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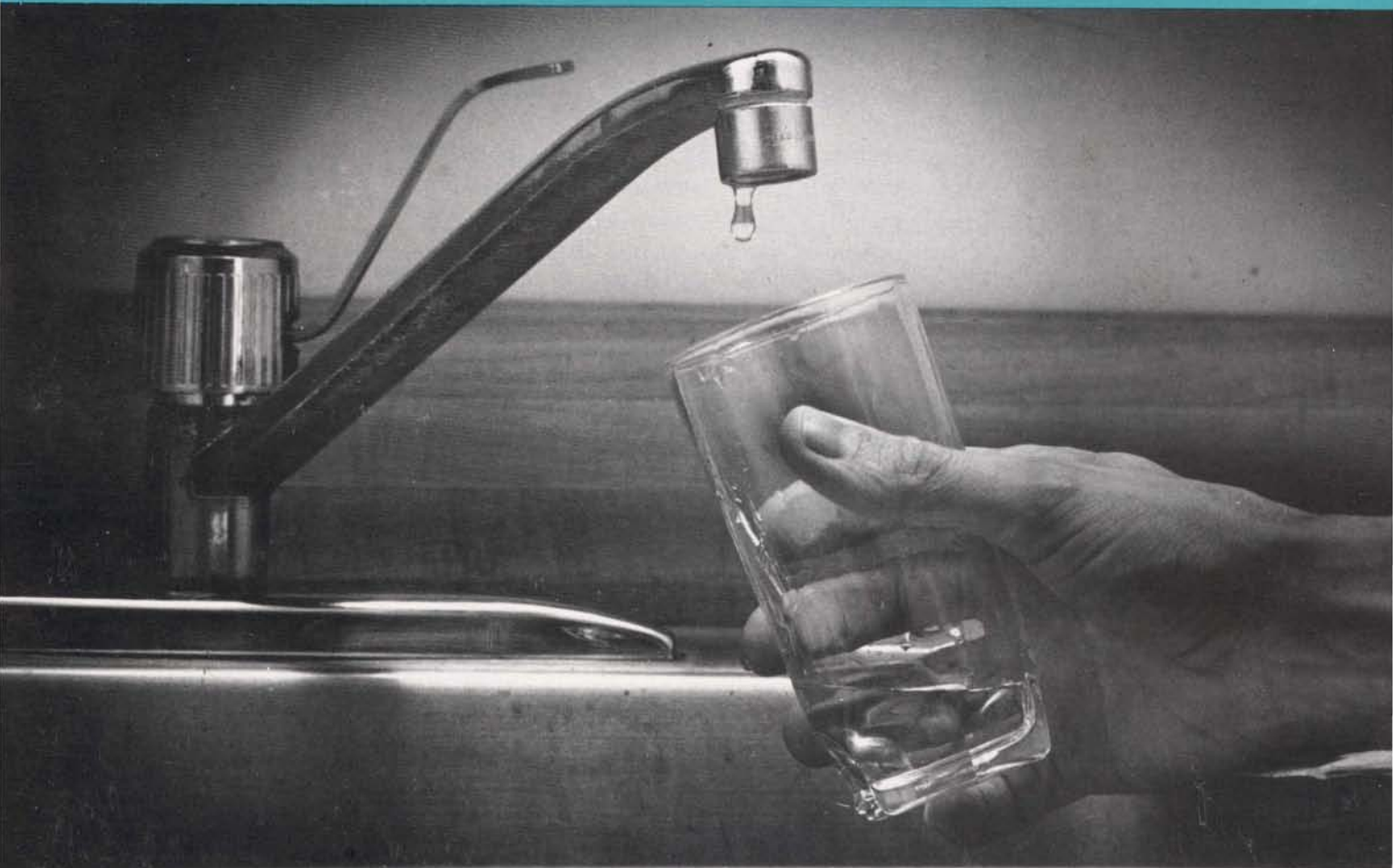
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## From the Managing Editor

The United States fought its war against Iraq with a sword in one hand and a tin cup in the other, writes the German daily *Frankfurter Allgemeine Zeitung*. Our issue this week documents, in one case after another, how the hypocritical propaganda about George Bush's "democratic" new world order is being used to cover up for a vicious and bankrupt economic policy, which is being forced upon the nations of the world at sword's point:

- David Rockefeller and Carla Hills are demanding that Europe and Japan adopt the Anglo-American free market recipes for disaster. As Lyndon LaRouche points out (see the lead article in *Economics*), it were better that we learn the lesson of our failure, and impose upon ourselves the economic policies of Germany and Japan.

