwise known as the Iran Contra affair) a decision was made not to pursue this matter, but rather to turn it over to Judge Walsh.”

Walsh himself viewed the drug-trafficking allegations as outside of his mandate, and the matter was not further pursued, letting Bush off the hook (see “Why Was George Bush Never Impeached?” *EIR*, Oct. 16, 1998).

As *EIR* commented in the Sept. 27, 1996 issue: “There are probably 400-500,000 people in U.S. prisons and jails for drug offenses. About 30% of state prisoners were committed on drug charges, and about 60% of Federal prisoners. . . . But while 1-2,000 ‘kingpins,’ and hundreds of thousands of lesser drug offenders, sit in U.S. prisons, the biggest kingpin of them all, George Bush, is still loose. The model indictment presented by *EIR* demonstrates what should have been done a long time ago. There are enough other people doing George Bush’s time; now let’s have him do his own.”

# Treason in America

From Aaron Burr To Averell Harriman



By Anton Chaitkin

A lynch mob of the ‘New Confederacy’ is rampaging through the U.S. Congress. Its roots are in the Old Confederacy—the enemies of Abraham Lincoln and the American Republic. Learn the true history of this nation to prepare yourself for the battles ahead.

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# Bush's takeover of the drug war and covert operations

On June 7, 1986, Vice President George Bush announced that the Reagan administration had officially determined, for the first time, “that the international drug trade is a national security concern” linked to terrorism.

Bush, in fact, represented himself as the nation's top warrior against drugs. On Jan. 28, 1982, President Reagan had created the South Florida Task Force, under Bush's command, to coordinate efforts to stem the tide of narcotics. On March 23, 1983, Bush was placed in charge of the National

Narcotics Border Interdiction System (NNBIS). Then, in August 1986, Bush was appointed the chief of “Operation Alliance,” a cooperative arrangement with Mexico to stop the flow of drugs across the Mexico-U.S. border.

It was the classic case of the rogue cop, but much worse. There was a perverse irony in Bush's words, “that the international drug trade is a national security concern,” because under George Bush, the national security apparatus of the United States not only protected, but actually *conducted*, much of the drug trade. We show here precisely how Bush systematically gathered the nation's national security apparatus under his personal control in the first few years of the Reagan-Bush administration.

## ‘Crisis management’

To understand how Bush's “secret government” worked, we must look at the “crisis management” apparatus in the White House and the misnamed National Security Council staff — which is not a “staff” for the National Security Council

## Bush seizes control of U.S. intelligence

**Jan. 21, 1981:** George Bush is sworn in as Vice President.

**March 22, 1981:** The *Washington Post* publishes a story, headlined “Bush to Head Crisis Management.”

**Dec. 4, 1981:** President Reagan signs Executive Order 12333, which 1) puts all “foreign intelligence” operations under the National Security Council, 2) allows agencies other than the CIA to conduct “special activities” (covert operations), and 3) allows use of private “assets” for intelligence operations.

**Dec. 14, 1981:** National Security Decision Directive Number 3 (NSDD-3) on “Crisis Management” is signed; it makes the Vice President chairman of the Special Situation Group, responsible for crisis management.

**Jan. 12, 1982:** NSDD-2 formalizes National Security Council structure, with Senior Interagency Groups (SIGs) for foreign policy, defense policy, and intelligence.

**Jan. 28, 1982:** Bush is put in charge of South Florida Task Force on drugs.

**May 14, 1982:** “Crisis Pre-Planning” memorandum is issued; it establishes a standing Crisis Pre-Planning Group (CPPG) under the SSG. The SSG-CPPG, under Bush, is given control of *any* area in which a *potential* crisis could emerge, and it develops *preemptive policy options* for dealing with it.

**April 10, 1982:** NSDD-30, “Managing Terrorist Incidents,” gives Bush control over the convening of the SSG, and creates the Terrorist Incident Working Group (TIWG) to support the SSG.

**July 1982:** NSDD-47 sets up a secret interagency “continuity of government” committee, made up of about 100 top government officials. Around this time, a new secret agency is created, called the Defense Mobilization Planning Systems Agency, whose officials are instructed to report to Vice President Bush.

**January 1983:** NSDD-55 expands the “continuity of government” program, supervised by Bush.

**March 23, 1983:** Bush is put in charge of the National Narcotics Border Interdiction System (NNBIS).

**May 25, 1983:** Secretary of State George Shultz objects to the role of the CPPG, chaired by Bush, and proposes a structure for Central America, in which authority would run from the President to the National Security Council to the Secretary of State, and then to the interagency groups. Shultz is overruled.

**April 3, 1984:** NSDD-138 elaborates TIWG as supporting Bush's Special Situation Group.

**July 1985:** Vice President's Terrorism Task Force created, headed by Bush.

**February 1986:** Vice President's Terrorism Task Force report issued, which creates the Operations Sub-Group (OSG), officially a sub-group of Bush's TIWG, and also a permanent counter-terrorism office located in the National Security Council staff, headed by Oliver North.

**August 1986:** Bush is appointed the chief of “Operation Alliance,” an anti-drug effort conducted with Mexico.

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and cooperation to law enforcement efforts not precluded by applicable law.

**2.7 Contracting.** Agencies within the Intelligence Community are authorized to enter into contracts or arrangements for the provision of goods or services with private companies or institutions in the United States and need not reveal the sponsorship of such contracts or arrangements for authorized intelligence purposes. Contracts or arrangements with academic institutions may be undertaken only with the consent of appropriate officials of the institution.

**2.8 Consistency With Other Laws.** Nothing in this Order shall be construed to prohibit any activity in the Department of the full in order to derive maximum benefit from the United States intelligence effort.

**1.2 The National Security Council.**

(a) *Purpose.* The National Security Council (NSC) was established by the National Security Act of 1947 to advise the President with respect to the integration of domestic, foreign and military policies relating to the national security. The NSC shall act as the highest Executive Branch entity that provides review of, guidance for and direction to the conduct of all national foreign intelligence, counterintelligence, and special activities, and attendant policies and programs.

(b) *Committees.* The NSC shall establish such committees as may be necessary to carry out its functions and responsibilities under this Order. The NSC, or a committee established by it, shall consider and submit to the President a policy recommendation, including all dissents, on each special activity and shall review proposals for other sensitive intelligence operations.

**1.3 National Foreign Intelligence Advisory Groups.**

(a) *Establishment.* The right of the President to establish intelligence shall not be affected. Executive Order No. 12096 of January 24, 1978, as amended, entitled "United States Intelligence Activities," is revoked.

THE WHITE HOUSE,  
December 4, 1981.

*Executive Order 12333, signed Dec. 4, 1981, could be called the "Asteroid Executive Order." It authorized the privatization of intelligence and covert operations, and permitted agencies other than the CIA to conduct "special activities," thus opening the door for the White House-National Security Council staff, or even private entities, to carry out covert operations.*

itself, but is a staff for the White House, in broadly defined areas pertaining to national security.

In the early months of the Reagan-Bush administration in 1981, there was a brawl between Bush and Secretary of State Al "I'm in charge here" Haig over the control of crisis management. On March 22, 1981, a leak to the *Washington Post*, headlined "Bush to Head Crisis Management," said that Vice President Bush would be placed in charge of a new crisis management structure, amounting to "an unprecedented role for a Vice President." The *Post* noted that, during the Carter administration, this role had been filled by the National Security Adviser, Zbigniew Brzezinski.

Haig protested, but Bush won out. During this time, Bush seized control of the Special Situation Group (SSG), the status of which was formalized in December of that year.

On Dec. 4, 1981, President Reagan signed Executive Order 12333, which was presented as "unleashing" U.S. intelligence agencies from the restrictions of the 1970s. It did a lot more than that.

1.E.O. 12333, governing all "foreign intelligence" operations, designated the National Security Council (NSC) as "the highest Executive branch entity" for review, guidance, and direction of all foreign intelligence, counterintelligence, and "special activities" (i.e., covert operations). This effectively

WASHINGTON

December 14, 1981

**UNCLASSIFIED**

NATIONAL SECURITY DECISION  
DIRECTIVE NUMBER 3

CRISIS MANAGEMENT

A national security matter for which Presidential decisions and implementing instructions are required more rapidly than routine interdepartment NSC staff support provides may be considered in the context of crisis management.

SPECIAL SITUATION GROUP (SSG)

Crisis management shall be the responsibility of a Special Situation Group (SSG) chaired by the Vice President.

The function

of the SSG will be to advise the President with respect to decision options on domestic, foreign and military policies and actions.

3/16/90

Partly Declassified/Released on 3/16/90 under provisions of E.O. 12356 by S. Tracy, National Security Council

**UNCLASSIFIED**

15, 1987

*Ronald Reagan*

Distribution:  
A, B

**UNCLASSIFIED**

*The declassified portions of National Security Decision Directive Number 3 (NSDD-3), which gave Vice President George Bush power over all "crisis management" matters through his control of the Special Situation Group (SSG). This was actually issued prior to NSDD-2, and, taken together, they gave Vice President Bush control of the NSC staff structure.*

**UNCLASSIFIED**

WASHINGTON

May 14, 1982      # 29464

~~TOP SECRET~~

MEMORANDUM FOR THE SECRETARY OF STATE  
THE SECRETARY OF THE TREASURY  
THE SECRETARY OF DEFENSE  
THE DIRECTOR OF CENTRAL INTELLIGENCE  
THE CHAIRMAN, JOINT CHIEFS OF STAFF

SUBJECT: Crisis Pre-Planning

National Security Decision Directive 3, Crisis Management, establishes the Special Situation Group (SSG), chaired by the Vice President. The SSG is charged, *inter alia*, with formulating plans in anticipation of crises. In order to facilitate this crisis pre-planning responsibility, a Standing Crisis Pre-Planning Group (CPPG) is hereby established.

The CPPG will be chaired by the Deputy Assistant to the President for National Security Affairs and will consist of senior representatives of your agencies and of the Office of the Vice President. The CPPG will meet periodically in the White House Situation Room and will:

- Identify, to the extent possible, areas where US interests are at stake in which rising tensions or other circumstances suggest the possible emergence of a crisis.
- For each potential crisis, insure that an interagency group is established and developing contingency plans. Provide guidance to the group and task it with the preparation of preemptive policy options to prevent a crisis if possible as well as the preparation of politico-military options for dealing with the eventual crisis.
- Present such plans and policy options to the SSG.
- Devise procedural measures, draft executive instruments and identify resources essential to implement decisions by the President.
- Provide to the SSG, as crises develop, alternative plans of action/options and coordinated implementation plans that will permit successful resolution.

~~TOP SECRET~~  
Review on May 6, 2002  
Classified and Extended by WPC/Clark  
Reason: NSC 1.12(d)

**UNCLASSIFIED**

~~TOP SECRET~~

- Provide to the SSG, recommended security, cover, and media plans that will enhance the likelihood of successful execution.

The first meeting of the CPPG is scheduled for Thursday, May 20, 1982, in the White House Situation Room from 1000-1200. Agencies are requested to provide the name of their CPPG representative to Oliver North, NSC Staff (Telephone: 395-3345) by May 14, 1982. An agenda will be circulated prior to each meeting. The agenda for the first CPPG meeting is attached.

FOR THE PRESIDENT

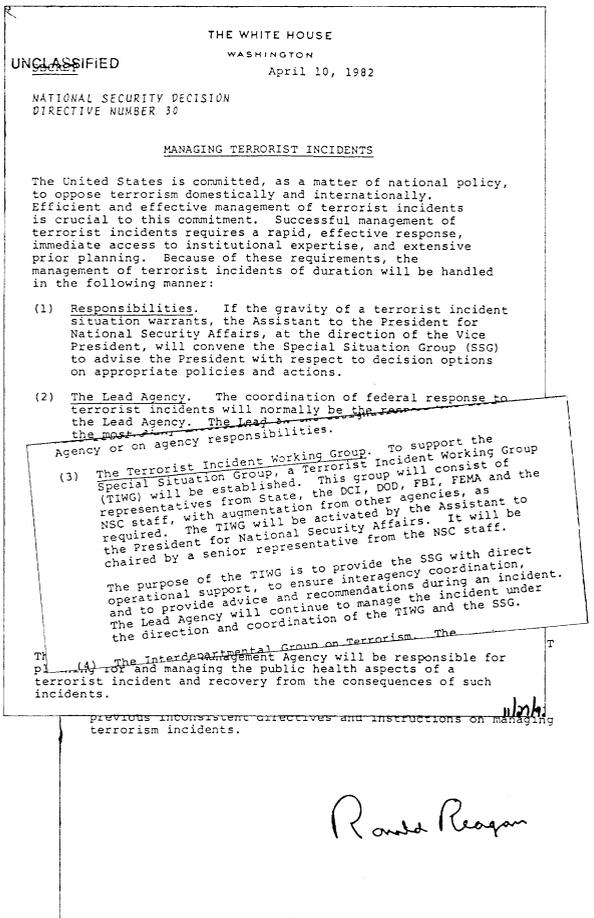
*Bill Clark*  
William P. Clark

Attachment

Tab A - Agenda for May 20, 1982 Meeting

~~TOP SECRET~~

*This May 14, 1982 White House memorandum completed the first phase of the "Bush coup d'état." It established a standing Crisis Pre-Planning Group (CPPG) under the Special Situation Group (SSG). It gave Bush's SSG-CPPG sweeping authority over any crisis, potential crisis, possible crisis, maybe-sometime-in-the-future crisis, and authorized the SSG-CPPG to draw up contingency plans and preemptive policy options to deal with it. Under this interpretation of NSDD-2 and -3, the formal cabinet-level National Security Council itself became almost irrelevant.*



NSDD-30, dated April 10, 1982, created the “Terrorist Incident Working Group,” to support George Bush’s Special Situation Group. TIWG was broadened in early 1986 to include an Operations Sub-Group, which was used by Bush, Oliver North, the FBI’s Oliver “Buck” Revell, and the Joint Chiefs of Staff to conduct domestic surveillance and dirty tricks.

put the NSC in charge of the CIA, military intelligence, special operations, and so on. This did not mean that the President’s National Security Adviser would assume this charge, but rather, the NSC staff structure—a structure over which Bush increasingly assumed control.

2. A little-noticed “loophole” gave the CIA—as had been the case since 1947—the exclusive conduct of “special activities” (covert operations) “unless the President determines that another agency is more likely to achieve a particular objective.” This, for the first time, officially opened the door for assigning covert operations to the NSC staff.

3. E.O. 12333 also included provisions for the use of private “assets” by the intelligence and law enforcement communities.

## NSDD-2 and NSDD-3

Shortly thereafter, on Jan. 12, 1982, National Security Decision Directive 2 (NSDD-2) was issued, which formalized

the National Security Council structure. It confirmed the existence of a series of Senior Interagency Groups (SIGs) for foreign policy, defense policy, and intelligence—a Kissingerian type of structure which Haig had been fighting against throughout the Reagan administration’s first year. There is no reference to the role of the Vice President in NSDD-2.

But, a month earlier, on Dec. 14, 1981, in between the adoption of E.O. 12333 and NSDD-2, NSDD-3 had *already* been issued. Entitled “Crisis Management,” it formalized Bush’s control over intelligence and secret operations. NSDD-3 affirmed the existence of the Special Situation Group, which, it said, would be “chaired by the Vice President.”

“Crisis Management” was defined as encompassing: “A national security matter for which Presidential decisions and implementing instructions are required more rapidly than routine interdepartmental NSC staff support provides.” The responsibility for crisis management was assigned to the Special Situation Group (SSG) chaired by the Vice President.

Then, on May 14, 1982, the first phase of the Bush “cold coup” was completed, in the form of an extraordinary memorandum entitled “Crisis Pre-Planning,” issued by the National Security Adviser.

Citing the authority of NSDD-3, this memorandum established an inter-agency standing Crisis Pre-Planning Group (CPPG) subordinate to the SSG. This was a cute maneuver; the SSG was to handle national security matters requiring *rapid* response, but then the CPPG was created as a *standing* body, which would meet regularly and develop plans and policies for the SSG. In other words, “crisis management” was no longer just for crises.

The CPPG was charged with meeting periodically in the White House Situation Room and doing the following (emphasis added):

- “Identify, to the extent possible, areas where U.S. interests are at stake in which rising tensions or other circumstances suggest *the possible emergence of a crisis*.”
- “For each *potential* crisis, insure that an interagency group is established and developing contingency plans. Provide guidance to the group and *task it with the preparation of preemptive policy options* to prevent a crisis if possible as well as the *preparation of politico-military options for dealing with the eventual crisis*.”
- “Present such plans and policy options to the SSG.”
- “Devise procedural measures, draft executive instruments and identify resources essential to implement decisions by the President.”
- “Provide to the SSG, as crises develop, alternative plans of action/options and coordinated implementation plans that will permit successful resolution.”
- “Provide to the SSG, recommended *security, cover, and media plans* that will enhance the likelihood of successful execution.”

The scope of this is breathtaking. The SSG-CPPG, under the direct control of the Vice President, assumes control of *any*

area in which a *potential* crisis could emerge, and it develops *preemptive policy options* for dealing with it.

This SSG-CPPG structure, according to a chart later circulated by Secretary of State George Shultz, operated on the same level as the National Security Council (not the NSC staff, which was way down on the chart), and was above the Secretary of State. In reality, it *preempts* and makes irrelevant the actual Cabinet-level National Security Council. It was this to which Secretary of State Shultz vigorously objected in 1983, but he was overridden.

To put the final touch on it, the May 12, 1982 memorandum directs each agency to provide the name of their CPPG representative to—Oliver North.

This still wasn't all. On April 10, 1982, President Reagan was induced to sign NSDD-30, on "Managing Terrorist Incidents." This directive said that if a terrorist situation warranted it, the President's National Security Adviser could convene the SSG "at the direction of the Vice President." Thus, the Vice President even controlled the convening of the SSG.

Additionally, NSDD-30 created the "Terrorist Incident Working Group" (TIWG, or "Tee-wig"), "to support the Special Situation Group" (i.e., Bush). TIWG was composed of representatives of the State Department, CIA, Defense Department, Federal Emergency Management Agency, and the NSC staff, and was to be chaired by a representative of the NSC staff, which, before too long, was—Oliver North.

Thus, under this implementation of the NSDD-3 structure, there was combined, to the extent possible, all intelligence and foreign policy "crisis management" under the operational control of the Vice President of the United States, George Bush.

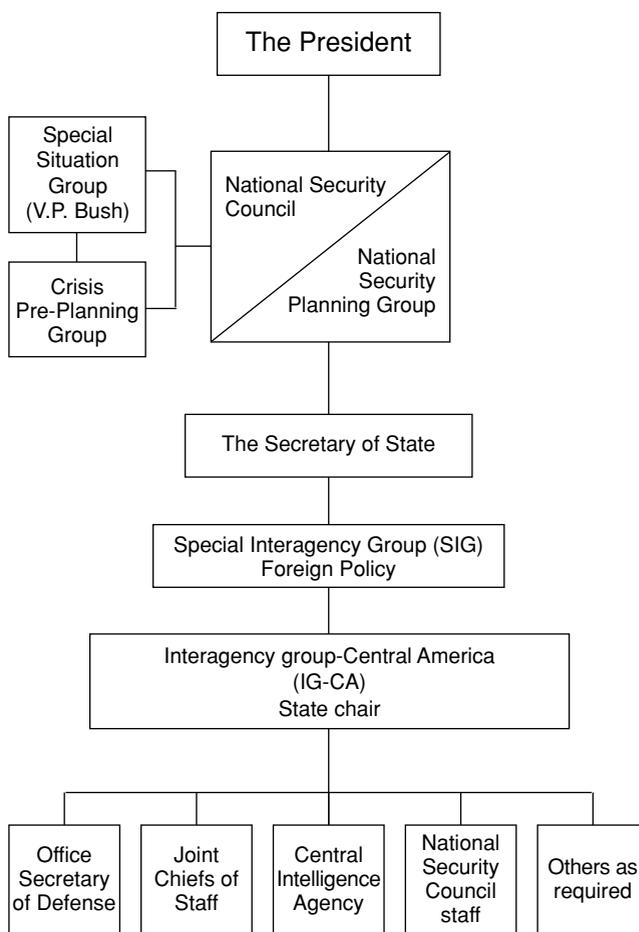
### The VP's Terrorism Task Force

The Bush apparatus continued to be refined over the next couple of years. The functions of TIWG were elaborated in NSDD-138, drafted by North and signed into law on April 3, 1984. TIWG was charged with supporting Bush's Special Situation Group. Furthermore, in July 1985, President Reagan named Bush to head up a new Terrorism Task Force, consisting of representatives of the Defense Department, CIA, State Department, and the National Security Council, plus the FBI's Oliver "Buck" Revell (the other "Ollie"), and an Israeli citizen, Amiram Nir—at least until Nir's strange and untimely death in 1987.

The Vice President's Task Force's report, issued in February 1986, created a permanent extension of the task force: the Operations Sub-Group (OSG), officially a sub-group of Bush's TIWG. It also established a permanent counter-terrorism office located in the NSC staff, headed by—Oliver North. North's two assistants, Craig Coe and Robert Earl, were simply reassigned from Bush's task force.

The Operations Sub-Group—the heart of Bush's "secret government"—was a select NSC-DOD-CIA-FBI inter-agency group which operated so as to bypass the regular operations of the intelligence and law enforcement agencies. For

### National Security Decision Directive No. 2 structure for Central America



*This structure for NSDD-2 operations for Central America was outlined in a White House memo.*

example, when the FBI's "Buck" Revell was operating under the authority of the OSG, he would report to the OSG, *not* to the FBI director. The OSG was used, among other things, to run domestic surveillance and "dirty tricks" against Bush's enemies, particularly against opponents of the Contra policy.

This "secret government" apparatus, built up by Bush during 1981-86, was able to draw upon assets from the CIA, the DOD's "special operations" units, and the "private" sector. But the operations run by Bush's White House apparatus were neither "CIA" nor "Pentagon" operations—although those agencies often took the heat. In some cases, the Bush-NSC apparatus was used to do things that the CIA could not, or would not, do. It meshed with the "privatization" of many CIA and U.S. intelligence operations, a process which began with the CIA purges during the Carter administration, and which then accelerated during William Casey's tenure: spinning off what have been called "the asteroids."

# Cocaine is king in Colombia, thanks to George Bush

by Dennis Small, Gretchen Small, and Valerie Rush

George Bush didn't create narco-trafficking in Colombia, but he did play a decisive role in turning it into a fine art—and a most profitable one, both financially and politically.

During 1979-81, Colombia was producing an average of 10,500 tons of marijuana per year, more than two-thirds of the world total at that time. Almost the entire crop was being exported to the United States, and a well-integrated transport and distribution network had been put in place to market it.

But then, a change occurred. In the early- to mid-1980s, Bush's "secret government" apparatus struck a deal with Colombia's then-dominant Medellín Cartel, in which it took advantage of the cartel's established trafficking infrastructure, and the cartel shifted into more profitable cocaine trafficking, and channeled large amounts of drug funds into the Contras' war against the Sandinistas in Nicaragua. The hard evidence of Bush's involvement with this apparatus is summarized elsewhere in this section (pp. 22-29).