- The Organization of American States has endorsed two of the main planks of Bush's "new order": the Enterprise for the Americas plan to turn Ibero-America into one big *maquiladora*, and Robert S. McNamara's strategy for dismantling the continent's armed forces in the name of "democracy."

- The victory of Boris Yeltsin in Russia's first democratic presidential election is being widely acclaimed, but what policy alternative does he represent for the long-suffering Russian people, particularly if the Harvard crowd and the International Monetary Fund succeed in foisting upon him their flea market austerity program?

- Even as the ticker-tape "victory" parades are held in U.S. cities, the truth is coming out about the genocidal effect of the Gulf war, and about what sort of regime we fought to uphold in Kuwait. See in *International* the appeal from the Palestinian Human Rights Committee and a guest commentary by British journalist John Pilger.

- The bankruptcy of U.S. cities such as Bridgeport, Connecticut, has made it impossible to ignore the economic crisis any longer, and, as we go to press, is sparking numerous commentaries calling for the Bush administration to address "the domestic agenda." We agree; but it should be with the methods of the American System of political economy, not those of Operation Desert Storm.

The cover *Feature* presents the American System as it should be put to work, on satisfying the most basic of life's requirements: water. It deals with the United States, but the method is of universal application.

*Susan Welsh*

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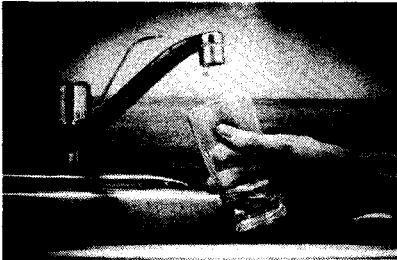
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## GATT: the real agenda of the Group of Seven

by Carol White

There has been a lot of hoopla around whether, when, and so forth, Soviet President Mikhail Gorbachov would be present at the July Group of Seven (G-7) summit meeting in London. This is a convenient ruse to cover the reality of the summit, which is the continued Anglo-American push to force through a General Agreement on Tariffs and Trade agreement, which places destruction of European food production center stage.

Speaking in Bardejov, Czechoslovakia at a conference of the Institute for East-West Security Studies on June 7, U.S. Vice President Dan Quayle reiterated that "the U.S. views trade as more important than aid, and expects Western Europe to liberalize its markets for goods from the East." He called upon the Czechs to form a bloc with the United States to force open the European Community (EC) market to food imports. He said that, vis-à-vis the economies of Eastern and Central Europe, "The U.S. will open its markets as wide as possible, and expects the European Community to do the same. The U.S. is making this question a top priority of the G-7 summit in London next month."

The degree to which the Anglo-American bloc had been making headway in its strong-arming on this issue was signaled by the public stance of the 12 EC finance ministers meeting in Paris, who issued a declaration on June 6, stating that reaching a General Agreement on Tariffs and Trade (GATT) agreement must have "the highest priority on the international economic agenda." They stressed that "the pace of negotiations must be intensified in all areas." They also wished the EC to be committed to "indirect negotiations to achieve specific binding commitments" on three areas pertaining to agriculture and farming.

Dutch Finance Minister Wim Kok was quoted in the *International Herald Tribune*: "If we fail to bring the Uruguay Round to a successful end, it will be a black page in the

development of the world economy."

Enormous pressure has been brought to bear on the German industrial sector, with the result that the German Industry Association (BDI) and the German Congress of Industry and Commerce (DIHT) have joined with the German Labor Federation (DGB) to echo Kok's position, and meet U.S. demands. A joint letter was mailed to the European Commission in Brussels on June 10, in effect buckling under to American pressure. They call for a priority discussion of "fundamental reform of the agricultural policy of the European Community," and urge the G-7 summit to remove the obstacles against a resumption of the frozen GATT talks. U.S. Trade Representative Carla Hills met with the BDI executive board in Cologne on June 7.

On June 6, Hills had told the Institute of Directors in London that a breakthrough must be achieved on the GATT Uruguay Round, and on European trade concessions by the end of July. Hills laid out the U.S. position in an interview with the *Financial Times* of London June 10, where she said: "Let us hope that at this G-7 meeting in London, the leaders can say something meaningful and mean what they say. My President has been extremely courageous. He has put the Uruguay Round at the top of his trade list. And he is prepared to put restrictions on the table so long as other nations do likewise. If the rest of the trading world will not deal with their restrictions, it will not be the fault of the U.S."

Hills insists that the agreements must begin with agriculture, and move on to other areas. Agriculture, she says, "is the magnet to persuade the developing world to deal with the other topics, where there are now no rules: services, investment, the protection of intellectual property, and market access." She is particularly adamant on the matter of intellectual property rights, contemptuously dismissing Third World nations' objections that an agreement on this is



not in their interest: "How in the world is a developing country going to attract technology transfer and investment if it steals patents?"

U.S. Secretary of Agriculture Edward Madigan had the same thrust, speaking in Berlin June 7. He urged Germany to take the lead within the European Community, in tearing down farm trade barriers, which he compared to the Berlin Wall.

He warned that the U.S. Congress could take unilateral protectionist measures unless world agriculture trade were liberalized at talks this year under the aegis of GATT. He stated: "It is difficult for Americans to comprehend why the United States should accept the export of automobiles, machine tools, and industrial chemicals from Germany while European borders to our agricultural goods remain closed." Madigan has been in Germany for meetings with his German counterpart Ignaz Kiechle.

### Europe on the fast track

The commission for trade negotiations, the steering committee of the GATT, has met in Geneva under the leadership of GATT Director General Arthur Dunkel, and has worked out a program of meetings for GATT's seven working groups, to speed up the process of GATT agreements by the end of July. Three of the working groups—for market access, GATT regulations, and the service sector—will meet twice before the end of July, while one session is scheduled for the groups on agriculture, textiles and clothing, and intellectual property rights. At the end of July, the steering committee will meet again, and it is hoped in GATT circles that progress will have been achieved by then because of the priority being given to GATT at the mid-July G-7 summit.

What Bush, with prodding from the British, is demanding is simply more imperial tribute of the sort exacted during the Gulf war to balance the U.S. trade deficit. Financiers want access to \$5 trillion worth of fresh loot over the next 10 years, of which the U.S. share is supposed to be over \$1 trillion. This was the perspective laid out by administration loyalists, both Republicans and Democrats, during the Senate debate at the end of May on Bush's "fast track" reauthorization request for free trade negotiations. The \$5 trillion is supposed to be made up of amounts which include \$300 billion to come from the final elimination of Europe's food production policy; and between \$600-800 billion to result from opening European governments' procurement policies to so-called competitive bidding, i.e., to U.S. and British companies.

It is called "free trade," but that's not what's going on. The U.S. has just reported a balance-of-payments surplus for the first time in years. The surplus is the result of allied tribute, extorted allegedly to cover the so-called costs of Bush's splendid little war in the Gulf. The tribute more than compensated for the trade deficit the U.S. is still running. In the name of GATT and free trade, the idea now is to make such arrangements permanent, to the greater glory of Anglo-

American finance. Thus, David Rockefeller, associated with the bankrupt Chase Manhattan Bank, has become a top promoter of the idea that, without a successful GATT agreement, there will be "catastrophe."

If, as now seems likely, they succeed, it would destroy world recovery prospects, and continental Europe and Japan will follow the United States and Britain into economic collapse and depression.

### It is the U.S. which must learn

This approach was denounced June 10 by U.S. presidential candidate Lyndon LaRouche in a statement released from the Rochester, Minnesota prison where he is held a political prisoner because of his leading opposition to these kinds of policies.

LaRouche said with regard to the upcoming G-7 meeting: "As most of you know, the Bush administration, supported by the Thatcherites in Britain, are demanding that the world at last submit—every single nation, every nook and cranny of this planet—to the *instant* adoption of the United States and Britain's version of Prof. Milton Friedman's free market ideology.