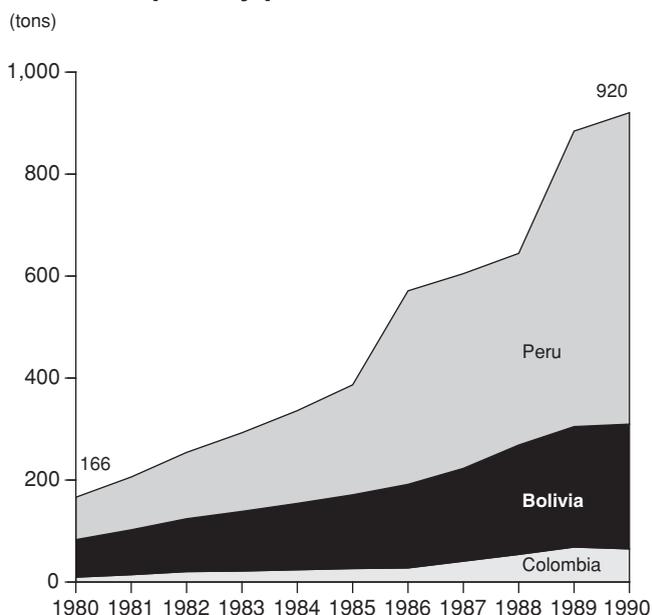
Things changed quickly in Colombia, as a result of Bush's involvement. Over the course of the 1980s, national marijuana production fell to slightly more than 2,000 tons per year (the 1989-91 average), which was one-fifth of what it had been a decade earlier, and constituted only 7% of the world total. Cocaine moved in to take its place—and quickly became king. Although most of the coca leaves were grown in neighboring Peru and Bolivia during the 1980s, the vast majority of that crop was refined into cocaine in Colombian laboratories, and from there shipped out, principally to the United States.

Over this period, the combined cocaine production from Colombia, Bolivia, and Peru (the world's only three producers) rose from 166 tons of HCl equivalent in 1980, to 920 tons in 1990—a more than fivefold increase. As **Figure 1** shows, the sharpest rise occurred during 1985-89, as the Bush coup of 1983-86 was locked into place. Cocaine production between 1985 and 1989 grew by nearly 25% per year, on average.

## The Bush connection

A startling indication of Bush's role in these developments was the testimony given to a U.S. Senate hearing in 1987, where Medellín Cartel money-launderer Ramón Milián

FIGURE 1  
Cocaine: quantity produced



Sources: NNICC; OFECOD, Peru; EIR.

Rodríguez revealed that he had given \$10 million in cocaine profits to Félix Rodríguez, a long-term CIA agent who ran the drugs-for-guns exchange for George Bush. Milián told investigative journalist Martha Honey that Rodríguez had offered that, "in exchange for money for the Contra cause, he would use his influence in high places to get the [cocaine] cartel U.S. 'good will.' . . . Frankly, one of the selling points was that he could talk directly to Bush. . . . The issue of good will wasn't something that was going to go through 27 bureaucratic hands. It was something that was directly between him and Bush."

Milián met with Rodríguez on Jan. 18, 1985. Four days later, Rodríguez met with Vice President Bush in the Executive Office Building.

The promised "good will" was not long in coming. Indicative is the role played by a former senior official of the Reagan-Bush Department of Justice, Michael Abbell. In November 1984, Medellín Cartel boss Jorge Ochoa and Cali Cartel boss Gilberto Rodríguez Orejuela were sitting in a Madrid jail on drug charges, facing extradition—and probable life sentences—in the United States. Abbell, who had been the acting director and deputy director of the International Affairs section of the DOJ's Criminal Division from 1979 through 1984, abruptly quit that post, and travelled to Spain to testify against the extradition of Ochoa and Rodríguez to the United States, claiming that his old employer, the U.S. Department of Justice, had filed faulty papers against his new clients, the drug

lords. Thanks to Abbell, Ochoa and Rodríguez were sent to Colombia, where they were eventually set free.

Abbell continued to serve as a big cheese in the Cali Cartel's stable of lawyers, and as a top Washington lobbyist for his clients—whom he described as “mainstream” and “legitimate businessmen”—until his 1998 conviction for racketeering. Throughout this period, Abbell played an important public relations role as well, presenting the Cali Cartel as the “less violent” alternative to the Medellín Cartel, and arguing that a deal could be struck with the Cali Cartel because “the people in Cali are adamantly opposed to any violence. . . . My impression is you can work with these people.”

And work with them he did, as did George Bush. In part, Bush passed off his overt alliance with the Cali Cartel as necessary for his phony war against the rival Medellín Cartel. Otherwise, Bush's hypocritical justification for such a criminal alliance was that collaboration with the cartels was a “necessary evil,” supposedly in order to fight communist subversion—e.g., the Sandinistas. In the face of unimpeachable evidence that drugs and terrorism are *one and the same* apparatus, and that allying with one against the other is an impossibility, the Bush administration developed the official theory that the phenomenon of “narco-terrorism”—first defined and documented by Lyndon LaRouche in the early 1980s—does not really exist.

For example, in February 1986, then-FBI Director William Webster told the *Los Angeles Times*: “Words like narco-terrorism tend to exacerbate the realities as we know them. I also do not believe that the hard evidence links the two.”

Only three months before Webster's denial that narco-terrorism exists, the M-19 guerrillas had seized the Colombian Justice Palace in Bogotá, burned the legal archives containing extradition papers on the cartels' leading figures, and executed those Supreme Court judges who had been debating the restoration of the U.S.-Colombia extradition treaty. In May 1986, the head of counterterrorism for the U.S. State Department, Robert Oakley, testified to U.S. Senate hearings that his office was in possession of “very solid evidence” that the M-19 had been paid \$5 million by one of the top drug cartels, to carry out the attack.

FIGURE 2  
Colombia–U.S. cocaine trafficking routes



So much for the supposed nonexistence of narco-terrorism.

### The Colombia-U.S. cocaine corridors

Colombian cocaine routes to the United States, like the earlier marijuana routes, have historically divided into two principal corridors (see **Figure 2**). The first moves cocaine by air and sea northward from Colombia to the east coast of the United States (especially Florida), using the Bahamas, Cuba, and other Caribbean islands as transshipment areas. The second moves cocaine first up through Central America, and from there divides into an easterly route through the Caribbean (connecting to the first route, described above), and a westerly or Pacific route, first into Belize and Mexico, and from there into the United States. It was this latter corridor that Bush's Iran-Contra apparatus developed most extensively.

FIGURE 3

**Contra network drug transshipment points**



**Figure 3** provides a closer view of Bush’s mid-1980s Central American cocaine corridor.

**Costa Rica:** The various Contra groups making up the so-called Southern Front were based here, and had as their leading local political patron, former President José “Pepe” Figueres, the long-standing partner of Cuban-based, Medellín Cartel financier Robert Vesco.

The key logistics officer for the Southern Front was John Hull, a U.S. national whose Costa Rican ranch was, already by 1980-81, reportedly a cocaine stash point for the Colombian cartels, midway on its route north. By 1984-85, Hull’s ranch was a major Contra logistics and drug-trafficking center, with planes using his airstrip carrying guns and cocaine.

Money for Contra operations was funnelled through several Costa Rican companies owned by known traffickers: Frigoríficos de Puntarenas, which shipped dope to the Miami-based Ocean Hunter Seafood, owned by Contra operative and

longtime trafficker Francisco Chanes; Diacsa, a Costa Rican company which received \$41 million in Contra payments from Oliver North and the State Department’s Nicaraguan Humanitarian Assistance Organization (NHAO) between March and September 1986—after it had been indicted for cocaine trafficking and laundering; and so on.

**Honduras:** The main force of Bush’s Contras, the Nicaraguan Democratic Force (FDN), was based out of Honduras—and it was run through the networks of Medellín Cartel kingpin José Ramón Matta Ballesteros, a Honduran national who, by the mid-1980s, was the cartel’s point-man for Central American transshipment and its liaison with the Mexican cartels. The principal logistics company used by the FDN was owned by Matta Ballesteros. Between 1983 and 1985, his air transport company, SETCO, transported at least a million rounds of ammunition, food, uniforms, and other military supplies for the FDN, and was paid for its services out of

FIGURE 4

**The Colombia-Mexico cocaine corridor, late 1990s**



Sources: PGR, Mexico; Uniform Statistical System for Drug Control, OAS.

North's Contra accounts. From late-1985 to mid-1986, Assistant Secretary of State Elliott Abrams's Nicaraguan Humanitarian Aid Organization at the State Department, also paid SETCO.

At the time that SETCO was receiving official U.S. government payments, U.S. Drug Enforcement Administration (DEA) agent Enrique Camarena was hot on Matta Ballesteros's trail, as the individual key to the Colombian cartel's ties to Guadalajara, Mexico cartel drug kingpin Miguel Félix Gallardo. In March 1985, Camarena was kidnapped, tortured, and killed in Mexico. The DEA began a manhunt for Matta Ballesteros, as the man who it suspected had ordered the hit, but the Bush team kept its deal with him intact. Within months of being arrested in Colombia, Matta Ballesteros bribed his way out of jail, and returned immediately to Honduras in March 1987. There, he set himself up as the country's leading "businessman"—and not one peep was heard from the Bush team or the U.S. State Department. Only when the Contra

operation collapsed, was Matta Ballesteros finally arrested and brought to the United States, where he was tried and convicted for the murder of Camarena.

**El Salvador:** One of the most important supply centers for the Contras was established in January 1985 at the Salvadoran Air Force base at Ilopango. Hangars 4 and 5 at Ilopango, leased to the Bush-North operation, served as staging areas, supply depots, and parking areas for more than a dozen Contra pilots, under the direction of Félix Rodríguez, placed in that position directly by Bush's National Security Adviser (1982-89) Donald Gregg. According to reports filed by the DEA's agent in El Salvador, Celerino Castillo, large quantities of cocaine were stored at Hangars 4 and 5, and then smuggled north to Florida, Texas, and California, by pilots whose names had already been entered into DEA computers as Class I cocaine violators.

**Guatemala:** While not employed as a major center for Contra operations by the Bush team, the drug cartels targeted

Guatemala as a vital way-station for cocaine shipments moving north. By 1985, significant amounts of marijuana were being grown in the Petén jungle region in the north of the country, and Colombian cocaine was being transshipped through numerous clandestine airfields, many owned by the local landed oligarchy, on Guatemala's Pacific coast. In 1984-85, Lyndon LaRouche and *EIR* warned the Reagan-Bush administration that it must aid Guatemala in carrying out a full-scale attack against the drug trade and narco-terrorism, or Guatemala would become a major base of the cartels. And, in 1985, LaRouche associates helped organize an on-the-ground anti-drug exercise, Operation Guatusa, to encourage such cooperation. However, the Bush apparatus in Washington blocked LaRouche's efforts, and by 1989, not only was marijuana production far more widespread throughout the country, but Guatemala had become a major producer of opium, and a major cocaine transshipment center.

**Belize and Chiapas:** The small country of Belize, a member of the British Commonwealth, has also played a crucial role as a Central American way-station and coordinating center for both drugs and terrorism moving into southern Mexico. Cocaine shipped up from Colombia into Belize is then transported overland through southern Mexico, in particular through the state of Chiapas where the British-sponsored Zapatista narco-terrorists are active, and northwards to the United States.

By the late 1990s, the Colombia-Mexico cocaine corridor, with the Belize-Chiapas channel playing a major role, was carrying 70% or more of all the Colombian cocaine shipped into the United States (see **Figure 4**).

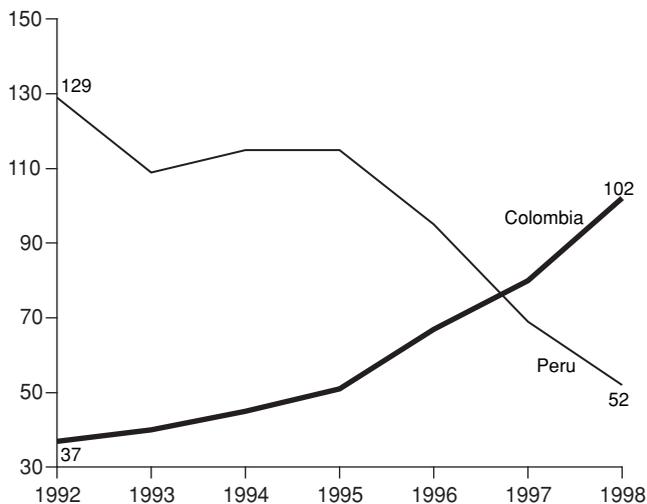
### Post-script

In August 1989, Colombian Presidential front-runner and war on drugs advocate Luis Carlos Galán was murdered by cartel assassins. Among the weapons used by the cartel hitmen were some that were traced by serial numbers to an arms shipment paid for by then-Assistant Secretary of State for Inter-American Affairs Elliott Abrams, out of funds maintained by Bush's so-called "Project Democracy" apparatus for clandestine operations.

The Abrams funds were provided to an Israeli "retired" colonel, Yair Klein, who, at the height of the Iran-Contra shenanigans, set up a weapons-smuggling and mercenary-training operation on the Caribbean British protectorate of Antigua. Klein was part of a regional network of Israeli arms smugglers that was fully integrated into the Bush-North "secret parallel government" covert war apparatus, working as an important channel into the cartels. Iran-Contra "banker" Bruce Rappaport ran several Antiguan banks that were linked to the southern Florida money-laundering operations of the Colombian cartels; he provided the credit line for the Klein operations, which were called upon by George Bush, when, as President, he decided to launch, first, a "Contra" program, and, later, a full-scale invasion, to oust Panamanian leader

FIGURE 5  
**Coca area harvested**

(thousands hectares)



Sources: U.S. State Department and U.S. General Accounting Office.

Manuel Noriega, who had earlier balked at abetting the Contra wars in Central America.

Galán's assassination cleared the way for the eventual takeover of Colombia by the Cali Cartel in the 1990s, through the successive cartel-dominated governments of César Gaviria and Ernesto Samper Pizano.

As a result, not only cocaine processing, but also coca growing, has become king in Colombia. In Peru, the Alberto Fujimori government adopted anti-drug and anti-terror policies during the 1990s (over the violent opposition of George Bush, it should be noted), which succeeded in reducing coca cultivation in that country by 60% between 1992 and 1998 (**Figure 5**). In Colombia, on the other hand, coca cultivation has nearly tripled over the same time period, leaping from 37,000 to 102,000 hectares, and making the country the world's number-one coca grower.

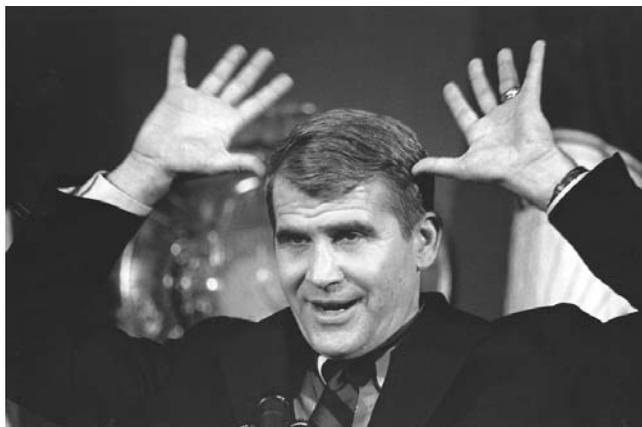
Politically, the Colombian government of Andrés Pastrana is now in the advanced stages of surrendering entire chunks of the country to the FARC and ELN narco-terrorists. Ironically, it is Bush's old lie of the 1980s—that the guerrillas and the drug cartels are *not* two sides of the same coin—which is again being used by the Bush apparatus inside the Madeleine Albright State Department, and elsewhere in Washington, such as by the Inter-American Dialogue. But, this time, the argument has been flipped on its head: Now, they argue, it is necessary to work with the FARC and ELN against the "greater evil" of the drug traffickers, all the while denying the overwhelming evidence that the FARC is nothing but Colombia's Third Cartel.

# George H.W. Bush's drug backwaters

by Jeffrey Steinberg

When a C-130 cargo plane was shot down over Nicaraguan air space on Oct. 5, 1986, and crew member Eugene Hasenfus was captured by the Sandinistas, the lid blew off of the George Bush/Oliver North Contra guns-for-drugs "Enterprise." It later emerged that the Hasenfus plane had been used by a notorious marijuana and cocaine smuggler, Adler Barriman "Barry" Seal, and had been transferred to Central America for use by the Contras. Seal, before his assassination in early 1986 while in Federal work release custody in Louisiana, had been responsible for smuggling an estimated \$3-5 billion worth of illegal narcotics into the tiny Intermountain Airport in Mena, Arkansas.

The Mena story has been used for years to paint President Clinton as tied to the international drug cartels, because he was Governor of Arkansas during much of the period when Mena served as a hub of the Contra guns-for-drugs operations. However, evidence released in the Kerry Committee report ("Drugs, Law Enforcement and Foreign Policy," produced in 1988 by a Senate Foreign Relations subcommittee chaired by Sen. John Kerry [D-Mass.]), and from other Congressional probes, revealed that the Seal-Mena project was run, top down, by the Bush team at the White House. To wit: Moments after the Hasenfus crash, former CIA officer Felix Rodriguez placed an emergency call to Donald Gregg, chief national security aide to Vice President Bush, to alert him to the deba-



*Oliver North's role in the Contra operation was vastly exaggerated, as part of the cover-up to protect George Bush. In reality, North was a junior staff officer in the chain of command, headed by the vice president.*

cle. Upon being indicted by the Drug Enforcement Administration (DEA) for drug trafficking, Seal sought to cut a deal, but was rebuffed. He then flew to Washington, where he met with a representative of Vice President Bush's Drug Task Force, and then with Lt. Col. Oliver North. Three separate sources related what happened next.

- A Louisiana State Police official involved in the Seal probe wrote to the DEA in 1986, reported that Seal "arrived in Miami upon the recommendation of the Vice President's Task Force on Drugs, piloting his own Lear jet."

- Richard Ben-Veniste, a former attorney for Seal, told the *Wall Street Journal*, "I did my part by launching Barry Seal into the arms of Vice President Bush, who embraced him as an undercover operative."

- According to IRS investigator Bill Duncan, who led the probe into the gun-for-drugs operations in Mena, "Seal used to brag he could call George Bush at any time."

Mena's isolated setting afforded precisely the kind of privacy that was needed for the Bush/North secret guns-for-drugs enterprise. However, it was but one of many such waystations for the Contra and related "secret team" operations. Others that dotted the rural landscape of the American South and Southeast included:

## Other Menas

- Hawkins Air Field in Jackson, Mississippi was identified in the Kerry Committee report as another drop site for Contra drugs entering the United States.

- Loudoun County, Virginia, 35 miles northwest of Washington, D.C., was another drop zone. The U.S. Attorney for the Eastern District of Virginia during the mid-1980s, Henry Hudson, was an intimate of the Bush/North team, and Federal prosecution of traffickers was always, therefore, a highly political affair. Furthermore, the local regime in Loudoun County was thoroughly corrupted, beginning with the County Sheriff, John Isom. The local Anglophile oligarchy, centered around the "horse country" set, including the Harrimans, the Mellons, the Hanes, and the Ohrstrom-Bryants, owned the County Sheriff, and the large estates and "gentlemen's farms" that took up most of western Loudoun County were known to be frequent sites of large drug soires, fundraisers for Oliver North, and, on some occasions, repositories for Contra drug shipments.

Eventually, the lid blew off of the Loudoun aristocracy's involvement in the Bush/North dope dealings. The DEA raided a large farm, owned by the Reckmeyer brothers, sons of a prominent Air Force colonel (whom some DEA officials reported was a suspect as well). To successfully carry out the bust, the DEA neglected to inform the local Sheriff about the pending drug sweep. When the DEA presented Hudson with extensive evidence that a local Loudoun branch of a prominent northern Virginia bank had been integral to the Reckmeyer dope ring, laundering the proceeds of the marijuana sales, Hudson refused to prosecute.

# George Bush's opium war

by Joseph Brewda

Shortly after the 1979 Soviet invasion of Afghanistan, the Reagan-Bush administration launched a massive covert war against Soviet troops in Afghanistan, through arming, training, and financing the Pakistan-based Afghan mujahideen. That war is directly responsible for the vast increase of opium and heroin production in Western Asia since that time, and has played a major role in criminalizing the former Soviet Central Asian republics and the Caucasus, through which heroin-trafficking routes to western Europe and the United States now pass. The mujahideen spawned by that war, which the White House then feted as “anti-Communist heroes” in numerous banquets in their honor, constitute the most important narco-terrorist labor-pool in the world today, responsible for bombings from Algeria, to India, to Europe, and even, as in the 1993 bombing of the New York World Trade Center, in the United States.

The U.S. conduct of the Afghan war was shaped by a British strategy to spread Islamic anti-Communist insurgency into the Soviet Union, as the supposed means of bringing down that regime. Implemented as the so-called “Arc of Crisis” card under Carter administration National Security Adviser Zbigniew Brzezinski, the strategy provided the cynical rationale for the British-mandated and Carter administration-implemented overthrow of the Shah of Iran and the installation of Ayatollah Khomeini; the ensuing instigation of the 1980-88 Iran-Iraq War, in which the West massively armed both sides; and support for narco-terrorist kingpin President Hafez al-Assad of Syria, who, together with Ariel Sharon-led elements of Israeli intelligence, has kept the Middle East in flames. This policy, launched by the Trilateral Com-

mission’s Brzezinski, was continued, without interruption, on a vastly expanded scale, during the Reagan administration, under the overall direction of Vice President George Bush.

## Drugs to fund the Afghan War

There are two features of the Reagan-Bush Afghan War policy, and its embrace of the Brzezinski Arc of Crisis plan, which caused the explosive growth in opium and heroin production in Western Asia and the Middle East in the 1980s, and which continue to have a dire impact on the world today.

First, the Reagan-Bush administration secret team encouraged the mujahideen to grow opium and refine heroin, to supplement billions of dollars of U.S. government funds provided for the war. (Unlike the “secret war” in Central America, the Afghan War was heavily funded by the U.S. Congress, with strong bipartisan support; however, the official funds covered only an estimated 10% of the costs of the decade-long war against the Soviet Red Army.) In so doing, the Reagan-Bush administration also helped to create an apparently semi-independent narcotics and terrorist network, as typified today by a former U.S. protégé, Osama bin Laden.