"Now, it's a pretty stupid idea; because, as most of you remember, back about 25 years ago, the United States was still the most powerful, most successful, and most productive economy on this planet. Today, we are the worst—with the exception of Britain, which is the absolute bottom, the absolute pits. We are the worst among all of the industrialized non-communist nations of the world.

"Obviously, the policies we have followed for the past 25 years have been stupid ones; because, in the same period, other nations, which were far behind us in 1963, for example, are now way ahead. And they didn't get ahead by cheating. They just got ahead by not being as stupid as our bankers and our politicians in Washington have been.

"Maybe it would be a better idea for the United States to adopt the policies that have made Japan and West Germany successful, and junk this free market ideology, than demand we take the whole world down to a bottomless pit of ruin.

"Believe me, with the exception of one or two major banks, our entire U.S. banking system and most of our financial system is already bankrupt. We are the basket-case of the Western world.

"The time has come to stop pretending we're so smart, when we have proven ourselves so dumb. The time has come to recognize that in economic policy, in monetary policy, in tax policy, and so on and so forth, over the past 25 years, every administration has been consistently stupid; and our entire leading banking community as well.

"The time has come to learn the lesson of our own present misery. And that is, that we've had the wrong policy, the policy has failed, and the best thing to do, is learn the lesson of experience, and perhaps impose upon ourselves the economic policies of West Germany and Japan."

# Friedrich List: the economist of industrial capitalism

by Paolo Raimondi

*Paolo Raimondi, of the EIR office in Wiesbaden, Germany, gave the following speech to a Schiller Institute conference in Prague on May 25 on the "Productive Triangle" proposal of Lyndon LaRouche for an economic recovery centered on a major infrastructure investment program in Europe. That conference was reported on in the June 14 EIR. His remarks were designed also to counter the free market outlook and International Monetary Fund conditionalities being imposed on Czechoslovakia by Finance Minister Vaclav Klaus. The speech has been slightly edited.*

I will confine my remarks to the refutation of the theory of Adam Smith and Co., the fundamental errors of which have not yet been understood as clearly as they ought to be.

It is this theory which provides opponents of the American System with the intellectual basis of their opposition. It is the combination of these so-called theorists with those who believe themselves interested in the so-called free market, which gives so much seeming strength to this opposition. Boasting of their imaginary superiority in science and knowledge, these disciples of Smith and John Say are treating every defender of common sense like empirics whose mental powers and literary achievements are not strong enough to conceive the sublime doctrine of their masters.

"I believe it is the duty [of the General Convention at Harrisburg, 1827] to lay the axe to the root of the tree, by declaring the system of Adam Smith and Co. to be erroneous, by declaring war against it on behalf of the American System, by inviting literary men to reveal its errors, and to write popular lectures on the American System, and, lastly, by requiring the government of different states, as well as the general government [of America], to support the study of the American System in the different colleges, universities, and literary institutions under these auspices."

Who do you believe is the author of this radical statement? An anti-capitalist revolutionary? A Marxist communist? Or simply a tough-spoken socialist? No, it is Friedrich List, in a letter written July 10, 1827 in Pennsylvania and addressed to Charles Ingersoll, vice president of the Pennsylvania Society for the promotion of manufactures and me-

chanical arts.

Friedrich List, the German scientist and economist born in Reutlingen (Württemberg) in 1789, was to become before his death in 1846, the father of the German Customs Union, the famous Zollverein, which was the basis for the political unity of Germany. List was a staunch promoter of industrial capitalism, the American system of physical economy, the system of national economy, and of the first great, integrated European-wide railway and overall transportation system.

I believe that it is relevant psychologically to have this precise historical reference, because the collapse of the Bolshevik economic system has struck Eastern Europe and the Soviet Union with such dismay that there is a tendency to think, on the presumption that Western propaganda is true, that all Western economies are successful and follow the same so-called free market principles.

The economic and global crisis is so advanced and explosive that we are not allowed to make such a mistake or to lose more time.

I will now quickly point out some of the most relevant contributions of List's theory and activity, attempting to use his own arguments, taken from his many writings, the most well known being *The National System of Political Economy* of 1844.