Second, the Reagan-Bush administration hoped to use this heroin to spread addiction among Soviet troops to demoralize them, and to help spread drug use into adjacent Soviet regions,

FIGURE 1  
The 1980s Golden Crescent heroin and weapons route

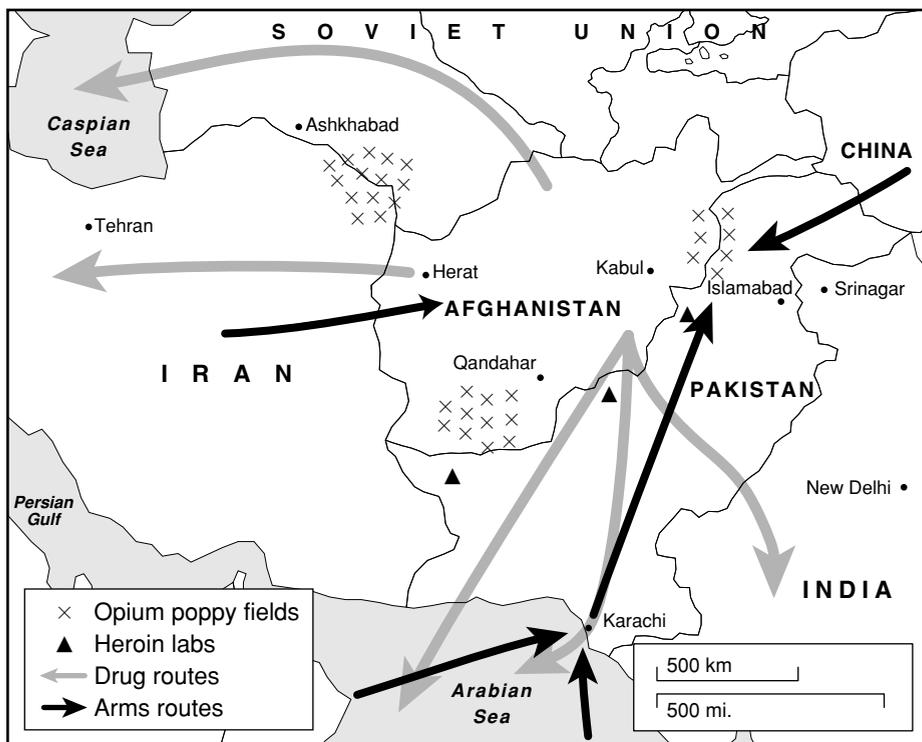
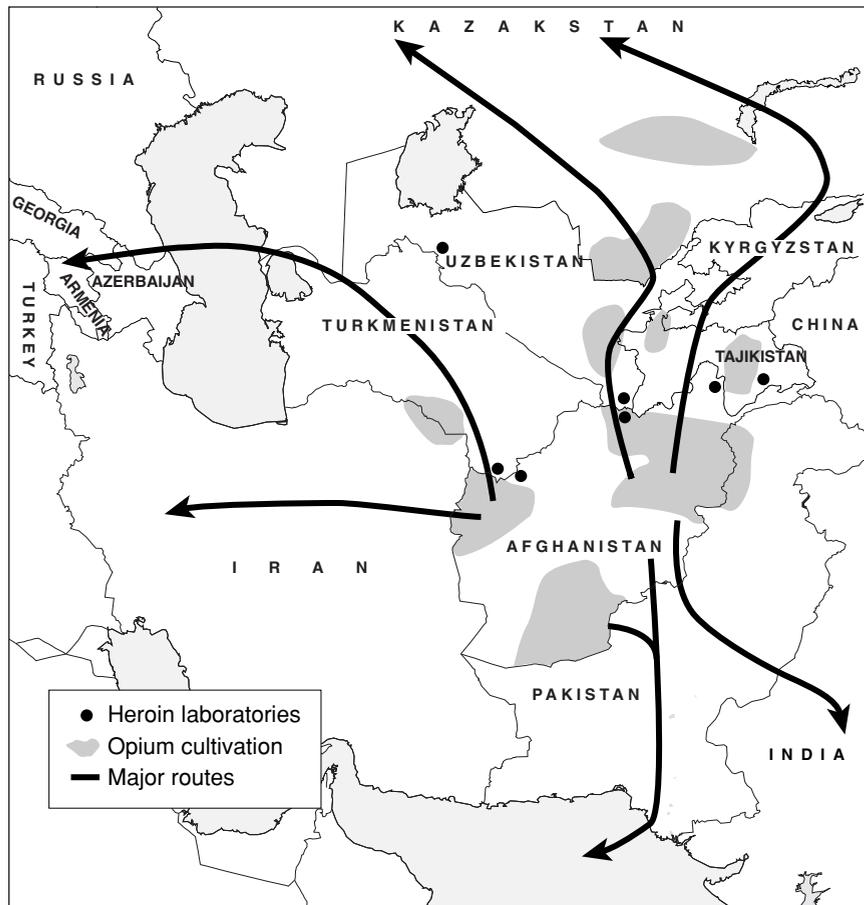


FIGURE 2

**Opium and heroin trafficking from the 'Golden Crescent' today**



Sources: INCSR; UN International Narcotics Control Board; EIR.

and the United States, providing funds and criminal allies for the growing mujahideen warlord gangs. The total potential value of the crop by 1989 had reached \$22 billion, enough to supply war needs or terrorist operations for a long time to come.

The rest of this opium and heroin was consumed regionally. Typifying the legacy of the war, Pakistan today has more than 3.5 million heroin addicts, the highest heroin-addict population per capita in the world. Before 1980, there was virtually no heroin addiction in the country. Similarly, heroin use in former Soviet Central Asia, which had been nonexistent before 1980, is now skyrocketing.

The mujahideen narcotics business continued after Soviet troops left Afghanistan, without any let up. Competition over the trade is one of the main reasons for the continuing civil war in Afghanistan, pitting the Taliban, which controls most of the country today, against the Northern Alliance of Gen. Ahmad Massoud, both of which provide heroin to the West. Control over heroin-trafficking routes is also the cause of most of the ongoing gang warfare in Pakistan and the bloody clan war in neighboring Tajikistan, and is an important factor in the wars in the nearby Caucasus, where competing armies and militias often depend on the Afghan heroin trade to buy arms.

thereby creating the convulsive social conditions needed to spread insurgent movements there. The administration was successful in both objectives. **Figure 1** shows the heroin and weapons routes into and out of Afghanistan in the 1980s. **Figure 2** shows these heroin routes today, with nations that were part of the former Soviet Union now probably the most important route for heroin being transported out of Afghanistan.

As a deliberate result of British and U.S. policy, opium and heroin production in Afghanistan and Pakistan rapidly increased during the 1980s, especially beginning in 1984. By the time that Soviet troops withdrew from Afghanistan in 1988, the two countries were producing an estimated 955 tons of opium annually (**Figure 3**), of the 3,164 tons produced worldwide. An estimated 160 tons of that opium, refined into 16 tons of heroin, were sold on the streets of western Europe

**Bush's Syrian connection**

The Middle East proper was another target of the Arc of Crisis policy, and here, too, the encouragement and protection of drug lords and narco-terrorist gangs, as well as ruinous wars, further destabilized the region. A central feature of this policy was the Reagan-Bush administration decision to continue Nixon administration Secretary of State Sir Henry Kissinger's patronage of narco-terrorist kingpin Hafez al-Assad's Syria, especially by giving Syria a free hand over neighboring Lebanon. As a result, beginning in the 1980s, Lebanon became one of the world's biggest poppy plantations, a primary refiner of Afghan mujahideen opium, and a safe haven for all the narco-terrorist gangs charged with smuggling heroin and hashish into Europe, and carrying out the terrorist operations needed to keep the region in turmoil.

FIGURE 3

### Afghanistan and Pakistan: opium production

(metric tons)

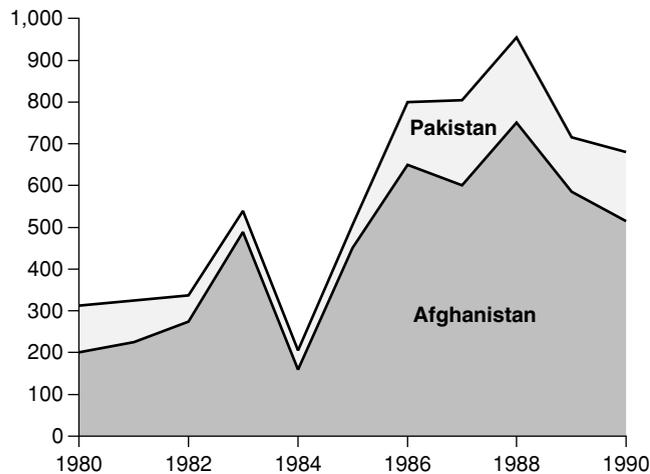
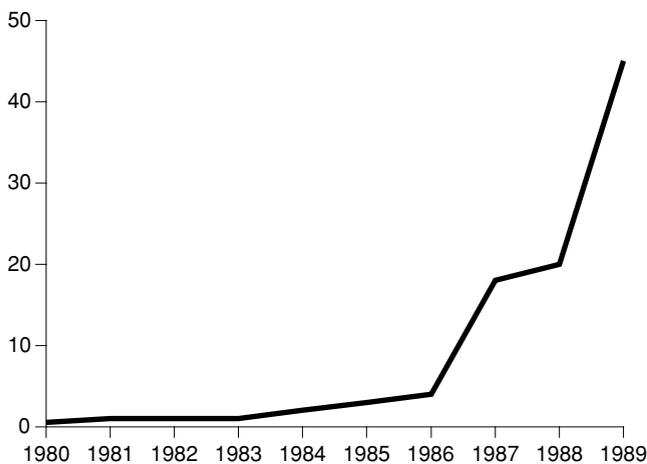


FIGURE 4

### Opium production in Lebanon

(metric tons)



Under these policy guidelines, Lebanese opium production zoomed from 0.5 tons in 1980, to an estimated 45 metric tons in 1989 (Figure 4). The Syrian Army, which invaded Lebanon in 1976, began introducing extensive cultivation of opium poppy into the Lebanese Bekaa Valley in 1983. All of the opium was refined into heroin, with 20% smuggled to the United States, and the rest to Europe. The Syrian Army also increased marijuana cultivation by half, in order to produce hashish bound for Europe. If

all the heroin and hashish produced in Lebanon in 1989 were sold, Syria would have reaped \$7.9 billion in profits, more than enough to pay for terrorist assassinations to provoke tensions and wars.

No single individual personified this Bush-Assad narco-terrorist alliance more than did Mansour Al-Kassar. The son of Syria's former ambassador to Egypt and a member of the Assad inner circle, Mansour Al-Kassar was known to U.S. law enforcement agencies as one of the world's leading illegal arms traffickers, with offices throughout the Middle East and the Warsaw Pact. Official CIA records had Al-Kassar listed as a KGB agent.

The Drug Enforcement Administration, also, knew Al-Kassar as the kingpin of the "Syrian Connection." His Marbella, Spain villa was the scene of secret meetings between leaders of the Syrian mafia, including Rifaat Assad, brother of President Assad, and leaders of both the Medellín and Cali cartels in Colombia. Indeed, Al-Kassar spent time in a British jail for drug smuggling, and was labelled as the secret backer of Palestinian terrorist Abu Abbas, who was responsible for the 1985 *Achille Lauro* ship-hijacking, in which an American passenger was killed.

Despite all of this, Bush's underling, Oliver North, hired Al-Kassar to work for "The Enterprise" in 1984, and, according to the official records of the Congressional Iran-Contra panel, paid him at least \$1.5 million to deliver Soviet bloc weapons to the Contras. Al-Kassar was also used as the "second channel" to the Lebanese-based terrorists who had taken American hostages in Beirut.

By the time Pan Am Flight 103 was destroyed by a terrorist bombing over Lockerbie, Scotland in December 1988, then-President-elect Bush was wedded to Syria's Assad—narco-terrorists and all! It is no wonder that Bush and his British nanny, Margaret Thatcher, agreed that, under no circumstances, would the Syrians be held responsible for the Lockerbie massacre, despite massive evidence that Syria played an important role.

In 1990, President Bush gave Assad the go-ahead to oust anti-Syrian Lebanese President Michel Aoun, thereby completing Syria's takeover of all of non-Israeli-controlled Lebanon. In return, Syria participated fully in the 1991 Anglo-American war on Iraq. Since that time, the U.S. government has repeatedly claimed that Syria has ceased all opium production and heroin refining in Lebanon. However, off the record, U.S. government officials report that opium production continues there on the same level as in 1989, and that heroin refining is continuing full steam.

And, since the mid-1990s, a new source of heroin into the United States has rapidly come on stream from Colombia, where the cocaine cartels were used by the Reagan-Bush administration in its Iran-Contra operations, and where the Reagan-Bush team had worked hand-in-glove with Syria's cartel boss, Mansour Al-Kassar.

# Bush turned U.S. into major drug producer

by Michele Steinberg and Marcia Merry Baker

George “Dubya” Bush, the GOP front-runner for the year 2000 Presidential nomination, became the first major party Presidential candidate since Trilateral Democrat Jimmy Carter to make laws on marijuana a states’ rights issue, openly advocating that Federal laws against growing, selling, and using marijuana be overridden. Bush made the endorsement on Oct. 16 while campaigning in Seattle, Washington. Asked about “medical marijuana” referendums, Bush said, “I believe that each state can make that decision as they so choose.”

George “Dubya” Bush is a chip off the old block. His father, George H.W. Bush, first as Vice President and then as President beginning in 1981, imposed a “dope decade” on the United States, in which the United States became one of the world’s leading drug producers, and marijuana became the biggest cash crop in America.

As documented in the accompanying articles on Colombia’s rise to “cocaine king” under Bush’s “secret government” arrangements, marijuana production in Colombia fell from 10,500 tons a year, accounting for about two-thirds of the world’s cultivation in 1979-81, to a tiny fraction of that amount in 1989-90—when only about 2,000 tons of marijuana was cultivated there. Bush’s deal with the Colombian drug cartels was to have the cartels shift to the more expensive and lucrative production of cocaine, which could help finance Bush’s covert operations.

But the marijuana market was growing, and the street price was going up, so why would marijuana producers give up what was to become a \$75 billion a year market? The answer: It wasn’t “given up”; it was cartelized.

By arrangement with the cartels, marijuana cultivation moved to the United States, allowing for easier transport and delivery to the U.S. street market. At the same time that marijuana production dropped in Colombia, it skyrocketed in the United States. In 1979-80, marijuana cultivation in the United States went from a negligible amount (considering worldwide drug production), estimated to be in the hundreds of tons, to more than 6,000 tons per year in 1989-90. Since its peak during Bush’s dope decade, the United States has continued to produce about one-half of domestic consumption.

The fact that the United States is both the largest consumer

and the largest producer of a drug that has been proven to be a danger to its population, is a shocking reality that needs to be understood by the American citizenry. First, it immediately shatters the myth that U.S. drugs are a “foreign invasion” from drug-producing countries. Second, it shows that Dope, Inc. is an integrated global cartel, which simultaneously controls the production, distribution, consumption, and money-laundering phases of the world’s biggest business.

Carter embraced an early form of marijuana legalization, but couldn’t get it passed into law. It took Bush and the “secret government” operations under Executive Order 12333 to make the United States a top producer in the international drug trade.

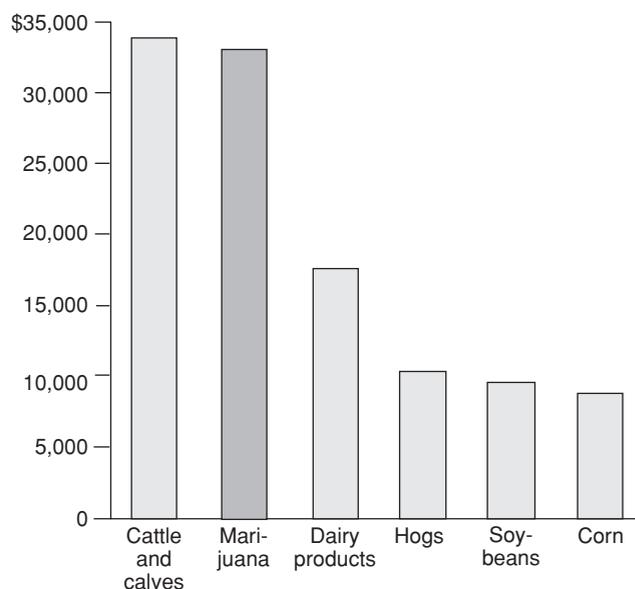
## The end of American agriculture

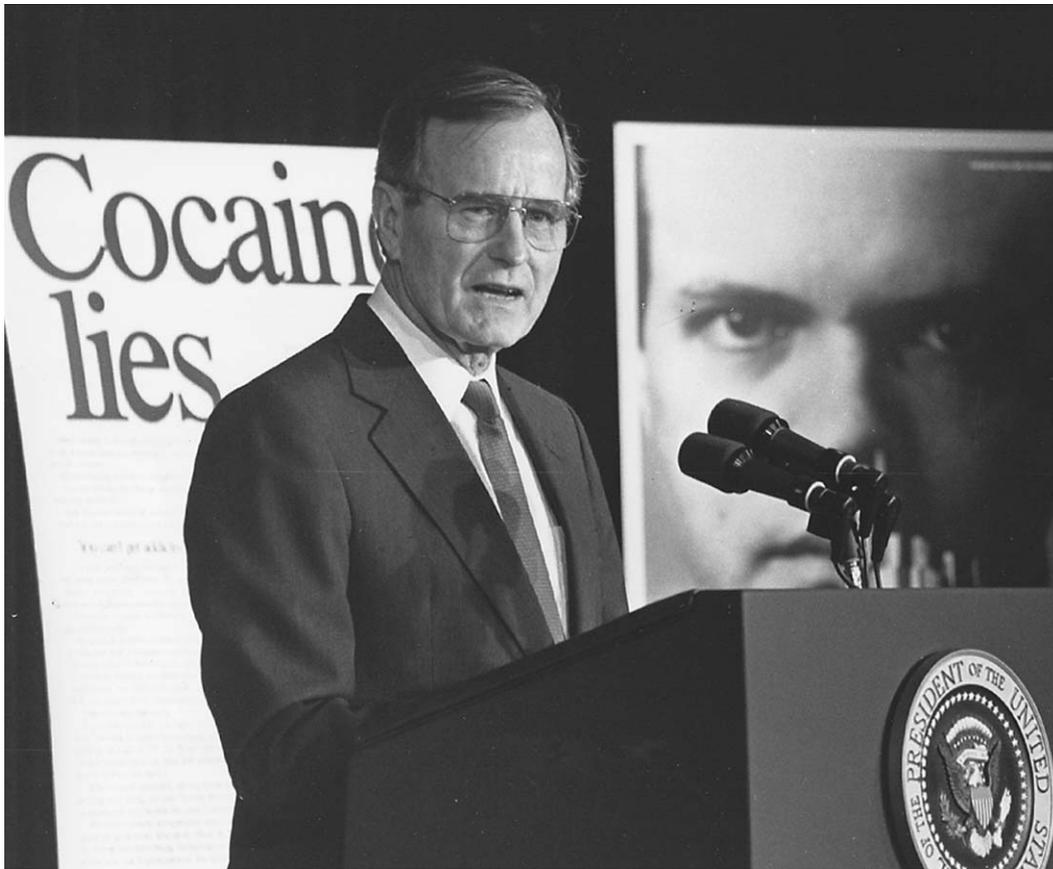
Worse, drug cultivation and the black market grew like a cancerous tumor, driving out the productive sector in agriculture. Here’s what happened:

By 1987, the gross value of the crop produced in the United States was an estimated \$43.7 billion, and marijuana had become the biggest cash crop in America, eclipsing all agricultural commodities but one—cattle and calves (**Figure 1**).

In part, this reflected a rising street price, particularly as eradication raids periodically eliminated significant amounts of cultivation in certain regions. But more than three-fourths of the dollar increase was due to increased *physical produc-*

FIGURE 1  
Value of 1987 U.S. marijuana harvest exceeds all agricultural commodities (millions \$)





*President George Bush at the Partnership for a Drug Free America in Washington, D.C., Nov. 2, 1989. As Vice President and President, Bush directed the “secret parallel government” apparatus that flooded the United States with drugs. “Cocaine lies,” and so does George Bush.*

tion of marijuana. Even as Mexico and other points continued to increase production (also picking up the slack from the drop in Colombian production), the U.S. share of marijuana production continued to grow. By 1989, the U.S. percentage of annual estimated world marijuana output reached 27%.

For the 1992 edition of *Dope, Inc.*, the editors of *EIR* did a comprehensive study of the economic and physical drug production worldwide, showing that the United States had suffered a spectacular leap as a “producer” country. The study focussed on 1987, for the simple reason that consistent and complete data were available for both agricultural commodities and for estimated marijuana values. In fact, 1987 was one of the last years that comprehensive data were available. By 1991, the data on marijuana production had become so embarrassing for then-President Bush, that the Drug Enforcement Administration (DEA) discontinued collecting data and keeping records on domestic marijuana production.

George Bush had made his reputation as a drug fighter based on attacking “foreign sources,” such as his invasion of Panama in 1989. If it had been admitted that the United States was producing its own dope, he would have had to turn his guns on the United States itself, or against the money-laundering activities of domestic companies, such as E.F. Hutton, the stock brokerage firm owned by his brother-in-law, F. Scott

Pierce (brother of Barbara Bush), which was caught laundering drug money.

### **The most lucrative crop**

1987 was a watershed year. Not only did marijuana surpass nearly every other agricultural commodity as a cash crop, but 1987 marked the first year in recent history that, for a month or two, the United States was a net food importer.

The 1987 marijuana harvest (\$33.095 billion) was almost equivalent to the receipts from the largest agriculture commodity (cattle and calves, \$33.829 billion), and it was larger than *every other* agricultural commodity, and larger than several major grain crops combined.

By 1987, the harvest value of marijuana exceeded that of soybeans and corn combined (\$18.372 billion)—the two crops in which the United States leads in world production. Even adding in the value of wheat (\$4.869 billion) and hay (\$2.233 billion), the \$25.474 billion total did not come close to the proceeds from marijuana.

The pattern in these figures does *not* reflect some imputed “natural shift of preference” among farmers away from producing food, into producing dope. The U.S. marijuana harvest reflected a series of deliberate policy decisions by a network of influentials in the mega-banks, the U.S. Department of

Justice, the Department of Agriculture (USDA), the International Monetary Fund, and related agencies, to create the conditions where dope growing in the United States was encouraged.

Over the 1970s and 1980s, the central banks jacked up international interest rates, and then forced Third World nations to adopt austerity policies. This, predictably, destroyed the productive sectors of their economies, at which point the bankers told them that they should produce any crop—including drugs, wherever that was lucrative—to generate cash to repay their debts.

The spectacular growth of marijuana cultivation in the United States in the 1980s was a result of the same policies. The same usurious interest rates that destroyed the Third World have also made it nearly impossible for agriculture to survive in the United States. Bankruptcies in the farm sector skyrocketed, and farmers were—and are—being told to grow pot, or lose their farms.

### A case example

The case of one Montana farm family shows just how vicious Bush's phony "war on drugs" was. In 1988, Montana farmers Mr. and Mrs. Dick Kurth were convicted for growing marijuana, after they switched from raising cattle in a desperate attempt to retire their crushing debt to Norwest Bank. By 1985, in the midst of plummeting prices for beef, and stratospheric interest rates introduced by Federal Reserve Chairman Paul Volcker, the Kurths were in debt for \$1.2 million to Norwest.

It is on public record that the Kurths were advised by their local Norwest Bank officer, Floyd DeRusha, that they would have a chance to prevent bankruptcy if they produced marijuana. Once the farmers, very experienced in agronomy, produced successive years of marijuana crops, they paid off their debts, with money to spare.

According to press accounts, DeRusha was just "joking" when, in 1985, he said, "Well, other than growing marijuana, I don't know what you can do. Why don't you try that?" in response to the Kurths' anguished plea for help to continue ranching. Norwest Bank president Frank Shaw denies that this was an okay to grow dope, but the bank gladly accepted the Kurths' money to pay off their loan, even though any responsible bank official would have had to wonder where the money was coming from, since the Kurths had been insolvent. Dick Kurth further testified that he informed Norwest how he was making his money, and that bank officials even helped him make big cash deposits in such a way as to evade Federal rules designed to detect cash of dubious origins. The bank took the attitude that money is money.

Nationally, "one step removed" was the official policy regarding laundering drug money, and Bush cronies, such as William Weld, the U.S. Attorney in Boston, Massachusetts who arranged the sweetheart deals to not prosecute the Bank

of Boston and Crédit Suisse First Boston, led the pack. The mega-banks caught violating Federal reporting laws, and taking in large amounts of drug-marketing cash, were given only slap-on-the-wrist fines.

### Production patterns

The two zones accounting for 42% of U.S. marijuana output (1987 figures) are concentrated in the Pacific states of California, Oregon, Washington, and Hawaii, and the poverty-stricken counties of the Appalachians and Ozarks in the eastern and central United States, including Arkansas, Missouri, Kentucky, Tennessee, northern Georgia, and southwestern Virginia. The other 58% of the pot is grown throughout the nation, usually in the most secluded areas.

The figures show that there were not wholesale switchovers to marijuana cultivation by traditional farmers in the big farm states. Instead, marijuana cultivation has been taken up in remote areas impoverished by the shutdown of local coal mines and other industries and by the fall in farm commodity prices. Added to that, is the counterculture's "Mother Earth"-type farmer, especially on the West Coast.

### Where marijuana is the top cash crop

Estimates for the 45 states where statistics are available, show that marijuana is now cultivated in significant amounts everywhere.

In 1987, marijuana had become 655% of the dollar value of all other farm output combined in Alaska, 335% in West Virginia, 237% in Hawaii, and 236% in New Hampshire. In Oregon and Massachusetts, the marijuana crop value had reached more than 90% of the total other farm output.

**Table 1**, based on 1987 figures, lists all states in alphabetical order and gives the dollar value of marijuana output, the value and name of the leading farm commodity of that state, and the size of the marijuana crop, expressed as a percentage of the leading legal farm commodity. For example, in Vermont, the value of marijuana harvested (\$370 million) is 118% of the value of dairy products (\$314 million), the state's leading legal commodity.

In 37 of the 50 states, the harvest value of marijuana cultivated in 1987 exceeded that of the leading legal crop (i.e., excluding non-crop agricultural commodities, such as livestock and dairy) grown in that state (**Figure 2**).

But it is clear that, where farmers could still make a living in agriculture, they didn't turn to pot. The state data show clearly that the top farm states are not the top pot-producing states—either in percentage or in absolute terms. The one exception is California, which is special in many respects. That state has the largest population in the nation, and an economy larger than that of many nations. It has a rich, varied agriculture, with secluded and favorable growth locations for marijuana. California, especially the Los Angeles area, was also the laboratory for George Bush's crack cocaine experi-



planted to marijuana, both because of its remoteness, and because the grower calculates thus to avoid personal property seizure in case he is caught. The 661,000-acre Daniel Boone National Forest in Kentucky has had large patches of marijuana sown in secluded hollows, behind cornfields, and between rows of corn. In Hawaii, on the Big Island, marijuana growers take advantage of the vast tracts of undeveloped land.

Even the pattern of occasional drug busts provides enough information to show the social and geographic characteristics of marijuana cultivation:

**Clay County, Kentucky:** As many as 40% of the county's 24,100 citizens grew marijuana as of 1989, according to local authorities. The county suffered 25% unemployment, compared with an official rate of 6% nationally; half the population lived on Social Security, disability, or unemployment payments; and the high school drop-out rate was about twice the national average. This area, a former coal-producing region where the mines shut down, became the largest marijuana producer in Kentucky, which in turn is the third-largest producing state in the nation.

**Southwestern Virginia:** The same situation prevailed in this neighboring 15-county region, where coal mining had been closed down. In 1989, one raid destroyed 10,753 plants, with a value roughly estimated at \$10.7 million.

### Dope moves in where farm policy failed

During the phony "Reagan-Bush recovery" of the 1980s, an estimated 400,000 farmers were bankrupted or forced to quit by selling out or abandoning their operations.

Under orders from the food cartels, whose executives direct the programs of the USDA, the U.S. government adopted

a radical free-market policy in the 1985 five-year farm bill and in the General Agreement on Tariffs and Trade (GATT) negotiations. Hundreds of thousands more farmers were wiped out because of that policy, making marijuana an even stronger draw.

In 1981, U.S. agriculture had a total asset value of \$1 trillion, which dropped to \$760 billion by 1990—a 24% plunge. Over this decade, lending agencies devalued the collateral backing farmers' loans, and demanded more collateral and higher interest rates on debt. After Paul Volcker became chairman of the Federal Reserve in 1979, his high-interest-rate policy caused some farm lending to exceed a rate of interest of 20%.

In the early 1980s, farmers scrambled to hock everything they owned, and went deeper into debt. Applications soared to the Farmers Home Administration (FmHA), the farmer's lender of last resort. By the mid-1980s, total agriculture debt soared to more than \$215 billion, held by three major lending groups: the FmHA, the commercial banks, and the Production Credit Associations, private entities with limited government backing. Then, the axe fell. The Reagan-Bush administration ordered creditors to "tighten up" on loans. By 1990, total agriculture debt nationally was brought down to less than \$190 billion, by a process of shutting down hundreds of thousands of farmers, and squeezing others dry.

The USDA dumped thousands of its FmHA farm borrowers into forced bankruptcy. Hundreds of small local farm banks went under. Today, farm communities have become ghost towns. And with the low prices for farm commodities, farmers are still unable to service their debt and capitalize their operations. Bush's "dope decade" had taken hold.

## Drug lobby 'delighted' by Bush's 'states' rights'

One of the first people to praise George "Dubya" Bush's stand backing states' rights on drug legalization, was R. Keith Stroup, executive director for the National Organization for the Reform of Marijuana Laws (NORML), who said that he was "delighted" by Bush's pronouncement. "It is encouraging to hear [Bush] indicate that he would leave this decision" to the states, said Stroup.

NORML was also there to cheer President Jimmy Carter in August 1977, when Carter, the candidate of the Tri-lateral Commission, sent a message to Congress which said, "I supported a change in the laws to end Federal criminal penalties for possession of up to one ounce of marijuana, leaving the states free to adopt whatever laws they wish concerning marijuana." Carter had retained four

members of NORML's Advisory Board in his administration.

Carter's effort to usher in marijuana legalization fell like a lead balloon, largely due to the opposition of the movement associated with Lyndon LaRouche, which waged a successful campaign against "Dope, Inc." and the dope lobby's state-by-state efforts to "decriminalize" marijuana. In 1977 and 1978, representatives of the LaRouche movement testified and lobbied in more than 20 state legislatures, and successfully blocked NORML's decriminalization drive. By 1981, *High Times* magazine, flagship of the drug-legalization movement, was complaining to its readers about LaRouche. One headline screamed, "He Wants to Take Your Drugs Away!"

Carter openly embraced marijuana legalization, but he was never able to get it through. It took George Bush's secret government, and police state actions against the LaRouche movement, to turn America into one of the world's largest dope producers.—*Michele Steinberg*

## British declare terrorist ‘jihad’ against Russia

by Jeffrey Steinberg

On Nov. 7, the London *Sunday Telegraph* advertised that “Muslim fundamentalists are receiving weapons training in Britain to become ‘holy warriors’ in armies led by the world’s most wanted terrorist—Osama bin Laden.” The paper reported about interviews with “dozens of volunteers who are drilled in the use of guns and explosives to prepare them for the military wing of the International Islamic Front (IIF), founded by bin Laden last year. . . . More of the volunteers recruited in Britain are heading for Chechnya.” The *Telegraph* noted, “The political wing of the IIF will hold a public meeting Friday in London to appeal for both jihad (holy war) volunteers and funds.”

Indeed, on Nov. 12, the “Fourth Conference of Islamic Revival Movements” issued a jihad declaration against Russia, which has been since sent out worldwide. The declaration, obtained by *EIR*, read in part:

“We declare that the atrocities being perpetrated by Russia against Muslims in Chechnya is war against Allah, his Messenger Muhammad, and Muslims worldwide. This cannot and will not be tolerated and we therefore declare full-scale jihad against Russia, its military establishments, its forces and government wherever they are.” The declaration ended with the warning: “You are fighting people who love death more than you love life.”

What the *Telegraph* refused to report, was that scores of jihad organizations (which have nothing to do with actual Islam), including the bin Laden IIF, operate in London with the full backing of the British Foreign Office, the Blair government, and the British Crown. The declaration of holy war against Russia comes from the highest official circles in London, and conforms with Britain’s “Great Game” objective of breaking up Russia into a string of powerless micro-states

that can be looted by London-centered strategic raw material cartels. Similarly, China, India, and Iran are targeted for British destabilization, sources in and around the British Foreign Office have boasted to *EIR*. And, in every instance, London-headquartered and British-sponsored terrorist groups are the preferred instruments for the destabilizations.

Indeed, as the U.S. FBI stumbles about in hot pursuit of bin Laden, who is off in the wastelands of Afghanistan, the actual directors of the “Afghansi” terrorist infrastructure operate openly and freely in London.

Sheik Omar Bakri Mohammed, bin Laden’s chief spokesman in London, boasted to the *Telegraph*, “Last week we sent 38 people to Chechnya.” The *Telegraph* added that volunteers say “they have been fully drilled in weapons use, often by former British soldiers.”

### What the State Department knows and won’t tell

That London is the headquarters of world terrorism is known at the highest levels of the U.S. Department of State. Indeed, on Oct. 8, 1997, and again last month, the State Department issued a list of 30 organizations officially labelled as “terrorist.” Of them, ten are officially headquartered in London, and another 15 have major international operations and fundraising networks there.

Furthermore, at least ten governments—predominantly strategic allies of the United States—have filed formal diplomatic protests with the British Foreign Office, for providing safe-haven to terrorists carrying out acts of violence against their citizens and territory. The list includes Egypt, Turkey, Saudi Arabia, Israel, Pakistan, Bahrain, and France.

No government has been more adamant and forthcoming

on the issue of London's harboring of international terrorists, than America's staunchest ally in the Arab world, Egypt. This has placed Egypt at the top of the list of Middle East nations targeted for British destabilization.

As early as April 1996, Egyptian Interior Minister Hasan al-Alfi had told the British Arabic weekly *Al-Wasat*, "All terrorists come from London. They exist in other European countries, but they start from London."

Following the massacre of 62 tourists in Luxor, Egypt on Nov. 17, 1997, President Hosni Mubarak gave a press conference in Aswan, in which he bluntly declared, "The terrorists [who took responsibility for the massacre] live in England, and in other countries, like Afghanistan. They have committed crimes, and some of them have been sentenced. Despite all that, they are still living on English soil, and raise money, and plan [their actions], together with fugitives in Afghanistan. The whole lot of them are murderers. All these terrorist actions would not have happened if European states had not protected these terrorists. The harboring and financing of these terrorists by foreign powers, has helped increase the violence."

On Dec. 8, 1997, President Mubarak charged, in an interview with the German weekly magazine *Der Spiegel*: "I do not understand why people on whose hands there is blood, are granted asylum in England. Why they are being granted the freedom to call, in interviews and newspaper articles, for the assassination of people who think differently? Why is the convicted assassin of a girl, Yasser al Sirr, being allowed to move and act freely? London asked us for documents on his criminal record. Well, we sent those documents, but nothing has moved so far."

Six days later, on Dec. 14, Egypt's Foreign Minister Amr Musa summoned British Ambassador David Batherwick to the ministry to deliver to him an official *démarche*, demanding that Britain "stop providing a safe haven to terrorists, and cooperate with Egypt to counter terrorism."

President Mubarak took his campaign against Britain to the Organization of the Islamic Conference summit in Tehran, Iran on Dec. 9-11, 1997, and to the Gulf Cooperation Council summit in Kuwait on Dec. 22. On Dec. 19, 1997, Amr Musa told the Organization for Security and Cooperation in Europe meeting in Copenhagen, "I seize this opportunity to call from this podium for the serious reconsideration of the practice of granting asylum and providing a safe haven to individuals and fugitives implicated in violent activities in their home countries. These terrorists have exploited the banner of human rights, as well as their host countries, to plan and finance deadly terrorist operations around the world."

Days after President Mubarak's press conference at Aswan, the Egyptian State Information Service published a list of 14 Islamic Group terrorists wanted for the Luxor massacre. The top seven names on the list — Yasser al Sirri, Adel Abdel Bari, Mustafa Hamzah, Tharwat Shehata, Osama Khalifa, Refai Mousa, and Mohamed el Islambouli — all reside in Lon-

don. Yasser al Sirri was tried and convicted for the failed assassination attempt against Prime Minister Dr. Atef Sidqi in 1993; yet the British government granted him asylum, along with Abel Abdel Majid, who was convicted of bombing the Egyptian Embassy in Pakistan in 1995, killing 15 people.

Despite this mountain of evidence, when U.S. State Department spokesman James Foley was asked, on Dec. 9, 1997, by *EIR* correspondent Bill Jones, if the United States would be prepared to impose sanctions on Britain, to force it to stop harboring terrorists, like those who committed the Luxor massacre, Foley responded, "I really think that's a preposterous assumption on your part. We have, as I said, a thorough, and thoroughgoing and very productive security and terrorism dialogue with the British authorities, who face the same kinds of threats in other arenas as we do around the world. We see eye to eye on the issue. I see no daylight between the U.S. and the U.K. on that important subject."

### **EgyptAir 990**

Given that the British government has been waging a jihad against the government of Egypt, identical to their now ongoing "Afghansi" operations against Russia in Chechnya and Dagestan, the obvious question is: If the crash of EgyptAir Flight 990, on Oct. 31, proves to be the result of a terrorist act, should the British government be placed at the top of the list of suspects? Did London order the sabotage of Flight 990?

Shortly after 1:00 a.m. on Oct. 31, as EgyptAir Flight 990 was passing near Nantucket, off the coast of New England, en route to Egypt, the plane crashed into the ocean, killing all 217 people on board. At least 33 senior Egyptian military officials were killed in the crash.

It is not known, as this issue of *EIR* goes to press, precisely what chain of events caused the crash. Data retrieved from the voice and data recorders have enabled investigators to rule out several possible mechanical causes of the crash.

In typical fashion, many U.S. and international news organizations have concocted a kooky, bogus account of the crash, which claims that an auxiliary co-pilot crashed the plane into the ocean in an act of suicide. The rush to cover-up by the vast majority of the American media, based on typical unreliable and/or fabricated "source" reports, was appropriately attacked by the Egyptian government. Egypt's Minister of Information Sawfat Sherif told reporters on Nov. 17 that the accusations that the auxiliary pilot, Gameel Batouti, had committed suicide were "speculation, theories, and fantasies which do not measure up to the facts." On the same day, the Egyptian ambassador met with the State Department, the FBI, and the National Transportation Safety Board, to demand that the investigation not be turned over to the FBI, before Egyptian experts had the opportunity to review the evidence assembled to date. The United States has agreed to the request, and, as of Nov. 19, the investigation remained in the hands of the NTSB.

According to highly reputable U.S. intelligence sources,

the soap opera “suicide” account contradicts much of the evidence, and therefore, represents a willful disinformation campaign. Many things about the crash do not yet add up, and will require careful analysis by teams of American and Egyptian experts. The suicide story, one source emphasized, makes no sense. Why was the relief pilot alone in the cockpit, if indeed he was?

The source emphasized that any sophisticated hijackers today know that the cockpit of a commercial jetliner is outfitted with at least four voice recorders and numerous data recorders. Anything that happens inside the cockpit, therefore, will almost certainly be known to investigators. However, anything occurring just outside the cockpit is lost to post-crash investigators. Did terrorists somehow seize control of the cockpit? Was one of the pilots of the plane compromised by terrorists’ threats or blackmail before the flight? None of these vital questions have yet been answered, and such questions will likely not be answered, purely on the basis of analysis of the technical data gathered from the crash site.

### **Sanction Britain for terrorism**

One thing is clear: If evidence points toward a terrorist act, Britain’s ongoing targetting of Egypt must be considered the most likely source of the downing of Flight 990. The United States has a cooperative partnership with the Mubarak government in Egypt. Apart from U.S. Secretary of State Madeleine Albright and a handful of other British stooges inside the Clinton administration, there is no U.S. interest in such a terrorist attack being carried out against an important ally.

Israel’s Prime Minister Ehud Barak has developed a close partnership with President Mubarak, in pursuit of Mideast peace. Particularly since the death of Jordan’s King Hussein, the Barak-Mubarak collaboration has been an important feature of the effort to reach a final status agreement with the Palestinian Authority, and to pursue other avenues of regional peace.

Such a Middle East peace process is, however, harshly at odds with Britain’s geostrategic objectives.

Even as the probe continues into the crash of EgyptAir Flight 990, the recent British declaration of jihad against Russia presents, once again, an opportunity for President Clinton to take a bold step against the new international terrorism: Impose sanctions on Great Britain for harboring the world’s most violent terrorists. Such an action would win the instant support of all of the governments who have been hounding Britain to end its official policy of giving aid and comfort to the world’s leading killers. Russian officials have urged a strategic partnership between Washington and Moscow, to defeat the terrorist menace. Unless such a top-down approach is taken to the very real terrorist and irregular warfare threat posed by London, it is a virtual certainty that the weeks and months ushering in the new millennium will be bloody ones.

## **Wahid visit improves U.S.-Indonesia ties**

by William Jones

The visit of Indonesian President Abdurrahman Wahid to Washington on Nov. 12, appears to have helped put U.S.-Indonesian relations back on track. During the period of turmoil, in which Indonesia, the world’s fourth-most-populous nation, was rocked by the international financial crisis, combined with an attempt by British Commonwealth forces to rip the country apart along ethnic lines, U.S.-Indonesian relations had become seriously frayed. In particular, U.S. military aid to Indonesia had been suspended over the situation in East Timor, pending a resolution of the crisis. The election of Abdurrahman Wahid as President on Oct. 20, however, appeared to herald a stabilization of the political crisis and an improvement in U.S.-Indonesian relations.

Relations appear set to improve, despite the fact that the “human rights” cabal in Madeleine Albright’s State Department had exerted enough pressure on the administration for it to urge Indonesia to abandon the highly successful system of economic development fostered under President Suharto. The horrendous policy coming from the U.S. State Department, combined with the disastrous effects of the international financial crisis on the Indonesian economy, resulted in the overthrow of President Suharto, and a relatively unstable political situation for his immediate successor, B.J. Habibie. The fomenting of a gaggle of “independence movements” in various parts of that vast nation by the Commonwealth forces, is now threatening to pull the world’s most populous Muslim nation apart at the seams.

### **Respect for Indonesia’s territorial integrity**

While President Clinton stopped short of sending U.S. troops to East Timor, a former Portuguese colony which was the first enclave to “declare its independence” from Indonesia, the United States did cut aid to the Indonesian military. It is clear, however, that the President is also concerned that Indonesia not be carved into “micro-states,” apparently aware of the disastrous implications of such a development for the entire Pacific region.

At a photo opportunity prior to his meeting with President Wahid, President Clinton was asked whether he thought that the territorial integrity of Indonesia was more important than the “self-determination of the peoples.” The President re-

plied, "Well, I don't think it has to be an either-or thing. I said, at the time when Indonesia supported giving the East Timorese a vote, that I would support that, and that having given them the vote, that the vote had to be respected. On the other hand, we support the territorial integrity of Indonesia. And I think we have to acknowledge that it's quite a challenging task to preserve a democracy so widespread and so diverse. And I hope we can be somewhat helpful to the President dealing with this challenge."

President Wahid was cautiously optimistic. He told reporters that he had come to Washington "just to make sure that we are still great friends of the United States, that we are still in good touch with you. And I think that in the future, we will meet with you more than before. So also that you know, that although there is a shift in policy, it is not at the expense of the American-Indonesian relationship."

After the hour-long meeting, Wahid said, "We talked about many problems faced by Indonesia. The most important are what we will do in East Timor, and second, whether we will be able to maintain the fair treatment in the economy in the case of the banks."

The second issue involves the close contact between the banking system and the government. On the pretext that it represents "crony capitalism," the Indonesian government has been under pressure to eliminate some of the traditional government-business ties. "I have already given the order to IBRA, the Indonesia Bank Restructuring Agency, to ensure fair treatment and rule by law, and that they [the banks] should be independent of the government," Wahid told reporters.

Wahid said that he had told President Clinton that he was taking measures to allow those who fled East Timor during the turmoil there, to return. "We'll work very hard to ensure that the citizens from our side of Timor will go freely to their places," he said. "Now, we have around 4,000 sent back to Timor. Because of this, I have ordered the Air Force to prepare those people [for their return], not by land, but by air from Kupang to Dili."

### **Reviving the economy**

Wahid also indicated that he would be taking steps to revitalize the hard-hit Indonesian economy. When asked about his naming Singapore's former Prime Minister Lee Kuan Yew as his economic adviser, Wahid said, "I think his role is to monitor the situation and he will provide answers about how investment in Indonesia can be encouraged and how we should act in the economic field to ensure that more investment comes."

President Wahid, who has made a special effort to establish good relations with China and India, said that he would also encourage the overseas Chinese business people, who had fled the country in droves during the recent riots, to return. "I gave a lecture on the subject at our embassy before I was elected President," Wahid said. "I got promises from them that they will go back to Indonesia, because I explained to

them it now was the time to rebuild Indonesia, and that the next government — which is now the government — would ensure that this will happen. Because of this, I am confident that Chinese capital will go back to Indonesia."

During the visit, President Clinton indicated that military aid to Indonesia would eventually be reinstated. "We're going to talk about that, and about what kinds of things that we both can do, over a period of time, to strengthen our relationships, including the issue of military-to-military ties," he said.

However, President Wahid faces a number of serious hurdles. Aceh, a province in northern Sumatra, is being subjected to agitation for a referendum on independence. While expressing his willingness to cooperate ("They are our brothers as well," Wahid said), he urged a go-slow policy. "This morning I got visitors, students from Aceh who are here in the United States, explaining to me about the demonstrations in Aceh for the referendum," he told reporters. "So I told them I will come with a proposal. So we will talk about this as well. But the problem is now that we have to do that in stages. Because we have to confirm when this referendum will take place. The second thing is, who shall organize the referendum. The first thing is to ensure that the results will be fair, and this is not easy. I think we can resolve that in the next few months. So that's why they have to be patient. The thing cannot be done just in one night."

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# Mexico's Labastida distances himself from Salinas, but ... how far?

by Rubén Cota Meza

For the first time in its 70 years in power, Mexico's Revolutionary Institutional Party (PRI) held internal elections to select its Presidential candidate, for elections in July 2000. Against all predictions, and the hopes of the opposition, both inside and outside the country, voters heeded the ruling party's call, and came out en masse—nearly 10 million votes were cast—and the PRI emerged strengthened, without splits or losses in its rank and file. The winner of the PRI primary was Francisco Labastida Ochoa, who used his first political address as the candidate-elect, speaking to a close group of followers and before millions of television viewers across the country, to drop a political bombshell: “The new PRI that is born tonight distances itself from [former President] Salinas's path.”

Both of these developments—Labastida's election, and his declaration—have provoked serious nail-biting on the part of those who seek to eradicate those national political forces which are resisting the total imposition of free-market tyranny, of the dogmas of “globalization,” and the disappearance of the sovereign nation-state.

The ten million votes stunned everyone. Even the PRI leaders themselves expected no more than 6-6.5 million voters to come out. The Mexico that voted is institutional Mexico, the republican Mexico that wants to continue to be a sovereign nation. It was the Mexico that seeks reconstruction of its national economy, and which wants to revive the institutional life of the country, after two decades of disastrous neo-liberal experimentation.

## Abandoning the Salinas path

The path defined by Carlos Salinas de Gortari, Mexican President from 1988 to 1994—the path along which the country continues to travel toward its own disintegration—is the path of the North American Free Trade Agreement (NAFTA), which destroyed the nation's productive capacities, and of savage economic liberalization. It is the path which gave free rein to all the financial speculative mechanisms that have driven thousands of companies into bankruptcy, and have caused the irrecoverable ruination of the Mexican banking system. Salinas's path has led to the impoverishment of more than 50 million Mexicans, of whom

nearly 30 million are classified as living in extreme poverty.

Salinas travelled his path hand in hand with U.S. President George Bush, resulting in the establishment of the largest drug-trafficking emporium in the history of mankind.

It was Salinas who set the nation on the path of destruction of its basic republican institutions, and who, in the name of “globalization” and “modernization,” threw the nation into the maw of the foreign speculators, while enriching his own relatives and cohorts.

Given Labastida Ochoa's comments, the obvious questions are: How far will he distance himself from Salinas, really? And, does Labastida have both the will, the courage, and the strength necessary to make a 180-degree turn, toward rebuilding the nation?

There are several indications, of which we note two, that Labastida would represent a national tradition, contrary to the globalizing “modernism” of Salinas de Gortari:

First, one day after announcing himself as a PRI pre-candidate for the Mexican Presidency, Labastida placed a floral offering at the monument of Mexican founding father Benito Juárez, “as a symbol of my republican conviction,” he said. Salinas de Gortari, on the other hand, had turned Juárez into a villain of national history, for having declared a moratorium on the foreign debt, and for having preserved the nation's sovereignty from foreign military invasion in the mid-19th century. Instead, Salinas chose as his hero Porfirio Díaz, whose policy of economic looting led to civil war at the beginning of the 20th century.

Second, Harvard's Center for International Affairs, created in 1958, conducted a series of studies to induce “modernization” in the developing countries. The one prepared for Mexico, led by Raymond Vernon and supervised by Henry Kissinger, was titled “The Dilemma of Economic Development in Mexico,” and was published in 1963. Mexico's “dilemma,” according to Vernon and Kissinger, was “the inability of its current political structure to produce the necessary changes in certain basic attitudes, such as: the inefficient ownership and cultivation of the land, sanctified by the Mexican Revolution; the policy of indiscriminate protection of national industry, and the policy of large public investments in impressive projects, such as dams, superhigh-



*Francisco Labastida Ochoa, PRI candidate for Mexico's July 2000 Presidential elections.*

ways, and housing units, done at the expense of other smaller and less visible investments distributed broadly throughout the country.”

Vernon conveniently omits mentioning the names of those Mexicans “who helped me greatly” in the study, because “none of them would acquire additional advantages by being mentioned.” But, it is known that Vernon was given all the assistance and promotion he needed from then-Trade Secretary Raúl Salinas Lozano, father of Carlos Salinas de Gortari. It was Carlos Salinas who acted to change the “basic attitudes” that Vernon and Kissinger found so objectionable: He de facto handed over Mexican lands and food production capabilities to the foreign grain cartels; he stripped national industry of its protection through NAFTA; and he pulverized public investment through his Solidarity Program, while simultaneously victimizing the already-built highway system through financial speculation.

In a July 6 speech, Labastida referred to the political, social, and economic reality of the third quarter of the Mexican century, stating, “I am one of the many Mexicans who has been able to observe the transformation of the country.” He related that when he left his birthplace, Los Mochis, Sinaloa, “that city had only 15,000 inhabitants, and that its one foreign company, United Sugar Company, not only was the main source of employment in the town, but also controlled the potable water and electricity systems for the town. One had to seek permission to enter the fenced-off area, which was a separate territory. One had to ask permission for an extra light bulb, because there was insufficient electricity provided. This was immense power concentrated in a foreign sugar company.”

But, in 1956, Labastida said, the federal government carried out two major projects that transformed the region: a dam, which irrigated nearly 220,000 hectares, and the federal highway that joined the region with both the north and south of the country. In a brief period of time, the region

went from 15,000 inhabitants, to more than 200,000. The educational services used to go only as far as a junior high school; today, there are institutions of higher learning. New social classes formed. This transformation has occurred in many regions of the country, and has been carried out by governments committed to the policies of the Revolution, according to Labastida—in other words, the very policies that Vernon and Kissinger proposed be abandoned, and which Carlos Salinas de Gortari demolished with undisguised zeal.

### **A republican conviction?**

Economic and institutional reconstruction is urgent, if the growing absorption of Mexico’s northern regions by the U.S. economy is not to lead to territorial fragmentation and, with it, the dissolution of the Mexican nation.

Labastida had reiterated throughout his electoral campaign inside the PRI, that “we must work to close the gap that exists in growth of different regions of the country. The population on the [northern] border is growing at an unprecedented rate, and economic growth, generation of employment, and attention to social needs is falling behind in the south. This phenomenon of migration is changing Mexico’s demographic map, rapidly moving the weight of the population from the south and center, into the north. We cannot have a Mexico divided between a thriving north and a marginalized south,” which is an “unacceptable direction” because, if we continue on this course, “sooner or later we are going to be facing a split.”

To confront this and other major national challenges, Labastida proposes that Mexico return to rates of economic growth higher than 6%, which were achieved for 25 years during the period now called “the Mexican economic miracle,” and which were interrupted in the mid-1970s.

Those rates of growth were largely an expression of the economic effort undertaken as part of the war effort, and later commitments of economic reconstruction. The international financial system functioned, through 1958, to develop the physical productive capacities that such an effort demanded. After that period, the rules began to change. A slow mudslide began. The studies and proposals of Harvard’s Center for International Affairs, by Vernon and Kissinger, by Raúl Salinas Lozano, were all part of the changing rules. From 1964 until 1971—the year in which the old Bretton Woods system was cancelled and the new system of floating rates was imposed—the system suffered a degeneration.

That system is now bankrupt, and cannot last. It is disintegrating, and must be shut down and replaced. The challenge posed today is either a complete and radical abandonment of Salinas de Gortari’s path, or continuing along that path; and the latter will unquestionably lead to what Labastida envisions as one possible future for Mexico: its disappearance as a sovereign nation-state.

# The 'Titanic' remains afloat after elections in Georgia

by Sergei Vasiliadis

*The author is a leading specialist in political science, and is a fellow of the Scientific Council of the Georgian Diplomatic Academy, in Tbilisi, the capital of Georgia. For the past few years, Mr. Vasiliadis has been a collaborator of the Schiller Institute, and a supporter of the ideas set forth by Lyndon LaRouche.*

A spell of chilly autumn weather has somewhat cooled down emotions and passions, and sudden gusts continue to rip down innumerable posters and appeals, the inalienable attributes of fierce pre-election engagements—this time for seats in the Georgian Parliament. The outcome of the Oct. 31 elections shocked the overwhelming majority of contenders: Only 3 out of 33 political parties and associations were able to surmount the barrier to enter Parliament, which was recently raised from 5% of the vote, to 7%.

As was anticipated, the party to finish in first place with a significant lead, was the Citizens' Union of Georgia (CUG), the ruling party of Georgia's President, Eduard Shevardnadze, with 118 seats. It was followed by the most serious contestant, the political alliance Georgia's Revival (GR), headed by the leader of the Adjara Autonomous Republic, A. Abashidze, with 58 seats. And in third place, a party with a rather pretentious name, "Industry Will Save Georgia," captured 14 seats.

The latter was founded recently by a successful businessman, a producer of Georgian beer, Gogi Topadze, a promoter of a self-sustainable national economy and one of the International Monetary Fund's (IMF) adversaries in Georgia.

Remaining seats in the 235-member unicameral parliament have been occupied by the "independents."

The rest of the political parties, notably, one enjoying a certain popularity, the Labor Party (LP), chaired by Shalva Natelashvili [for an interview with Natelashvili, see *EIR*, Oct. 29, 1999], and another, the somewhat older and conspicuous National Democratic Party (NDP), led by Irina Sarishvili-Chanturia, were left outside the legislative body. In the case of the NDP, it fell victim to its own initiative to raise the barrier for entry into the Parliament.

Unlike most of the former Soviet and eastern European states, to say nothing of the advanced Western democracies, one cannot speak of the existence of more or less organized

progressive political forces on the left of the political spectrum. With rare exceptions, such as probably the Labor Party, only right-wing political formations participated in the parliamentary elections. Confrontations would frequently flare up between the center-based CUG and the Adjara "Revivalists," without any principled divergences between their political and ideological platforms emerging. Ruthless struggle between them was aimed merely at achieving political influence and power.

## NATO and regional conflicts

For the last few years, the pro-government CUG, which initially had a social-democratic coloring, moved, bit by bit, to the right, acquiring dynamism and all necessary levers and mechanisms of power indispensable for the campaign. The President personally participated in the election marathon, touring around the country and meeting with the electorate. In a number of locations, he referred to grandiose achievements and brilliant perspectives of the nation for the new millennium. Emphasis was placed on unquestionable advances in international affairs—the recent accession of the country to the Council of Europe, the World Trade Organization, useful ties with the IMF, successful regional cooperation, strengthening of relations with NATO, and the prospect of integration into that alliance as early as 2005, linked with prospects for settling the Abkhazian conflict. Some observers, however, are cautious about NATO's involvement in the region, because it might set the great powers on a collision course here.

To confirm Georgia's clear-cut westward orientation, President Shevardnadze put particular stress on his special personal relations with U.S. President Bill Clinton, former U.S. President George Bush, former German Chancellor Helmut Kohl, and other prominent world political figures, the importance of which for the present and future of Georgia, in his words, is difficult to overestimate. He emphasized how very significant it is that we have a new Constitution, strengthening the principles of parliamentarianism and democracy.

As to the numerous internal issues, related in particular to the continuing Abkhazian and Ossetian problems, the President reiterated that they have always been the focus of the leadership's attention, but need more time and patience to be

unraveled. Meanwhile, about 300,000 internally displaced people from Abkhazia cannot return to their homes because of the continuing deadlock in negotiations.

### **Economic crisis not addressed**

However, the President was less specific in taking up a far larger number of questions which have been causing bitter discontent on the part of ordinary people for about ten years now, and which seem to have no end. These include, first of all, massive unemployment, especially among youth, which has forced hundreds of thousands of people to abandon the country, with most going to Russia in search of work to support their families. The situation may even grow worse, with the eventual introduction of a visa requirement between the two countries, in connection with the situation in Chechnya. Many were puzzled at the government's pledge to raise pensions and wages threefold by the year 2003, because even the current miserable allowances have not been paid for a long time.

The supply of electricity to households, which remained more or less stable during the election campaign, ceased as soon as preliminary election results became known, i.e., the day after the election.

While polemicizing with the main opposition official media, top office-holders kept blaming Adjar leaders for ignoring the decrees of the central authority, hard-line regionalism, tax evasion, close contacts with Russia, and other mortal sins, which certainly helped to create a negative, even frightening image of Adjara.

Despite that, the Georgia's Revival coalition, a motley mixture of parties ranging from the Socialists, on one side, and the heir apparents of the late nationalist leader Zviad Gamsakhurdia, on the other, was able to rally a sufficient number of supporters to form an impressive parliamentary caucus.

Other electoral participants' campaigning was hopelessly flabby and unconvincing. For example, a lot of the NDP's popularity is attributed to its chairwoman, the widow of NDP leader Georgi Chanturia, especially because of her ardent appearances in the Parliament. Some people tend to think of the NDP as a nationalistic party, because of its name; others regret that it has been deprived of parliamentary representatives.

The postulates of the Party of National Ideology, reeking of provincialism, dispensed with such universal conceptions as democracy, patriotism, or even a national idea.

Long before election day, some people confessed that they would rather vote for the ruling party for fear of an unknown future, an attitude in line with Hamlet's question "To be, or not to be":

. . . puzzles the will,  
And makes us rather bear those ills we have  
Than fly to others that we know not of?

Another reason for the resounding victory of some, and dramatic setback for others, was the application, or lack thereof, of the newest election technologies and skills. Among them were circulation of dubious public opinion polls, engagement of various mobile groups to "monitor" the situation at the polling booths, and undisguised populism—e.g., rendering services and favors to the population, such as repairing sections of roads, providing electricity 24 hours per day, paying wages on time, and even travelling by public transport on the part of top officials, including President Shevardnadze.

### **Conditions deteriorate**

Meanwhile, against the background of certain international accomplishments, the situation within the country, particularly in the economy, social life, and so on, remains next to desperate.

According to the latest UN report, in 1998 Georgia ranked 108 in the world on the human development index, sliding down three points compared to the previous year; ten years ago, Georgia ranked 66.

Amid disorderly and hastily implemented privatization, financial speculation quickly divided the society into a tiny, super-wealthy group of owners who promptly adapted to the new surroundings of infinite liberalization, and a huge mass of pauperized have-nots. Initially, accumulated capital went into trade and banking bubbles, which multiplied the fortunes of the rich. All spheres of life became thoroughly commercialized.

Corporatist aims and the priorities of the elite, and the interests of the people at large, have come increasingly into conflict. Based on the number of gasoline stations, casinos, restaurants, small bazaars, and stalls and street vendors per capita, Georgia may well be able to claim a top place in the record books.

Simultaneously, in full conformity with the famous pedagogical device of Lyndon LaRouche, "The Triple Curve: A Typical Collapse Function," Georgian industry, notably machine building, power engineering, and housing construction, fell into decay; science has perished; and once-flourishing Georgian art hardly shows signs of life. In this environment, corruption, the legacy of the recent past, has enveloped all echelons of power and has become virtually ineradicable.

Like other former Soviet countries, Georgia became fertile soil for the financial manipulations of the International Monetary Fund, whose regular financial injections and conditionalities softly kill, rather than cure, the ailing economy.

The new Georgian Parliament is starting to function. But will it be able to cope with the great number of problems facing the country?

The *Titanic* remains afloat, although the captain, that is, the President, awaits a new trial: Presidential elections in April 2000.

# Iraqi women call for end to UN sanctions, endorse new Silk Road

As the sanctions regime imposed by the United Nations on Iraq enters its tenth year, it is urgent that the question uppermost in every Iraqi's mind, be thrust into the political arena in Europe and the United States for immediate action: When will this insane embargo end? This question was at the center of the 16th general conference of the General Federation of Iraqi Women (GWIF), held in Baghdad, the capital of Iraq, on Nov. 8-10. The broad international representation at the meeting, with delegations from countries in Asia, Africa, Europe (east and west), and the Americas, signalled the growing solidarity with the Iraqi population under siege, as well as political support for lifting the genocidal sanctions.

But how?

One initiative presented to the conference and endorsed by the GWIF and several other organizations present, proposed the overthrow of the sanctions regime within the context of a radical reversal in global economic and strategic policy. The idea, presented by *EIR* editor Muriel Mirak-Weissbach, was to redefine Iraq policy, from the standpoint of the need to integrate this crucial, industrially advanced country into the vast infrastructure project of the Eurasian Land-Bridge, or new Silk Road. To the extent that this policy option becomes dominant, promoted and developed especially by nation-states like China, Russia, and India, a new dynamic can be unleashed. Concretely, she presented a call, issued exactly one year earlier, for the formation of a Women's Commission for the new Silk Road. The call had been launched by Schiller Institute founder Helga Zepp-LaRouche, in November 1998, just prior to President Clinton's decision to call off air strikes against Iraq, and had gained the support of leading political figures and intellectuals from around the world. Following Clinton's reversal in December, and the subsequent new war against Iraq, organizing for the commission took on a new urgency.

## Two policy alternatives

In her speech, Mirak-Weissbach developed the concept that the aggression against Iraq, a "turning point in postwar history," had been decided in the context of the collapse of communism, when the West had two policy alternatives:

"The nations of France, Italy, a united Germany, and perhaps even the United States, could have launched a program for East-West economic cooperation development and integration," she said. "They could have joined with the People's Republic of China to rebuild the ancient caravan routes known as the Silk Road across Eurasia, with modern transportation technologies, or, forces in the West could seek to destroy the economies and nations of eastern Europe and the former Soviet Union, seize control over their raw materials, and establish a dictatorship of the Anglo-American financial oligarchy and its instrument, the so-called 'new' NATO, over the world."

Operation Desert Shield and Desert Storm made clear that the latter policy, of the financial oligarchy, had prevailed. It targeted Iraq, she said, "as the vanguard nation of the developing sector," which, having successfully pursued a policy of investing oil revenues for real economic and social development, was a "take-off" nation, on the verge of full industrialization.

At the same time, the same financial oligarchy moved to destroy the economies of eastern Europe, through International Monetary Fund conditionalities and "shock therapy," and set up the dictatorship of the "new" NATO, which was consolidated in the war last spring against Yugoslavia. The new NATO doctrine, she said, means "that the British and their allies in the U.S. administration can move militarily, unilaterally anywhere in the world on the pretext of human rights violations, that they can bomb embassies of sovereign nations, destroy national sovereignty, violate territorial integrity, and break up nations."

Now, she said, this entire madness must be undone, and can be undone. "Largely as a result of this drive toward world dictatorship, China, Russia, and India have joined in a strategic triangle, to counterpose economic and strategic cooperation to these attacks. Other nations, such as Malaysia, have moved to defend their economies and their nations from this danger. Most important, key figures in these and other nations have realized, that the financial and monetary system of the financial oligarchy, finds itself today in a terminal breakdown crisis, largely as a result of its failed policies." She said that,



*EIR's Muriel Mirak-Weissbach and Intisar Pierce (second and third from right) pose with a delegation of women from India, in a museum in Baghdad, during the Nov. 8-10 conference of the General Federation of Iraqi Women.*

although the breakdown of the system was fraught with danger, still it represents an “historical opportunity, because the financial structures on which the oligarchy basis its power, will collapse. It represents an opportunity, therefore, for forces united around a program to radically change the entire monetary and economic structures and to reorganize economic and foreign relations among nations on principles which respect the dignity of man.”

It is in this strategic perspective, she said, that the Schiller Institute believes it can mobilize forces throughout the world to act, “and it is most appropriate that the battle to liberate Iraq from the genocidal sanctions regime, should be the spearhead for this effort.” She concluded her remarks by reading the text of the call for a Women’s Commission.

Dr. Manal Younis Abdul Razzaq, president of the GFIW, announced at the conclusion of the speech that the GFIW would join the committee. Among the other organizations which signed the call thereafter, are the following: Azerbaijan Women’s Association; Women’s Liberal Association of the Republic of Belarus; National Federation of Indian Women; The Ceylon Moor Ladies Union (Sri Lanka); Lebanese Women’s Council; General Federation of Jordanian Women; Jordanian Women’s Union; and a journalist from Malaysia.

### **No compromises**

Diametrically opposed to this perspective, is the position of the British government, which has been circulating a new

draft proposal for consideration at the United Nations Security Council. The resolution, written as a joint British-Dutch effort, is a total fraud. It claims to be a step toward lifting the sanctions, but in reality, it is merely a plan to maintain the sanctions and inspections regime, under a more palatable name. In essence, the resolution proposes the reestablishment of a UN inspections team, which would carry out the same kind of intrusive inspections done by the UN Special Commission (UNSCOM), the notorious espionage operation run by Richard Butler. After 100 days, if the team’s rapporteur were to issue a positive report on Iraq’s compliance, then the sanctions would be “suspended,” but subject to reimposition, as soon as a negative report were to appear.

Iraqi Deputy Prime Minister Dr. Tariq Aziz, who has been the leading Iraqi government official to deal with the UN scoundrels, delivered a speech to the GFIW conference, in which he unequivocally rejected any such fraud.

Dr. Aziz began by polemicizing with Arab governments, who have been de facto respecting the embargo, though many have verbally expressed their distaste for it. Dr. Aziz pointed out that if they so desired, they could use Article 50 of the UN Charter, to conduct trade with Iraq. He asked why the Arabs were following the sanctions, instead of pursuing their own interests in trade with Iraq. “Is it to make Madame [U.S. Secretary of State Madeleine] Albright happy?” he asked. “Or to get weapons, tanks, to defend against the enemy?” He then asked, “Who is the enemy anyway?” He emphasized the point

that, unlike the sanctions against Libya, those imposed on Iraq do not forbid airline travel, at least of non-Iraqi aircraft, and asked why the Arabs do not simply fly into Baghdad.

The main point he developed, at great length and in detail, was his government's response to the recent British-Dutch resolution. He explained, that the new committee would be sent to Baghdad for two months and reinstall the inspections regime. Then, after a period, the committee would draw up a list of what Iraq would have to do on disarmament. In four months, Iraq would have to "fully cooperate." What this means, Aziz explained by relating how, during his 18 months of dealings with the inspectors, UNSCOM demanded "full cooperation" by demanding access to any location, demanding documents of all sorts, and so on. After ten months of the new procedures, he said, if the chairman of the new committee, the new Richard Butler of the situation, were to issue a report to the UN Security Council saying that Iraq had not "fully cooperated," then within five days, the UN Security Council could move against Iraq.

### The 'new Gengis Khan'

Dr. Aziz characterized the role and power of this single person, as the "new Gengis Khan," who would "have power over 23 million people." This, he said, was unacceptable, and therefore Iraq had announced that it would not accept the British resolution.

Dr. Aziz also denied the assertion, in the resolution, that Iraq would be allowed to export oil. "We export already," he said, referring to the oil-for-food program, "so this is nothing new." Furthermore, he said, under the current arrangement, Iraq receives only 52% of the oil revenues, the rest being taken for "reparations" and payments to the UN. When the Iraqi government places orders for food and medicine, it is often told by the UN committee that such goods are not allowed. Even Secretary General Kofi Annan, he reported, had had difficulties with the UN committee.

"The new British resolution," he concluded, "is the worst; in dealing with the UN Security Council, this is the worst." The French amendments, he said, "don't add or change anything, and we reject it." He said that Iraq is "ready to negotiate. But to use deception, to make fools of us, no."

Just days following the conference, a report was circulated in the international press, to the effect that the French, who had opposed the resolution, were now coming around, following certain undefined U.S. concessions. U.S. officials were reported by the *International Herald Tribune* to have said, they were confident that Russia would also agree, and, in turn, China. Up to the present, Russia and China have supported the Iraqi view, that the sanctions must be lifted, while France has been playing the middle of the road. The same unidentified U.S. officials reportedly said, that they believed that the Iraqi leadership, faced with a unified Security Council, would not be able to resist the Anglo-Dutch proposal.

Instead, Iraq did just that. In a statement reported in the official newspaper *Al Jumhuriya* on Nov. 17, Iraqi Member of Parliament Khaled ad-Duri reiterated that his government would reject any resolution which did not entail lifting the sanctions. "We have a position of principle, we reject all decisions or all resolutions that do not lead to a lifting of the embargo." He said that the revised British-Dutch resolution, which is the basis of alleged "compromises" between the United States and France, would simply prolong the sanctions, and that therefore Iraq "categorically rejects it."

The Iraqi government's position is rooted in its commitment to defend national sovereignty at all costs. It is not the single items of the UN regime which are objectionable—although they are all violations of international law—but the fact that the sanctions regime violates territorial integrity and national sovereignty, which makes them unacceptable.

### Living with sanctions

The living conditions for the Iraqi population, under the sanctions regime, have become unbelievable. Although food is available on the market, the prices are out of the reach of normal citizens. The currency has been thoroughly debased. Before the war, one Iraqi dinar used to be worth \$3; now, \$1 will buy 1,900 dinars. Average wages are the equivalent on a couple of dollars a month. The middle class, which used to be very numerous and prosperous, in Iraq's growing economy before the war, has nearly disappeared. Families have sold off anything of value they might have had—jewelry, antiques, books, appliances—for cash, for food. Medicines are very scarce. Hospitals do not have the bare necessities, like sheets, syringes, or bandages, not to mention adequate food for patients. Schools have deteriorated over ten years, and nothing has been replaced; desks are falling apart, there is a lack of chairs. Children have no books, no paper, no pencils, and no chalk.

Anyone in the UN bureaucracy who speaks up about this dramatic picture, is censored. Hans von Sponeck, for example, the UN coordinator for Iraq, who has just been confirmed by UN Secretary General Annan for another year, has come under massive attack by the United Kingdom and United States, which demanded that he be ousted. Von Sponeck's major crime seems to be, that he has not joined the black propaganda campaign against Iraq.

In an interview with the German daily *Frankfurter Rundschau* on Nov. 16, von Sponeck denied allegations that his team had not been distributing humanitarian goods. He said that because Iraqis are very poor, some of them sell part of their rations to buy other goods. He flatly denied the story, that Iraq had delivered shiploads of humanitarian goods to other Persian Gulf states. He also denied that the Iraqi government is hoarding food and medicine. He said that the UN compiled supply reports, according to which 88.8% of all goods received, and 68% of all medicine, had been distrib-

uted. The remaining amounts were kept in storage, he said, in accordance with World Health Organization norms. Von Sponeck said that the demonized image of the Iraqi government did not correspond to reality.

Regarding the supply situation, von Sponeck said that since Iraq had been allowed to increase its sales of oil for food, the food and medicine supplies had increased somewhat, but that the education sector was suffering. He stated that necessary school supplies are nowhere to be found. Iraq has no access to the Internet, thus it is shut off from the rest of the world. He said that his greatest worry was that as a result of the sanctions, "a whole population was being placed in the icebox."

In such a situation, merely coping is a victory. As became clear through the three days of deliberations by the delegates of the GFIW at their conference, it is through the activities of such organizations that, in fact, the population has managed to survive at all. The GFIW is a mass-based organization, with 41 branches, 244 sections, and 1,700 sectors or centers, in urban areas. Its membership represents 37% of the total female population.

### Part of the policymaking process

As was evident in the course of the conference, this organization is actually part of the policymaking process in Iraq. For, in their internal session, dedicated to passing resolutions and recommendations, they articulated a number of specific proposals, whose implementation would require relevant action by government ministries.

The working sessions dealt with urgent social problems which Iraq is facing as a result of the sanctions regime. The resolutions and recommendations voted up, agreed on measures, for example, to guarantee free natal care for women, on grounds that childbirth under such conditions constitutes a "medical emergency." Birth rates have plummeted since the sanctions were introduced, as families fear that they cannot provide for children. The divorce rate has skyrocketed, again, reflecting the enormous social and economic strains created by the embargo. Marriage rates have also collapsed.

One of the resolutions passed by the GFIW, therefore, dealt with measures to facilitate marriage. It was resolved to provide interest-free loans for returning POWs, Iraqis who had been captured by Iran during the 1980-88 war, through the socialist banks, in order to make it possible for them to face the financial burdens involved in contracting marriage. Another resolution called for the expansion of evening courses in vocational training for girls, to enhance their employment opportunities. It was decided to expand the existing program for clothing production at the cottage industry level; loans will be provided to families, to start clothing production—textiles will be provided, as well as sewing machines.

The organization also decided to restart publication of its

women's magazine, which it had had to terminate due to lack of paper, now on a quarterly basis, and to start issuing a scientific magazine every six months. A new university will be opened, as well as culture centers. To implement these measures, the Ministries of Health and Education will be called upon to provide facilities.

Without organizations like the GFIW, it is difficult to imagine how the population could continue to resist. The GFIW has not only developed the social network of institutions, to provide assistance on a daily basis to the population in various spheres of activity, but has engaged in an effort, like that of the conference, to mobilize support internationally, from women's organizations throughout the world.

At the conclusion of the conference, delegates held a demonstration in front of the UN headquarters in Baghdad, and presented their final resolution, which demanded: the "immediate and unconditional lifting of all sanctions against Iraq; the immediate cancellation of the so-called no-fly zones in the north and south of Iraq; the cessation of American and British air strikes; full respect for Iraq's sovereignty and territorial integrity; immediate United Nations action to establish an international commitment to prevent any further unilateral military action against Iraq."

## The Way Out of The Crisis



A 90-minute video of highlights from *EIR's* April 21, 1999 seminar in Bonn, Germany.

Lyndon LaRouche was the keynote speaker, in a dialogue with distinguished international panelists: **Wilhelm Hankel**, professor of economics and a former banker from Germany; **Stanislav Menshikov**, a Russian economist and journalist; Schiller Institute founder **Helga Zepp-LaRouche** from Germany; **Devendra Kaushik**, professor of Central Asian Studies from India; **Qian Jing**, international affairs analyst from China; **Natalya Vitrenko**, economist and parliamentarian from Ukraine.



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# International Intelligence

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## ***Brazilian Senators hit Philip over land-grab***

Over recent weeks, several Senators from the Amazon states have denounced land-grab schemes in the Amazon, promoted by the government of President Fernando Henrique Cardoso, and run by non-governmental organizations, such as Prince Philip's World Wide Fund for Nature, on behalf of international financial institutions.

Sen. Gilberto Mestrinho (PMDB), former Governor of Amazonas, charged on Nov. 5 that the organization heading the Amazon grab is based in Switzerland, "but its intellectual head is in London," naming "Prince Philip, the Duke of Edinburgh, Prince Consort, ally of the former Nazi, Prince Bernhard of Holland." Brazil has no policy for the Amazon, he said, but lets its policy be "dictated by foreign countries. . . . Twenty-two percent of the state of Amazonas, which is 150 million hectares in size—in other words, 33 million hectares—are occupied by a half-dozen Indians. But that's not all: After the Indian reservations, look at the ecology reserves, the national parks. There is a real 'balkanization' of the region. . . . The only ally which the Amazon has in this country is the Armed Forces, which have bravely resisted this policy of internationalization . . . which, unhappily, has the connivance of the Brazilian authorities."

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## ***Zimbabwe's Mugabe gets ill treatment in London***

Zimbabwe President Robert Mugabe blasted the ill treatment he received while recently in London, telling the Nov. 7 London *Sunday Mail*, "this is the gangster regime of [Prime Minister Tony] Blair. . . . They are even using gangster gays on us," a referring to the fact that he was harassed during his stay by a homosexual group called Outrage! The group's leader hissed that it was "crazy to suggest that we are in the pay of MI5 or Tony Blair."

Mugabe also charged that the British government had reneged on commitments, made during negotiations leading to Zim-

babwe's independence, that it would help fund the redistribution of white-owned land to black farmers: "This government of little men, Blair and others, don't seem to understand, and when you talk to them, they say they don't know about it."

In a similar case, on Nov. 14, the Russian Foreign Ministry called in British Ambassador Andrew Wood to express indignation over an assault on a group of Russian TV reporters, according to TASS. "The Ambassador's attention was drawn to the fact that 'Russian correspondents had been attacked after they prepared a series of reportages about stepped-up activities of extremist Muslim groups in Great Britain that openly recruit mercenaries and raise funds for Chechen militants.'" The Russian Foreign Ministry demanded an investigation of the attack, which occurred when Russian journalists tried to attend a Nov. 12 meeting of the International Islamic Front, one of several European-based Chechen support organizations. The Foreign Ministry added: "It was pointed [out] to the British side that there is a need of measures to put a stop to the activity in Britain of organizations that openly aid international terrorists that commit crimes in the Northern Caucasus."

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## ***Tokyo governor enrages Taipei, Beijing alike***

Metropolitan Tokyo Gov. Ishihara Shintaro was hosted, in a provocative visit to Taiwan, by lame-duck President Lee Teng-hui on Nov. 13-15. Ishihara is the highest-ranking Japanese official to visit Taiwan since Japan recognized the People's Republic of China in 1972. Ishihara asserts Japanese sovereignty over the oil- and fisheries-rich Diaoyu Islands, disputed between Japan and China. He also denies that Japan committed the 1937 Nanjing Massacre, which included mass rapes of Chinese women.

Both his visit, and the fact that he was hosted by President Lee, sparked protests on the island and mainland alike. From Beijing, Chinese Foreign Ministry spokesman Sun Yuxi said on Nov. 15 that Ishihara's actions have set a bad precedent for the contacts between Japan and Taiwan. From Taipei, the Alliance for the Reunification of China is-

sued a statement, that "Lee is trying to take advantage of his remaining tenure to promote his anti-Chinese and pro-Japanese scheme. We think Lee is teaming up with Japanese militarists [who] would harm the peace in Asia, and the damage will be worse than the Taiwan earthquake. . . . Lee has no right to lead Taiwan to another unpredictable danger."

Although Ishihara brought relief money for victims of Taiwan's recent earthquake, his unsavory views have left many unhappy over Lee's accepting the funds. Taipei County Councilmember Chin Jei-sou proposed that Ishihara's money should go to compensate Chinese women who were pressed into sexual service for Japanese occupiers during World War II.

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## ***Hungary: NATO role not aimed against Russia***

The Hungarian government has reaffirmed that its new membership in NATO is not directed against Russia, according to the *Budapester Zeitung* of Nov. 8. The government of Prime Minister Viktor Orban was forced to reiterate its friendly relations to both NATO and its Russian neighbor, after the *Toronto Globe and Mail* had highlighted Orban's response to a hypothetical question, raising protests from Moscow. The daily's interviewer had asked: "What would Hungary do if a new international crisis emerged, in which the use of nuclear weapons would be considered, and in which NATO would turn to Hungary with the request to station nuclear weapons there?" Orban had responded, "We Hungarians would not be pleased at all. . . . The Hungarian government would very carefully consider the issue. . . . The Hungarian government will consider any request from the international community." Orban had added, however, that no such request concerning nuclear weapons had ever been made.

On Nov. 3, Hungary's Foreign Ministry assured the Russian Embassy that Hungary has a "vested interest" in developing broad relations with Russia, and that Hungary's NATO membership is not directed against any single state, including Russia. The Foreign Ministry spokesman affirmed that Hun-

**ARMENIAN POLICE** arrested Member of Parliament Musheg Movsisian in mid-November, on suspicion of being an accomplice in the assassination of Prime Minister Vazgen Sargsyan, Speaker Karen Demirchyan, and six others, when the gunmen took over the Parliament on Oct. 27. On Nov. 15, Deputy Interior Minister Ovanes Varyan reported that explosives were found inside the Parliament building, following an anonymous phone call.

**THE IVORY COAST** government accused the United States on Nov. 3 of fomenting political upheaval, by U.S. State Department statements attacking the arrest of opposition leaders who had engaged in violent protests. The protest was delivered to Secretary of State Madeleine Albright. The State Department had said that the United States would reconsider its bilateral relations with Ivory Coast, if it did not carry out "democracy."

**VICTORIA'S** state government in Australia, now headed by the Labor Party, has introduced legislation in the state parliament allowing for police-state measures in the event of Y2K chaos on New Year's Eve, according to the Melbourne *Herald Sun* on Nov. 12.

**AFGHAN OPIUM** production is booming under the Taliban regime, according to a report in Pakistan's English daily *Frontier Post* on Nov. 10. According to the UN Drug Control Program, Afghanistan leads the world in opium production, and doubled production, to 4,600 tons, in 1999. According to the UN report, 97% of the land under opium production is controlled by the Taliban.

**UZBEK** "Islamic militants" shot and killed three hunters who approached their camp near the resort town of Yangiabad on Nov. 15, according to the Uzbekistan Interior Ministry. In a subsequent attack on a police post near Yangiabad, four militants and three policemen were killed.

gary fully respects the agreement on the NATO-Russia Permanent Council, which specifies that the Alliance does not plan to deploy nuclear weapons on the territory of new member-states.

## ***Khartoum, Cairo extend peace efforts in Sudan***

Sudanese President Gen. Omar al-Bashir offered amnesty to all those opposed to his government, according to an Associated Press wire on Nov. 12. "Come home, brothers, so that we can build the new Sudan together," he said at a rally in Nyala, about 500 miles southwest of the capital, Khartoum. "Return and lay down your arms, we are pardoning you," he said. The remarks were carried by the daily *Al-Rai Al-Am*. "Sudan cannot be built by the United States or Zionism," he said. "This is our homeland that has to be built by us. He who wants to rule Sudan can find a Constitution, and guaranteed freedoms and rights, and elections will be fair and free. If you will return, the Sudanese armed forces will protect you."

Meanwhile, Egypt has expressed its strong displeasure over meddling by Madeleine Albright's U.S. State Department in efforts by Egypt and Libya to bring the remaining Sudanese rebels—mostly John Garang's Sudanese People's Liberation Army (SPLA)—to the negotiating table. "What is Washington up to in Sudan?" asked an editorial in the Egyptian English daily *Egyptian Gazette* on Nov. 14. "Does the U.S. plan to tamper with this country's security and territorial integrity? And what business has the U.S. to do with Sudan in the first place?" The *Gazette* raised the question after Albright had met with Garang in Kenya, where she rejected an Egyptian plan for settling the war. Albright "raised many eyebrows and suspicions in the Arab world when she conferred with John Garang. . . . Following the meeting, she voiced sympathy towards the aspirations of the SPLA in breaking away from the homeland."

The *Gazette* makes official Egyptian policy clear. "Needless to say, Sudan's security and territorial integrity are of paramount importance to both Cairo and Tripoli. Accordingly, it is natural for both Egypt and

Libya to manifest great interest in resolving their neighbor's problem."

The Egyptian daily *Al-Goumhuriya*, on Nov. 14, spelled out the security threat caused by a fracturing of Sudan: "1) A breakaway southern Sudan implies a redistribution of the already established quotas of Nile water. 2) A breakaway or a federal entity of religious minorities in south Sudan is a model that could easily be repeated in Iraq, Egypt, Saudi Arabia, Algeria, and Morocco. The Arab world would thus be fragmented into fragile statelets. 3) An isolated Sudan constitutes an attempt to hold Egypt under siege and to neutralize the Red Sea, and the Horn of Africa."

## ***Commonwealth chants: 'God Save the Queen'***

New Zealand's former Minister for Pacific Island Affairs Don McKinnon was "unanimously" elected Secretary General of the British Commonwealth, at this year's Commonwealth Heads of Government Meeting (CHOGM) in Durban, South Africa, over vigorous efforts by Malaysia's Prime Minister Mahathir bin Mohamad—who was unable to attend while his country held elections—in favor of Bangladesh's Farooq Sobhan.

The *Australian* of Nov. 15 quoted McKinnon as saying, "The Queen does not impose herself nor does she set policy. A proposition to get rid of her is rather juvenile." McKinnon claimed that "the smaller states of the Commonwealth see the linkage to the British Crown more importantly than the larger countries." He cited an article from the London *Sunday Times*, reporting the Nov. 12 request of Belize Prime Minister Said Musa to the Queen, for reassurance of a continued British military presence in Belize, because, "we have always relied on the British government to support our claim against Guatemala."

The very pageantry of CHOGM's opening ceremonies bespeaks its obsequiousness to Her Majesty: All the heads of government filed past the Queen and Prince Philip to pay homage, while, later, at the private retreat at a golf resort, participants were met by a band playing "God Save the Queen."

## Fowler, Keeney reviving racist tradition of Democratic Party

by an EIR Research Team

In a shameless effort to revive the racist tradition of pro-Ku Klux Klan President Woodrow Wilson in the Democratic Party, certain members of the Democratic National Committee (DNC), aided by their nakedly racist counsel John C. Keeney, Jr., are supporting an anti-civil rights, implicitly pro-racist argument against the Voting Rights Act of 1965, urging that the 1965 Act be thrown out as unconstitutional.

Keeney's argument on behalf of the DNC was made in the course of a hearing on a DNC motion to dismiss a lawsuit brought by Democratic Presidential candidate Lyndon LaRouche, and Democratic voters from Virginia, Louisiana, Texas, and Arizona, before a three-judge panel in Federal district court in Washington, D.C. on Aug. 16. The lawsuit, filed in 1996, charges that Donald Fowler, then Chair of the DNC, violated the Voting Rights Act, when he ordered state Democratic parties to disregard the votes of thousands of Democrats in the 1996 Democratic Presidential primaries and caucuses, who had cast their votes for Lyndon LaRouche.

Through their attorney John Keeney, Fowler et al. claimed that they anticipated the support of the currently incumbent U.S. Supreme Court for such a retroactive nullification of that Civil Rights law. He argued, that the DNC's proposed nullification of the law was consistent with the losing argument in a dissenting opinion in an earlier Supreme Court case, a dissent submitted by Supreme Court Justices Antonin Scalia and Clarence Thomas, and by Chief Justice William Rehnquist.<sup>1</sup> That dissent avowed that the Voting

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1. Chief Justice William Rehnquist knows something about discriminatory election practices in Arizona. In the early 1960s, he was part of Republican Party efforts to prevent minorities from voting in Phoenix, through harassment and intimidation. Earlier, when he was a clerk at the U.S. Supreme Court in the 1950s, he argued against racial desegregation and in favor of the "separate but equal" monstrosity which was overturned—over Rehnquist's objections—by the Court's school desegregation decisions in 1954.

Rights Act should be declared unconstitutional if it is applied to political parties.

In the dissent to which DNC attorney Keeney referred, not only were the positions of Rehnquist, Scalia, and Thomas merely dissenting positions, but, when viewed in the light of the circumstances under which President Lyndon Johnson and the Congress acted, in 1965, to enact this law, the argument of Rehnquist, Scalia, Thomas, and of defendants Fowler et al., constitute an attempt to return the Democratic Party to the racist tradition of Ku Klux Klan booster and U.S. President Woodrow Wilson.

The Voting Rights Act of 1965 was enacted out of widespread revulsion against the racist exhibition directed against the Mississippi Freedom Democratic delegation, at the 1964 Democratic Party National Convention, which threw the duly elected Freedom Democrat delegation out of the party's convention, under the same kind of pretexts which Fowler et al. have now asserted through attorney Keeney.

The anti-civil-rights argument delivered by attorney Keeney, Jr., was made "behind the backs of most of the DNC," Democratic candidate LaRouche charged during his Internet webcast with labor leaders on Nov. 4.

LaRouche said that the crowd responsible for this, "is outrightly racist by virtue of the fact that they authorized, and were represented by, a guy [Keeney] who made a racist attack on a piece of civil rights legislation which is crucial for this country." LaRouche pointed out that Keeney made the same arguments that in the days before the Voting Rights Act was passed, were made in Texas by Democratic Party officials in order to exclude African-Americans, namely, the argument that the Democratic Party is a "private club" which can do as it pleases.

The historical facts, including the Democratic Party's racism-ridden 1964 National Convention, fully support



lishment. White “Citizens’ Councils,” which functioned as a public front for the Ku Klux Klan, were led by local Democratic Party elected officials and leaders. Arrests, beatings, and bombings were used to stop the voter registration drive.

In 1964, hundreds of volunteers, mostly students, were brought in from the North to join in the Mississippi Summer Project, to register Mississippi’s black population to vote. The organizers were met with violence and arrests, and three civil rights workers — James Chaney, Andrew Goodman, and Michael Schwerner — were murdered.

Because the Mississippi Democratic Party would not allow blacks either to register or to join the Democratic Party, the Mississippi Freedom Democratic Party (MFDP), open to both blacks and whites, was formed in April 1964. Meanwhile, in June, the official Democrats chose an all-white delegation to represent Mississippi at the Democratic Party’s National Convention. Blacks were barred from the delegate-selection process. The official Mississippi Democratic platform expressly rejected the national party platform.

By late July, 80,000 black Mississippians had registered for the MFDP. On Aug. 6, the MFDP, at a state convention attended by 2,500 people, elected an integrated, 69-person delegation to represent Mississippi at the national convention. The regular Democratic Party responded by having the new party banned by court order, all its local leaders served with injunctions, and its chairman, Lawrence Guyot, arrested.

On Aug. 22, the national Democratic Party convention opened in Atlantic City, New Jersey. Both the all-white “official” Mississippi delegation and the integrated MFDP slate approached the Credentials Committee, asking to be recognized. The MFDP strategy was to force a floor vote on which delegation should be seated, expecting that a majority of the total delegates would vote to seat the integrated slate.

At the Credentials Committee hearings, which were nationally televised, speaker after speaker described the reign of terror against blacks in Mississippi. Former sharecropper Fanny Lou Hamer described, to the committee and a national television audience, how she had been viciously beaten by police in a local jail for her organizing efforts. “All of this is on account of we want to register, to become first-class citizens,” Hamer said. “If the Freedom Democratic Party is not seated now, I question America. Is this America? The land of the free and the home of the brave?”

Western Union reported “an avalanche” of telegrams from around the country to convention delegates supporting the seating of the MFDP slate. The problem was that neither the Democratic Party leadership nor the White House wanted to seat them. Lyndon Johnson’s advisers were afraid that seating the MFDP delegates would result in Barry Goldwater and the Republicans sweeping the South in the November elections.

Hubert Humphrey and United Auto Workers President Walter Reuther took the point in pressuring the MFDP to drop its challenge. Humphrey worked out a plan for a special subcommittee of the Credentials Committee to handle the Mississippi dispute, with his protégé Walter Mondale (then the Attorney General of Minnesota) heading the subcommittee.

The MFDP delegation refused to capitulate, but the arm-twisting and threats of the party leaders forced the support for the MFDP position below 10% on the Credentials Committee, and the committee voted to seat the segregationist delegation. Walter Mondale later said: “What should be the best way to resolve this? One theory was you just take the black delegation and seat them, kick the white delegation out. . . . Well that didn’t solve any long-term problems. It didn’t establish any rule of law.”

Even after having been handed a victory by party officials, the “official” Mississippi delegation still refused to take the loyalty oath to the national party, and it walked out of the convention. The next night, Fannie Lou Hamer led the MFDP delegates into the convention and occupied the seats vacated by the all-white delegates. On orders from convention leaders, guards were sent, and the MFDP delegates were dragged out of the convention. Hamer and the delegates went back in the next night, but found that all the chairs for the Mississippi delegation had been removed! Undeterred, Hamer then led the entire delegation in the singing of freedom songs from the convention floor. But, in the end, the MFDP was forced by the racist actions of Humphrey, Mondale, and others, to leave the convention empty-handed.

## Selma and the Voting Rights Act

In the months following the battle at the Democratic Convention, the fight for voting rights escalated in the state of Alabama. On Jan. 2, 1965, working with local civil rights leaders such as Amelia Boynton (Robinson), Dr. Martin Luther King, Jr. launched an organizing drive in Selma. Within days, massive violence was unleashed by the local Democratic Party-controlled establishment against anyone joining King’s efforts. Between Feb. 17 and March 26, more than 2,000 people were jailed, scores were beaten, and three voting rights activists were murdered.

March 7 saw the violent “Bloody Sunday” assault against marchers on the Edmund Pettus bridge, who were attempting to march from Selma to the state capital in Montgomery to petition Gov. George Wallace for protection for black voter registrants. Throughout these events, once again it was the Democratic Party that enforced the rules and laws — and encouraged the unlawful activity — that disenfranchised black voters.

Two days before Bloody Sunday, Dr. King had met with President Johnson, who promised that a voting rights bill would soon be introduced. Johnson was monitoring the events in Selma closely, and eight days later, he called for the passage

of a new Voting Rights Act in a televised address before a joint session of Congress.

Selma, the President said, marked a turning point in history, as had Lexington and Concord, and Appomattox. "Every American citizen must have an equal right to vote," Johnson said. "Every device of which human ingenuity is capable has been used to deny this right." Johnson laid out in broad outline, the measures to be incorporated in the Voting Rights Act which he was to send to Congress days later.

In Congress, Southern Democrats launched a full-scale campaign to obstruct and defeat the Voting Rights Act, including a filibuster in the Senate. In the House, Virginia Democrat Howard Smith kept the bill bottled up in the Rules Committee for five weeks.

But, finally, on Aug. 3, 1965, the House passed the Voting Rights bill by a vote of 328-74—a more than four-to-one margin. The next day, the Senate passed it by a 79-18 vote. In the presence of civil rights leaders, President Johnson signed it into law on Aug. 6, 1965—in the same room where President Abraham Lincoln, on Aug. 6, 1861, had signed a law freeing the black slaves who had been impressed into the Confederate Army. "Today," Johnson said, "is a triumph for freedom as huge as any victory that has ever been won on any battlefield."

### **Woodrow Wilson and the Klan**

Although the pre-1965 efforts to enforce the constitutional rights of African Americans were chiefly benefits achieved with support of Presidents Kennedy and Johnson, the Democratic Party's policies had been openly racist ones until a revolutionary change in the character of the Party was introduced through the Presidency of Franklin Roosevelt beginning in 1933. The 1936 Presidential election—a Roosevelt landslide—was the first in which blacks in large numbers supported the Democratic Party; up until that time, blacks had voted with what was still then considered the "Party of Lincoln," the Republican Party.

The old Democratic Party, to which Fowler's DNC faction is attempting to return, was the party of the Confederacy. It was the Democratic Party of President Woodrow Wilson, an open supporter of the revival of the Ku Klux Klan.

It was Wilson who once said that, when he was in his native state of Virginia, he was amongst people of his own "race and breeding." Not only did Wilson pack his Cabinet with Southerners, but he segregated Federal government agencies, bringing Jim Crow laws into the Federal government. Blacks were fired and transferred, to which Wilson responded with whole-hearted approval.

The KKK itself was revived during the Wilson administration as a mass movement, which was ushered in by a project which culminated in the release of the two-hour and forty-five minute silent movie, "The Birth of a Nation."

The initiating ceremony reviving the Ku Klux Klan occurred on Thanksgiving Eve of 1915, when a group of 15

men huddled together in the cold autumn air before a makeshift altar of rocks atop Stone Mountain, Georgia. When they lit a match to the kerosene-soaked pine boards rising above the altar, a burning cross lit up the Georgia countryside.

That ritual, which launched the resurrection of the Ku Klux Klan and Confederate ideology, was timed to coincide with the opening presentation of "The Birth of a Nation" one week later in Atlanta—literally a white-supremacist recruitment film for the Ku Klux Klan. D.W. Griffith's film was based on a 1905 book written by Thomas Dixon, Jr., *The Clansman—An Historic Romance of the Ku Klux Klan*. At Johns Hopkins University in the mid-1880s, Dixon had become a close friend of Woodrow Wilson.

In February 1915, Dixon wrote a letter to his old friend, requesting a half-hour interview, which now-President Wilson granted. By mid-February, Dixon was in the White House meeting with Wilson, and stating that he had a favor to ask of him, "Not as chief magistrate of the Republic but as a former scholar and student of history and sociology." That favor was for President Wilson to view Griffith's new movie.

Thus it came about, that on Feb. 18, 1915, "The Clansman" became the first motion picture ever to be shown in the White House. The audience in the East Room included President Wilson and his family, and members of his staff and Cabinet, along with their wives.

Wilson's comment, after viewing the film was: "It is like writing history with lightning. And my only regret is that it is all so terribly true." This quotation was quickly put into general circulation—although the White House staff would later attempt to downplay this endorsement of the film.

Several months later, Dixon wrote a letter to Joseph P. Tumulty, the President's secretary, in which he stated that his intent in showing Wilson the film was to "revolutionize Northern sentiments by a presentation of history that would transform every man in the audience into a good Democrat!"

"And make no mistake about it," Dixon added. "We are doing just that thing. . . . Every man who comes out of our theaters is a Southern partisan for life."

This is what those DNC officials behind Fowler and Keeney are yearning to return to.

Those in the DNC, who are now moving, in the year 2000 Democratic primary campaign, to eradicate the 1965 Voting Rights Act, are pushing for a return to that pro-Confederacy, racist tradition of President Woodrow Wilson, and to the kind of Democratic Party which he led down to disgrace and crushing defeat, as the fruit of his two terms as President.

If the Democratic Party is not to go down in disaster in next year's elections, the full membership of the DNC and all other honest party officials must overturn and repudiate, for once and for all, this racist tradition which Fowler, Keeney, et al. are attempting to revive.

# LaRouche picks up more endorsements

*Lyndon H. LaRouche's Presidential campaign committee reports that, as of Nov. 16, the candidate is officially on the ballot for the year 2000 Democratic Party primary in seven states: California, Kansas, New Hampshire, Vermont, Delaware, Colorado, and Maine. He is seeking ballot status in each of the 50 states. As the campaign organizing heats up in the United States, endorsements continue to pour in from around the world. Here are a few excerpts.*

## Ibero-America

**Brazil—Joaquim de Almeida Serra**, *former Ambassador to the Republic of Korea and Zaire:*

Let's hope that Mr. Lyndon LaRouche be elected the next President of the United States. Only in that case may we be sure that there will be a real cooperation between our countries, and not, as there is today, a state of submission of my country to the oligarchical powers that rule the U.S. We trust in God that this will happen.

**Dominican Republic—José Pichardo**, *general secretary of the Authentic Nationalist Revolutionary Party:*

The approval and certification of your Presidential candidacy by the Federal Election Commission was a total success, a consequence of the consistency and dedication you and your unified campaign team have shown toward a Presidential election that could be considered crucial for America and for the world.

You have brilliantly and overwhelmingly convincingly won a first place, which augers a resounding victory in your ascent to the Executive seat of the United States, the only guarantee and hope for your people and for the world, to rescue the credibility of political leadership.

Your unassailable and unpostponable proposal for a New Bretton Woods, a key step toward preventing the recolonization which our people, including your own, are being subjected to, and your nearly prophetic predictions about the dramatic consequences facing the world economy, has left your opponents without arguments, and with nothing to say to the American people and to the world, which suggests a diminishing of their aspirations in favor of your own, as a result of which the Democratic Party will be strengthened, along with your candidacy for the U.S. Presidency.

**Peru—Juan Terraza Medrano**, *retired national police colonel, president of the Association of Retired Navy Captains, Armed Forces, and National Police Colonels:*

Being an assiduous reader of *EIR-Resumen Ejecutivo* magazine, which arrives in my hands every two weeks, I

believe that your election to the Presidency of the United States of America would be of great benefit for the Peruvian nation, for the reason that your proposals for a New Bretton Woods represents the best way out of the economic crisis which we currently face.

Many of us do not consider it sarcasm, when some economic commentator uses the term "the eternal debt," to characterize the obligations acquired by the developing countries, which over the long term constitute an unpayable debt, the principal cause of hunger, technological backwardness, and ignorance of the great mass which has to support the greatest weight of the economic inequity generated by those few who are plundering the resources of the poorest.

Such a panorama could only be remedied by the adoption of a new world financial and monetary system, such as the one you propound.

## Europe

**Poland—Prof. Aleksander Legatowicz**, *former parliamentarian, professor of economics:*

We live in times of fast changes in civilization which are generating new social problems, at the end of the era of "world" wars and political experiments on a global scale. In these circumstances, it is necessary to reflect upon fundamental issues. We have to analyze where we have arrived, and what to do next.

In this context, Lyndon LaRouche's message deserves attention, not only because of its content value, but also because it has surfaced as a result of observation of what is going on in the United States, a country with a special political, economic, and military potential; his message is also spreading in Germany, one of the leading European countries.

In his analysis, one has to point to the critique of the present abnormalities of the world financial system and the forecast saying that it will soon collapse. It is important to make sure that we are not "wise after the damage has been done," and introduce certain changes and reforms, before events happen.

A proposal like his New Bretton Woods system, adjusted according to present conditions, deserves to be stressed. Also, of great significance are proposals of major international infrastructural investments, like the "Eurasian Land-Bridge," which could stimulate economic growth.

It is important, that those proposals are based on a humanist view of man as in the image of God, which constitutes a moral fundamental of those proposals. One also has to stress that they refer, on one hand, to the traditional positive ideas that we find in history; on the other, they arise from the postulate demanding full utilization of contemporary knowledge and technology in order to meet man's needs.

It would be beneficial also for us, if those ideas could develop and be heard in the United States, because of this country's significance in international life.

# 'Secret government' fake-files issue is before Judge Griesa's court

Attorneys for Lyndon LaRouche and his associates blasted Justice Department (DOJ) use of secret evidence and secret judicial procedures, in two sets of court papers filed in early November in the case of *Lyndon LaRouche et al. v. Louis Freeh and Janet Reno*.

In one set of pleadings, filed on Oct. 27, LaRouche moved to set aside the report of a special master appointed by the Court to examine covert FBI informant operations against LaRouche. On Nov. 5, LaRouche also sought a court order requiring the FBI to fully identify and produce all documents concerning four publicly revealed FBI informants—a disclosure which the FBI has obstructed and seeks to block through resort to *ex parte* and *in camera* proceedings.

In both pleadings, LaRouche's attorneys demonstrated that the DOJ had used its ability to invoke secret proceedings based on appeals to national security, as the vehicle for a massive cover-up of crimes committed by the FBI in its 25-year war against LaRouche.

In an interview with WAGE radio in Leesburg, Virginia, LaRouche, who is seeking the Democratic Presidential nomination, described the FBI's dirty use of secret files and proceedings:

"... There's been a big effort, at various points in the Court system, in the Congress and elsewhere, to overturn the conviction of me as a complete fraud. And the answer comes back, and people will often turn back after approaching the Justice Department or others with this evidence and say:

"Wait a minute, this case was a piece of crap. It's a complete fraud. How can you uphold this conviction?"

"And the answer comes back from the Justice Department: 'Well, yes. What we did was fraudulent. Yes, the case is a real terrible case. Yeah, we did a lot of swindles in that case. But, you got to know one thing. We did it that way because we had to do it. You don't realize what kind of secret files we have, which show what a bad guy this guy LaRouche is. You don't have any idea. Now we can't show you these secret files. You can't read them. They are highly secret. But, we can tell you. We know. You've got to listen to us. This guy's a bad guy. So, don't pay any attention to the evidence that he was framed up. Yes, he was framed

up. We framed him up. Of course we did. We had to. But, if you want to know why, we can't tell you. We can only tell you we have secret files, which say he's a bad guy.'"

## LaRouche first sued FBI in 1975

LaRouche's lawsuit against the very dirty, 25-year-long Justice Department and FBI COINTELPRO operation against him, an operation which featured one disclosed assassination plan and all-out efforts to eradicate the LaRouche political movement, is currently pending before Chief Judge Griesa in New York's Southern District Federal Court.

Judge Griesa took over the lawsuit earlier this year, and sought to cut through various Justice Department obstructions which had driven the case, filed in 1975, into legal limbo for years, and prevented it from moving forward to trial. Unsuccessful in early pleas to the judge not to open the Pandora's box of secret government operations against LaRouche, the DOJ attorneys began demanding secret hearings and proceedings in which only the Court and the DOJ could participate, insisting that national security was at stake.

The first such proceeding occurred in June 1999. Faced with the demand that the FBI turn over files of known, publicly revealed informants, including such leading assets as the Anti-Defamation League of B'nai B'rith, Roy Godson (a Jay Lovestone protégé with a long history of operations against LaRouche), and John and Sheila Rees, Department of Justice attorneys demanded to show the judge a secret file. Following a closed hearing—in which LaRouche's attorneys were not allowed to participate—Judge Griesa blocked the public release of the files, and filed his reasons under seal.

One of the major obstacles facing Judge Griesa when he took over the case was the DOJ claim that 25-year-old informant operations against LaRouche were still so sensitive, that any revelation would imperil the national security. Following legal rules set in the 1970s, when widespread abuses by the FBI and other intelligence agencies were first revealed, Judge Griesa appointed a special master to review FBI informant files, and to make specific findings about what the FBI informants involved in activities against

LaRouche actually did. Under this set of rules, the Justice Department is allowed not to disclose the actual identities of informants. In return, the special master is supposed to provide detailed summaries of the informants' activities to LaRouche, providing as much information about what the informants did, as LaRouche would have learned if he had examined the FBI informant files himself, or had access to the informants' identities.

### The special master

Judge Griesa appointed Guy Miller Struve, a partner at the firm of Davis, Polk & Wardwell and a former deputy to Iran-Contra special prosecutor Lawrence Walsh, as special master. Davis, Polk has historically been the leading law firm for the Morgan interests—that is, the leading law firm for British Empire interests—in the United States. Morgan is at the center of the British-American-Commonwealth (BAC) combine's Wall Street financial empire, controls whole sections of the U.S. intelligence and law enforcement community, and has spawned and sponsored various artificial political movements for its purposes over time, including, as LaRouche has emphasized, the Communist Party U.S.A.

While Struve promised, in an early public hearing, to review the informant files as if he were in the plaintiffs' shoes, his stance shifted after a series of "security" briefings by the FBI. The report he produced on informant activities admits that illegal informant activities appear to have taken place, but provides no detail about these activities, claiming that to provide details would compromise the secret identities of FBI informants.

Struve was not concerned about compromising informant identities, however, when he wrote another portion of the report, justifying the FBI's operations against LaRouche. His report opens with a series of detailed quotes from informants who, in turn, quote alleged speeches by LaRouche or his followers, in order to prove that LaRouche was involved in violent fights with members of the Communist Party U.S.A. in 1973—and therefore, a full national security investigation of LaRouche by the FBI was justified.

In their motions, LaRouche's attorneys showed that in producing informant files for the special master, the Federal Bureau of Investigation did not review major filing systems where information about informants could be found—producing instead a selective and sanitized group of informant files. The most revealing omission in this production is the FBI's failure to produce documents, which the special master ordered produced, concerning a 1973 assassination operation against LaRouche, utilizing assets in the Communist Party U.S.A.

*The Constitutional Defense Fund is assisting the plaintiffs in this case. To send contributions or for further information, write CDF, P.O. Box 6022, Leesburg, Virginia 20178.*

# Fight builds over secret evidence in immigration cases

by Edward Spannaus

In 1996, Congress passed two bills—the Anti-Terrorism and Effective Death Penalty Act of 1996, and the Immigration Reform Act of 1996—containing draconian new provisions for the use of secret evidence in immigration cases. But most members of Congress had no idea what was in the legislation, an aide to Rep. David Bonior (D-Mich.) said recently. "Did we actually do this?" some Congressmen are now said to be asking. "I can't remember us passing a law like this!"

Speaking at a panel discussion on the secret-evidence provisions in Washington on Nov. 12, Bonior's legislative assistant Scott Paul revealed that even President Clinton had later said, "I didn't even know we did that." Clinton has also expressed disbelief about how secret evidence is now being used.

However, other sources dispute this professed ignorance, asserting that both Congress and the White House knew exactly what was in the 1996 anti-terrorism and immigration legislation, which was pushed through Congress by the Justice Department, in the wake of the 1995 Oklahoma City bombing.

What is indisputable, is that the recent release of a 31-year-old Palestinian, who was held for 18 months in a New Jersey jail on the basis of undisclosed classified evidence, has given new life to the fight to repeal those provisions of the 1996 bills.

Hany Kaireldeen was released on Oct. 25, less than a week after a Federal district judge ruled that the use of secret evidence to detain immigrants to the United States violates the due process clause of the U.S. Constitution. U.S. District Judge William Walls also threatened to hold Attorney General Janet Reno and the Immigration and Naturalization Service in contempt of court if they continued to keep Kaireldeen incarcerated.

Judge Walls ruling was the first to invalidate the provision of the 1996 anti-terrorism act which permits the use of classified evidence in immigration proceedings. The provision has been used in about two dozen cases around the country, all of which involved Arab or Muslim immigrants.

The FBI claimed that Kaireldeen had hosted a terrorist meeting at his house in 1993, prior to the World Trade Center bombing, with Nidal Ayyad, one of those convicted for the bombing. The FBI also claimed he had threatened the life of Attorney General Reno.

Judge Walls said that the government had made no effort to produce witnesses, either in public or *in camera*, to support its allegations, and that the FBI's unclassified summaries of evidence were "unreliable," forcing Kaireldeen to fight "anonymous slurs of unseen and unsworn informers." Kaireldeen, on the other hand, had presented documentation and more than a dozen witnesses to counter the FBI charges, including proving that he did not live where the secret evidence said he did, when he supposedly met with one of the World Trade Center bombers, and that he had not had the telephone conversations claimed by the FBI.

"I couldn't believe that such allegations were being pointed at me," Kaireldeen said in a press conference the day after his release. "Such a use of secret evidence really astonished me."

"We need to be skeptical of government claims of national security," said Prof. David Cole of Georgetown University law school, who has been active on behalf of Kaireldeen and others jailed on the basis of secret evidence.

On Oct. 28, a group of Congressmen, Muslim activists, and others, at a press conference in the Capitol Building, called on Congress to pass the "Secret Evidence Repeal Act of 1999," which would end the use of secret evidence in immigration cases. Reps. David Bonior (D-Mich.) and Tom Campbell (R-Calif.) said that they now have more than 50 co-sponsors for the repeal measure.

The alliance that has come together around the repeal bill is an unusual one, ranging from civil libertarians and Muslim activists, to conservative Republicans such as Rep. Bob Barr (R-Ga.).

According to Aly R. Abuzaakouk, director of the American Muslim Council, there are still almost two dozen persons detained under the secret-evidence provisions, almost all of whom are Arab or Muslim. "Hany Kaireldeen's release will be a hollow victory unless we permanently discard this law," Abuzaakouk said, referring to these provisions in the two 1996 acts.

Also on Oct. 28, the same day as the press conference, journalists Intisar Pierce and Nina Ogden interviewed W. Mahdi Bray, outreach director of the All Dulles Area Muslim Society center in Northern Virginia, and executive director of the National Islamic Prison Foundation-Muslim Action Center. In the interview, which appears in the Nov. 22 *New Federalist*, Bray described how the secret-evidence laws work, that the person who is subject to deportation "does not have a right to face his accuser, nor has [he] a right to view the evidence that has been given against him."

Bray said that this "draconian legislation" is being used to stifle speech and for intimidation. "It's almost like the old red scare, where you take a few, and you 'use them as examples,' and then you hold them up to all the rest as an example, if you don't want to have any problems with dissent. And it's to intimidate people, to frighten people, to make people less prone to be active."

# 'National security' used vs. Constitution

by Jeffrey Steinberg

In 1984, following the U.S. Department of Justice's (DOJ) launching of a bogus Federal grand jury probe into the LaRouche political movement, this author had the opportunity to interview a former senior DOJ official who was intimately familiar with the department's repertoire of prosecutorial dirty tricks. The individual, who shall remain anonymous, provided a "hypothetical road map" of how the government would pursue its "Get LaRouche" vendetta.

His forecast proved to be 100% accurate. In a profile headlined "FBI's 'Clean' Team Follows 'Dirty' Work of Intelligence—Units Pool Facts on Sensitive Foreign Cases but Work Apart," in the Aug. 16, 1999 *Washington Post*, staff writer Roberto Suro revealed that the *modus operandi* described by my DOJ source 15 years earlier, is now the standard procedure employed by the DOJ and the FBI in almost all of their so-called national security and anti-terrorism cases. Suro wrote:

"In FBI slang they are known as 'dirty teams' and 'clean teams,' or as 'dark' and 'light' agents, or even more cryptically as 'fives' and 'sixes.' The two groups are deployed together when terrorists strike or when top-secret information has gone astray, and they often spend months, even years, working in tandem. Yet they rarely talk to each other.

"As the FBI becomes more and more involved in overseas investigations of terrorist threats, using two distinct teams of agents kept apart by an imaginary wall has become a key to separating criminal cases that can be prosecuted in open court from intelligence secrets that must be protected forever."

While Suro's story focussed on how the FBI has learned to skirt the Constitution in its pursuit of genuine terrorists and subversives, such as the World Trade Center and Kenya and Tanzania embassy bombers, the fact is that corrupt elements inside the DOJ permanent bureaucracy and the Bureau have for decades been using bogus claims of "national security" to stomp on the constitutional rights of American citizens, as well as foreign nationals. The LaRouche case represents one of the gravest abuses of that process.

## The LaRouche case

In 1984, the former senior DOJ official, whose portfolio focussed on domestic security issues, may not have been aware, at the time of our interview, that for two years, Henry A. Kissinger had been lobbying FBI Director William Webster to shut down the LaRouche movement, and that senior

FBI official Oliver “Buck” Revell, the Bureau’s man on the George Bush/Oliver North Iran-Contra “Secret Team,” had been assigned to instruct Kissinger’s lawyers on how to trigger such an illegal probe. But, what the source revealed would later be corroborated through Freedom of Information Act disclosures of the secret correspondence between Kissinger and the FBI.

The source warned: The DOJ and the FBI would launch a national security investigation against LaRouche, based on “secret” allegations that LaRouche was engaged in terrorism or espionage on behalf of hostile foreign powers. The provisions of Executive Order 12333 and other guidelines gave law enforcement and intelligence agencies broad powers to conduct “pro-active” operations against legitimate national security targets. However, the FBI routinely abused those guidelines, by conducting bogus national security investigations, to obtain secret data on targeted individuals and groups, to be used in frame-up prosecutions.

The source explained that the secret national security program would either come up with genuine evidence of criminal conduct, or, in the absence of any proof of criminal wrongdoing, *would manufacture it*.

That “evidence” would then be shopped into the DOJ Criminal Division and the FBI, via a source ostensibly unattached to the national security operation, complaining about a “garden variety” criminal violation. Thus, the Justice Department could claim to be launching a criminal probe, in response to an unsolicited complaint.

The source emphasized that the success of the *modus operandi* depended on keeping the very existence of the illegal national security operation secret, and often involved *in camera* pleadings before judges about “grave national security concerns.”

Suro’s report in the *Washington Post* confirmed that precisely such a dual-track strategy has been at the heart of DOJ-FBI operations for some time. Victoria Toensing, a Reagan-Bush DOJ official who played a direct role in the “Get LaRouche” task force, told the *Post*, “Gathering intelligence and investigating a criminal case can be just two different ways of going at a similar task, but they each have their own rules, and information that fits in one may not fit into the other.”

Suro explained: “When a case crosses the boundaries between national security and criminal investigation, the FBI sets up one team—the dirty or dark team—drawn from the National Security Division, known bureaucratically as ‘division five,’ to handle the intelligence. Another team—the clean or light team—taken from the FBI’s Criminal Division, or ‘division six,’ builds the case that will be presented in court. . . .

“Between the two teams stands an FBI attorney with specialized training who determines what information can be passed from the national security side to the criminal side . . . so that it protects the source but still points the criminal agents in the right direction.”

# Has Buchanan followed Gore over the edge?

by Michele Steinberg

If you thought Jesse Ventura, Donald Trump, and H. Ross Perot were only slightly less strange than the witches trio in Macbeth, now hear this: gay liberation Marxist Lenora Fulani and Reform Party Presidential pre-candidate Pat Buchanan held a joint press conference at the National Press Club in Washington on Nov. 11, to announce Fulani’s endorsement of Buchanan.

Some Washington pundits think Buchanan was trying to compete with “alpha male” wannabe Al Gore, who gained about two weeks of media headlines and the spotlight on national television when it was revealed that he was paying one Naomi Wolf, a feminist writer who advises young girls on how to be in touch with their “shadow slut,” \$15,000 a month for advice on how to attract the women’s vote.

Fulani is now co-chairman of the Buchanan campaign, along with Bay Buchanan, sister of the candidate, and Pat Choate, who was Perot’s running mate in 1996. The Reform Party, which may have a primary race involving Trump and Perot, needs Buchanan to revive voter support. The Reform Party took a dive, from 19% of the vote in 1992, to 8.5% of the vote in 1996.

Looking behind the rhetoric of Fulani—who said that her participation is to “integrate that Peasant Army of his. . . . We’re going to bring black folks and Latino folks and gay folks and liberal folks” into the campaign because “this coalition is open to all”—one sees that the move is nothing but a marriage of convenience, and the dowry is approximately \$12.5 million in Federal election funds for the Reform Party.

## A strange endorsement

According to the *New York Times* magazine of Oct. 24, Fulani and her real political soul-mate, perverse cult leader Dr. Fred Newman, *don’t want Buchanan to win*.

Fulani told the *Times* magazine that they just want Buchanan to get 10-15% of the vote, which Newman said, “keeps the dollars coming in, and it keeps us as America’s major minor party.” That’s because the Reform Party gets Federal money only if attracts at least 5% of the vote. When the *Times* asked, What if Buchanan wins the White House? Newman said, “Then, we’re all in trouble.”

Buchanan and Fulani appeared on the Fox-TV Sunday morning talk program (broadcast in the Washington, D.C. area) shortly thereafter, and showed just how pathetic their



*Strange bedfellows: Ultra-radical feminist Lenora Fulani (at microphone) endorses Pat Buchanan for President. Pat looks as though he's seen better days.*

alliance is. Challenged by host Tony Snow about Newman's alleged anti-Jewish statements, Fulani defended her relationship with Newman on the basis of their joint commitment to the fascist writing of Frantz Fanon, author of *The Wretched of the Earth*.

At the mention of Fanon, Buchanan grovelled, first reciting the name of the book in French (its original language), and then weakly asserting that he had written columns against Fanon in the 1960s and '70s. Buchanan tried to paper over the significance of the Fanon issue, by saying that his "difference" with Fulani shows how open the Reform Party is. Fulani retorted, "It was my favorite book in college."

The Fanon question gets at the heart of the issue. Buchanan calls himself a Catholic conservative who deeply believes in the idea that human beings are created in the image of God. As an intellectual of sorts, Buchanan knows that Fanon's theory—that personal violence and the bloodiest possible killing of an oppressor is the only route to liberation, especially for black Africa—is inimical to the idea of *imago Dei*. Fanon's ideas are not only the enemy of the republic, but are also a prescription for the mass elimination of Africans, as has been shown by the policies of the British Empire favorite, Uganda's President Yoweri Museveni, a follower of Fanon's ideas and an organizer of the massacres of Africans.

### **What is Lenora Fulani?**

In 1996, Fulani successfully sold her wares to H. Ross Perot, who brought her "into the fold" of the Reform Party in a bid for the minority vote. Fulani and Newman had been the principal leaders of the New Alliance Party, a radical group that arose out of a psychotherapy cult in New York City. *EIR*

published the following background in 1996:

"The *New York Times* only hinted at the real story of wacko witch-doctors Fred Newman and Lenora Fulani. Their 'political' enterprise is actually built around a string of off-beat psychotherapy fronts, including: the East Side Center for Social Therapy, the Castillo Cultural Center of Greenwich Village, the All-Stars Talent Show Network, the East Side Institute For Short-Term Psychotherapy, and the Gaygles (a 'multisexual musical comedy improvisational group'). Fulani, who is on Perot's short list of possible running mates, is still a 'clinical staff member' of the East Side Center.

"Fulani (née Lenora Branch) was recruited 'to politics' via one of Newman's sex-therapy fronts. As she tells us in her autobiography, *The*

*Making of a Fringe Candidate 1992:*

"Fred Newman and I first met when Lois Holzman introduced us in 1978. Lois—now an internationally prominent developmental psychologist—and I were colleagues at Rockefeller University. . . . At that time I had been in individual therapy with a Black lesbian gestalt therapist for about a year. I wanted to be in group therapy, but my therapist only saw people individually.

"I was intrigued when I first came to [Newman's] New York Institute for Social Therapy and Research. They were talking about therapy and psychology in very progressive ways and they did group therapy, which I found very stimulating intellectually. . . .

"I pulled together a meeting of about 25 Black women psychologists and invited them to meet with Fred so we could decide whether we wanted to join the staff of the Institute. . . . We asked Fred to lead a study group on politics. . . . We wanted to read the *Communist Manifesto* with him."

"Marx's ideas are at the very core of social therapy, in the Newman cosmology. Lois Holzman recounts that Lev Vygotsky, a Russian psychologist, 'called the difference between what one can do "with others" and what one can do "by oneself" the Zone of Proximal Development. . . . Following Karl Marx, we call this process *revolutionary activity*' (Newman and Holzman, 1993)."

Buchanan will reportedly benefit from the alliance with Fulani by gaining access to free labor—volunteers from the Newman/Fulani psychotherapy wacko-centers who will petition to get him on the ballot. Competitors Trump and Perot have enough money to buy petitioners by the hour, at low wages, from temporary employment agencies.

# Anti-drug assistance to Colombia is blocked

by Valerie Rush

“The only winners here are the narcos and the guerrillas,” said Colombian Ambassador to the United States Luis Alberto Moreno, in response to the Clinton administration’s early November failure to push through a promised aid package to bolster Colombia’s increasingly desperate war against narco-terrorism. Moreno might also have added, that the “winners” on the U.S. side are the political and financial interests who see a narco-terrorist victory in Colombia as an essential stepping-stone on their own perverse path toward global drug legalization, and the destruction of the sovereign nation-state.

In early August, White House anti-drug policy adviser Gen. Barry McCaffrey (ret.) had warned that the crisis in Colombia had reached emergency levels, and that providing substantial U.S. financial aid to, especially, the besieged Colombian military, is critical to saving that country from narco-terrorist takeover, and the region from destabilization. McCaffrey’s efforts, combined with lobbying visits to Washington in September by such influential figures as former Colombian Armed Forces Commander and 1998 Presidential candidate Gen. Harold Bedoya (ret.), had succeeded in forcing both the lukewarm Colombian government of Andrés Pastrana and the worse-than-lukewarm U.S. State Department, under Secretary of State Madeleine Albright, to finally place a proposed \$1-1.5 billion aid package for Colombia on the administration’s agenda. It remained for President Clinton to secure Congressional approval.

But then, the combined forces of the human-rights/drug-legalization lobby, and their “strange bedfellows” in George Bush’s Republican Party, moved into high gear to prevent President Clinton from getting the proposal onto the Congressional agenda. The Washington Office on Latin America (WOLA), a “human rights” group which publicly shares its platforms with George Soros’s pro-drug legalization Lindesmith Center and Human Rights Watch, began organizing opposition to the aid package, through seminars and open letters to the media. Their argument is that “increasing aid to the Colombian military would have disastrous consequences for Colombia, and represents a danger for the region as a whole. . . . The U.S. is getting involved in a brutal counterinsurgency war.”

WOLA’s Coletta Younger and Lindesmith’s Ethan Nadelman drafted an open letter to the continent’s official anti-drug leaders, who held a summit meeting in Washington in

early November with McCaffrey, urging them to abandon the “failed” war on drugs, and to undertake more “pragmatic” solutions. Younger and Nadelman were published in the Colombian daily *El Tiempo*, which has been reactivated to editorially endorse drug legalization, now benignly dubbed “harm reduction” by the legalization lobby. *El Tiempo* also invited Harvard “economist” Jeffrey Sachs, adviser to President Pastrana, to address a seminar earlier this year, at which Sachs lamented repression of such a lucrative business as the drug trade, and urged a more “free-market” approach to the drug problem.

## Republican sabotage

Making strange bedfellows with this motley human-rights/pro-legalization gang were Republican hard-liners such as Reps. Dan Burton (Ind.) and Benjamin Gilman (N.Y.), who, in their own way, deliberately sabotaged the proposed aid package for Colombia. From one side of their mouths, Burton and Gilman denounced the Clinton administration for giving inadequate support to Colombia’s national police, and from the other, they denounced McCaffrey for urging substantially increased aid for the Colombian army, which Burton and Gilman slandered as “rampant with allegations of human rights abuses.”

Their public anti-drug militancy notwithstanding, the Republican duo’s motives for opposing McCaffrey on aid to Colombia are necessarily suspect, for no one in their right mind can look at the heavily equipped army of drug-trafficking terrorists now controlling 50% of Colombian territory, and still think that fighting drugs there can be limited to police actions.

House Majority Whip Tom DeLay (R-Tex.) did his part to block the Colombian aid by playing the budget game. DeLay attacked the Clinton administration’s foreign aid package as “robbing the Social Security fund,” a warning that any administration effort to increase funds for the war on drugs in Colombia would be used as an election smear. Lacking a strong mobilization of the American citizenry against drugs and narco-terrorism by President Clinton, DeLay’s tactic had its intended effect, and Clinton “dropped the ball.”

Perhaps worst of all, was the sabotage that came from inside the Clinton administration itself. On Aug. 10, Secretary of State Albright, in an op-ed in the *New York Times*, insisted that a military solution to the crisis in Colombia “is unlikely,” and endorsed President Pastrana’s disastrous “peace plan” of negotiating power-sharing with the FARC narco-terrorists. Albright’s op-ed was an attack on McCaffrey’s initiative, timed to coincide with the arrival in Colombia of a State Department fact-finding delegation, headed by Undersecretary of State Thomas Pickering.

At this point, the urgently needed U.S. aid for Colombia’s battle against narco-terrorism is not slated to come up for Congressional approval until next year. By then, the FARC narco-terrorists may be dictating the terms of surrender.

## White House, GOP inch toward budget agreement

On Nov. 17, House Speaker Dennis Hastert (R-Ill.) announced to reporters that President Clinton had "tentatively" accepted a GOP proposal for a 0.38% across-the-board budget cut, late the night before. The crucial element of the cut is some flexibility for the President to determine how the cuts are to be distributed throughout the government. "You don't have to ding every line item in the account," Hastert said, "so long as the overall goal was achieved." However, Hastert conceded that Clinton won't make a final agreement until he discusses it with House Minority Leader Richard Gephardt (D-Mo.).

Senate Minority Leader Tom Daschle (D-S.D.), in comments later the same day, indicated that Democrats may accept the cut if "the President has the discretion to make the decision as to where those reductions would take place." Daschle emphasized that the President "would talk to the Democratic leadership and that he would be guided by our positions and that of our caucuses."

GOP negotiators and Office of Management and Budget Director Jack Lew have been working toward an omnibus bill which would wrap up the five remaining appropriations bills into one package. One element already agreed upon between the White House and the GOP is compromise language that places restrictions on U.S. support for international family planning programs that promote abortion, in return for the payment of almost \$1 billion in arrears to the UN. However, this agreement has been drawing fire from members of both parties who see it as either too restrictive or as giving too much to the President.

Other sticky issues that remain have little to do with the GOP, however. Sen. Robert Byrd (D-W.V.) is demanding that the Interior Appropri-

ations bill include an exemption to allow coal-mining companies to continue a specific strip-mining practice that was recently struck down by a Federal court. Sen. Herb Kohl (D-Wisc.) is threatening to hold up any agreement over dairy pricing policies, and a new battle is looming over what to do with funds expected to materialize if the Federal government pursues its lawsuit against tobacco companies. More short-term continuing resolutions are expected to be passed while negotiators try to work out these issues.

## Bankruptcy reform debate continues

The bankruptcy reform bill slowly lurched toward an uncertain conclusion in the Senate, after several days of debate during the week of the Veterans Day holiday.

On Nov. 10, during debate on amendments, Patrick Leahy (D-Vt.) told the Senate that the bill, according to the Congressional Budget Office, would cost up to \$5 billion over the next five years, a portion of which would result from mandates imposed on the private sector, and the remainder would result from the heavier burden imposed on the bankruptcy court system as a result of certain provisions in the bill. Leahy asserted that the bill would also result in a windfall of about the same amount, \$5 billion, for credit card issuers. "Not a bad day's work by the credit industry's lobbyists," he said, "but not a good result for the American people."

Later during the debate, the Senate approved by a vote of 76-22 an amendment placing a cap on the homestead exemption of \$100,000. The homestead exemption has traditionally allowed a debtor to protect his home from liquidation. Sponsors of the amendment argued that the cap is needed because the exemption is too often abused. Charles Grassley (R-

Iowa) said that the homestead exemption is used by "very wealthy people to shield large amounts of assets."

Opponents of the amendment based their arguments on states' rights. Kay Bailey Hutchison (R-Tex.) said that placing a cap on the homestead exemption that is uniform in every state is "a mistake," because "the valuation of property is different in every state." Even though bankruptcy is a Federal procedure, she said, the states have been allowed to regulate the homestead exemption, and that would be overturned by the amendment. Hutchison's amendment to allow states to "opt out" of the homestead cap was defeated by a vote of 69-29. Afterwards, she threatened to filibuster the bill, if it comes out of conference committee with the homestead cap provision intact.

## Nominations logjam is finally broken

A deal between Senate Majority Leader Trent Lott (R-Miss.) and Minority Leader Tom Daschle (D-S.D.) led to the Senate approving 88 nominations on Nov. 17, all but one, that of former Senator Carol Moseley-Braun (D-Ill.) as Ambassador to New Zealand, by voice vote. The vote on Moseley-Braun was 96-2, with Foreign Relations Committee Chairman Jesse Helms (R-N.C.) and Peter Fitzgerald (R-Ill.), who unseated Moseley-Braun in the 1998 election, opposing the nomination. Among the other nominations freed up was that of Joseph Prueher to be Ambassador to China, and six judicial nominations.

The deal between Lott and Daschle requires the Senate to consider two Hispanic American judicial nominees who have been languishing since January 1996 and January 1998. The deal makes it unlikely that President Clinton will make any recess appointments.

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# National News

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## U.S. and China move to restore military ties

U.S. Secretary of Defense William Cohen indicated at a press conference on Nov. 4, that China and the United States had been conducting negotiations to restart the military-to-military ties that had been severed after NATO warplanes bombed the Chinese Embassy in Belgrade on May 7.

The Chinese "have indicated that they would like to re-establish those contacts," Cohen told reporters at the Pentagon. "We do hope to re-establish the kind of military-to-military contacts that we had prior to the incident."

Secretary Cohen said that he would like to have exchange visits with Chinese Defense Minister Chi Haotian, but indicated that no concrete steps for this had yet been agreed upon. However, Pentagon spokesman Ken Bacon told reporters that a Pentagon team, headed by Deputy Defense Secretary Kurt Campbell, planned to visit Beijing later in November to explore ties that could result in the visit of a high-level Chinese military delegation to the United States in December or January. Cohen had originally planned to visit China in June, but the trip was cancelled after the Chinese Embassy bombing.

A U.S. destroyer visited the port of Hong Kong at the invitation of the Beijing government early in November.

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## Spotlight on rights violations in Virginia

Amnesty International has called for an investigation of treatment of prisoners at Wallens Ridge, Virginia, the *Richmond Times-Dispatch* reported on Nov. 5. The "super-max" prison was set up during the current administration of Gov. James Gilmore.

The call for an investigation was triggered by complaints from New Mexico inmates, who were sent to this prison as punishment. The inmates said that they were subjected by guards to electroshock hazings and brutal "initiation rites."

Both Virginian and New Mexican officials called the allegations "exaggerations of

the truth."

Complaints have previously been filed against mistreatment of prisoners at Red Onion, the other supermax prison. A call by Human Rights Watch was rebuffed, and two suits have been filed against Department of Corrections director Ronald Angelone.

Connecticut is planning to send 500 prisoners to Wallens Ridge. Virginia has prison space to spare.

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## Record executions by Bushes, Gilmore

*EIR* has reviewed the killing records of avowed "compassionate conservatives" Texas Gov. George W. Bush, Florida Gov. Jeb Bush, and Virginia Gov. James Gilmore. The hypocrisy of their claim to compassion is breathtaking.

With Texas, Florida, and Virginia in the lead, the United States as a whole is on course, with 83 executions to date this year, to setting a record for the greatest number of executions since 1954, while 3,600 men and women await execution in the nation's prisons.

Texas has executed more than 100 people since Bush became governor in 1995, more executions than under all other governors combined since the death penalty was reinstated there 1982. Texas has carried out 184 executions since 1982.

Virginia's Gilmore, with 14 executions this year to date (the state's record of 17 in a year was achieved in 1909), has never granted clemency to a single death-row inmate. Virginia's courts, with his support as governor, and before that, as Attorney General, are also leading the nation in their refusal to find reversible error in death row appeals. While state supreme courts and Federal appeals courts find such error in 63% of death sentences nationwide, the Virginia figure is just 14%. Virginia's Fourth Circuit is known as the "black hole" of death penalty cases, with not a single appeal stayed, out of 26 that have reached it in the past seven years.

The U.S. Supreme Court has agreed to hear four crucial death penalty appeals this term. Three of them are from Virginia (whether state appeals to Federal courts should be drastically curtailed), and one is from Florida (whether use of the electric

chair is Constitutional). Gilmore, joined by both Bushes and 32 other governors, wants the court to rule in favor of dramatically reducing the role of the Federal courts in cases involving prisoner allegations that their Constitutional rights have been breached.

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## Pentagon backed off from cyber-warfare

Plans to use computer hacking and other electronic attacks against Yugoslavia during the war there, so as to crash trains, open dam floodgates, and generally demolish civil society, were deterred by warnings from Defense Department attorneys that this could subject the U.S. officials to war crimes charges, the *Washington Post* reported on Nov. 8.

A legal-guidelines report, "An Assessment of International Legal Issues in Information Operations," issued midway through the war against Yugoslavia, while cyber-warfare planning was being completed, described some specific actions as war crimes, and warned that officers must use the same legal considerations for such weapons as for bomb and missile attacks. The destruction of financial systems, the false broadcast by a "morphed" TV image of the enemy's leader saying that a cease-fire is in effect, the release of radioactivity on civilian populations by the wrecking of nuclear safety systems, are among those actions warned against. The *Washington Post* says that the Pentagon reports such actions were never carried out.

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## Even Zionist lobby is angry at Al Gore

The hard-core Zionist lobby weekly *The Forward*, in its lead editorial of Oct. 29, headlined "Al of Arabia," assailed the Vice President for his announcement that he would ban all U.S. offshore oil drilling—including drilling rigs already up and running. While acknowledging Al's longstanding loyalty to the Jewish community, including his "standing up against the Rev. Jesse Jackson's demagoguery in New

York," *The Forward* warned, "But Mr. Gore's vow that if elected President he would ban any new offshore drilling for oil and gas along the California and Florida coasts . . . is enough to make one wonder just what star he's steering by. It's been barely a generation since the Organization of Arab [sic] Petroleum Exporting Countries mounted the oil embargo that nearly brought America to its knees. It was in reaction to that attack on our economy—an attack motivated by the Arab hatred of Israel—that our country began seriously to step up development of domestic sources of oil."

*The Forward* noted that American offshore oil drilling sites have higher environmental standards than any others, and their expansion led to a drop in the price of oil. "For Mr. Gore to pipe up at this juncture with a proposal to ban offshore drilling in some of our most promising waters—a ban that would balloon our trade deficit and force us back into the arms of the Arabs—can only be seen as lunacy. Or as a signal that Mr. Gore will do anything to placate any bloc of likely supporters, in this case the environmentalist wing of the California and Florida primary voters. Either way, his vow on offshore drilling suggests a candidate adrift."

## EPA, DOJ sue seven electric utilities

The Environmental Protection Agency and the Department of Justice filed suit on Nov. 3 against seven large U.S. electric utilities, alleging that the companies have been upgrading their coal-fired plants without adding modern pollution controls, as required by the Clean Air Act of 1970. The seven are American Electric Power Co., Cinergy Corp., FirstEnergy Corp., Illinova Corp., Southern Co., TECO Energy Inc. and Southern Indiana Gas & Electric Co. The EPA also filed an administrative order against the Tennessee Valley Authority, a government-owned corporation, charging similar violations. The charges involve 32 plants in West Virginia, Georgia, Illinois, Indiana, Kentucky, Mississippi, Ohio, Tennessee, and Alabama.

"Today we file the first complaints in one of the largest investigations in the history of EPA, launched two years ago and still ongoing," said EPA Administrator Carol M.

Browner at a Nov. 3 press conference reported in the *Washington Post*. Attorney General Janet Reno added, "We are asking Federal courts in five cities to force these utilities to install the pollution controls they should have installed years ago."

The companies argue that they have merely been doing routine maintenance at the plants, hence the newer pollution controls are not required. They disputed what they called EPA's "new interpretation" of the Clean Air Act. Dale Heydlauff, American Electric Power's vice president for environmental affairs, said the lawsuits "take decades of industry maintenance and repair practices previously deemed acceptable by EPA and retroactively convert them to unlawful activities."

"These utilities have been cheating on a decades-old agreement with the American public," said Mike Casey of the Washington-based Environmental Working Group. "They were let off the hook in terms of key air pollution standards on the understanding they would not upgrade their facilities. And that is what they have been doing, but they have been categorizing it as routine maintenance."

## Albright courts Serbian opposition

Secretary of State Madeleine Albright met with half a dozen Serbian opposition leaders at the State Department on Nov. 3, and announced afterwards that the United States would be willing to see sanctions against Yugoslavia lifted if there were "free and fair elections." She told reporters that under no circumstances would Milosevic win, if elections were free and fair. Asked why she was so certain that Milosevic could not win, she snapped, "If my mother had wheels, she'd be a bicycle. But that's not going to happen, either."

After the State Department meeting, the delegation met with National Security Adviser Sandy Berger at the White House. The administration, according to some news accounts, is considering approving the shipment of "humanitarian" heating oil to a number of Serb towns controlled by opposition forces. The shipments have been pledged by the European Union.

**BILL BRADLEY** accused Al Gore of "abandoning that fundamental Democratic principle of universal health care for all Americans," after the defeat of the administration's health-care plan in 1994. "In the case of health care, Al Gore decided it wasn't worth standing and fighting," Bradley said on Nov. 8, accusing the Vice President of retreating into "small, symbolic things."

**ONE MILLION** California children under five years of age live in poverty (28.6%), according to a report released on Nov. 8 by the Oakland-based group Children Now. The study is based on 1995 data (the latest available), when the Federal poverty level for a family of four was an annual income of \$15,150, or below \$12,400 for a family of three.

**MIT** and Britain's Cambridge University are forming a partnership, the Cambridge-MIT Institute—a project which is 80% funded by the British government, and 20% by British private businesses. MIT President Charles M. Vest said the intention is "to educate the future leaders of the global economy." The institute will create a joint curriculum, eventually involving all of MIT.

**WILLIAM WELD**, the former Massachusetts governor and "Get LaRouche" prosecutor, is a prominent player in the education-for-profit "industry," according to a New York Times News Service story published in the *Richmond Times-Dispatch* on Nov. 5. The idea is to turn the \$700 billion education sector into "the next health care"—a milk cow for corporate looting.

**G.W. BUSH** said he would reappoint Alan Greenspan as chairman of the Federal Reserve, if elected President, according to an interview in *Red Herring* magazine. "I think Alan Greenspan has done a good job," he said. Bush, whose fortune was made entirely through the political-banker channels of his father, commented, "It's important not to politicize Federal Reserve decisions."

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## Editorial

### *'If you can keep it'*

The section in this issue which begins with “‘Secret Government’ Fake-Files Issue Before Judge Griesa’s Court,” documents that many men and women are sitting in American prisons, because of secret government evidence which they and their lawyers are never allowed to see. These prisoners include both non-citizen immigrants, and American citizens. Signal cases include those of Lyndon LaRouche and ten friends, who were convicted and sentenced to prison about a decade ago, through the use of secret evidence. Three of them—Michael Billington, Anita Gallagher, and Paul Gallagher—remain there today, serving out sentences of 77, 39, and 34 years, respectively.

Today, what is happening in Chief Judge Griesa’s Federal Court of the Southern District of New York, is that Justice Department secret evidence is being used to deny LaRouche his right to the government records of secret FBI informant operations against him—namely, the operations which led to his fraudulent conviction in the first place!

As Edward Spannaus explains, two 1996 Federal laws, enacted in the wake of the 1995 Oklahoma City bombing, allowed broad use of secret evidence in immigration cases. But its use by corrupt Department of Justice officials was widespread long before 1996. One method is documented by Jeffrey Steinberg: the use of parallel “dark” and “light” teams of FBI agents. The secret, “dark” team, whose very existence is never disclosed, prepares or fabricates a criminal case against a selected target, under a “national security” cover. Then, the public, “light” team, just happens to stumble upon the already-prepared case—perhaps initially in the form of a garden-variety criminal complaint by some private individual. Off goes the target to court, and to prison. He will probably never know where the case against him really originated.

Another method is exemplified by that being used in Judge Griesa’s court and elsewhere, to keep the LaRouche frame-up in place after all these years, even when it is widely known to be fraudulent. In LaRouche’s words, when Congressmen or others approach the Justice Department and ask:

“Wait a minute: This case was a piece of crap. It’s a complete fraud. How can you uphold this conviction?”

The answer comes back from the Justice Department: “Well, yes. What we did was fraudulent. Yes, the case is a real terrible case. Yeah, we did a lot of swindles in that case. But, you got to know one thing. We did it that way because we had to do it. You don’t realize what kind of secret files we have, which show what a bad guy this guy LaRouche is. You don’t have any idea. Now, we can’t show you these secret files. You can’t read them. They are highly secret. But, we can tell you. We know. You’ve got to listen to us. This guy’s a bad guy. So, don’t pay any attention to the evidence that he was framed up. Yes, he was framed up. We framed him up. Of course we did. We had to. But, if you want to know why, we can’t tell you. We can only tell you we have secret files, which say he’s a bad guy.”

But is secret evidence, properly “evidence” at all? If it’s never shown to anyone, or, in the best case, only shown privately to a judge in the secrecy of his chambers, that means it is never subjected to the test of cross-examination, or reasonability, or any other test of its truthfulness. It has been made secret, precisely because it is false! That is not only the conclusion of reason; it is also what has become obvious, on those few occasions when the light of day has been allowed to shine in on these “fake files.”

Here’s a question for you: If you continue to allow American courts to convict people on the basis of secret evidence, *are you free?* How about this one: If you continue to allow courts to convict based on secret evidence, do you *deserve* to be free?

Look at it this way: When Benjamin Franklin’s innkeeper asked him, during the Constitutional Convention, “And what kind of government have you prepared for us?” he famously answered her, “A republic, if you can keep it.” Just what did he mean by that, “if you can keep it”? Do your country the favor of asking yourself that question, as you consider the widespread use of so-called secret evidence in our U.S. courts.

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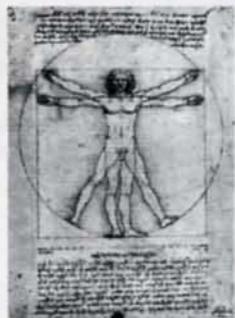
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