## **Cosmopolitanism versus nations**

Political economy is formed of three component parts: 1) individual economy, 2) national economy, and 3) the economy of mankind. Adam Smith treats of individual economy and economy of mankind, i.e., cosmopolitan economy. Freedom throughout the whole globe, universal eternal peace, rights of nature, union of the whole human family. Absolute freedom of trade throughout the whole globe was in full harmony with this doctrine.

This is the ideology of One Worldism, of the new world order, with the blessing of the freemasonic lodges.

But it is not the reality. In the real world there are nations; some are advanced, have industrial power, military power; others do not. In the real world there are also wars and different and sometimes opposing interests among nations. List



says: "Under the existing condition of the world, the result of general free trade would not be a universal republic but, on the contrary, a universal subjection of the less advanced nations to the supremacy of the predominant manufacturing, commercial, and naval powers." List accused Smith (who worked for the East India Company), of serving the interests of Britain, the colonial power, to maintain the colonies at the level of producers of agricultural products, raw materials, or labor-intensive and low-technology-based products for export. In the same way, List attacked Malthus's population theory as resulting from the Adam Smith free trade colonial system.

List counterposed the idea of a national economy, which was of decisive importance for the emerging nations. A national economy striving to develop its own industrial base and productive forces making available its internal market to the emerging manufactures, protected, if needed, by tariffs and customs duties.

### **Productive power versus exchange value**

For Adam Smith, the "wealth of the nations" is based on the exchange of monetary values organized around the principle "buy cheap and sell dear." Smith says: If a nation produces cotton, for example, because of climatic and other natural reasons, it should simply continue to produce it and export it, and buy from other nations what they can produce the best, like finished textile products from England, for example.

What about building up a national industrial system, including textile manufactures? Smith objects that this would not be economical, because to produce at home will cost, at the beginning, more than to import the already-manufactured goods. This was the system that the British Empire wanted to maintain vis-à-vis its colonies, including the U.S.A., up till the moment of American Independence, and it is what the International Monetary Fund (IMF) has done and is doing vis-à-vis the developing sector, the Eastern European countries, and the world in general.

List's idea is that a nation which produces only values of exchange may appear at some moment to do well, but it will never be sovereign and independent and really industrially strong. "The power of producing wealth is infinitely more important than the wealth itself; it ensures not only the possession and the increase of what has been gained but also the replacement of what has been lost." Education, advancements in culture, scientific promotion, promotion of justice, defense of the nation, increase of knowledge, extension of liberty, perfection of political institutions combined with a growing manufacturing power, this is the source of value, and once mobilized, it can generate greater production of material wealth.

"The present state of the nations is the result of the accumulation of all discoveries, inventions, improvements, perfections, and exertions of all generations which have lived

before us; they form the mental capital of the present human race and every separate nation is productive only in the proportions in which it has known how to appropriate these attainments for former generations and to increase them by its own acquisitions. . . . The most important product of the nations consists of men."

Along this line of thinking, List supported the idea creating *écoles polytechniques*, schools of science and engineering, in all the major cities in America and in Europe. He advanced a number of proposals to promote scientific and humanist education and supported the organization of economic and scientific exhibitions, as an aspect of education and socialization of the scientific and technological discoveries and their implementation.

### **Industrial capitalism**

The American or industrial capitalist system of economics consists in the development of basic economic infrastructure by the state with the understanding that it is the state's responsibility to generate credit, and provide the direction for and maintenance of these projects. This is accomplished by a combination of direct state economic action, and through state creation of a system of regulations in which private interests can operate. At the same time, it fosters technological progress and entrepreneurial activity. It is the creation of a technologically advanced industrial base which is the result of the development of a national economy, production, and internal market. The internal market, especially in the initial phase, must be protected through the maintenance of trade barriers.

Credit and financial policy in the American System are associated with Alexander Hamilton, the first treasury secretary of the U.S.A. from 1789 to 1794, who founded the First National Bank of the United States. The national bank creates credit (at low interest rates), increasing the banknotes in existence, but ensuring they are rigorously bestowed for specific categories of productive investment. This function is coordinated with the private banking system.

List participated directly in fostering the American System when introduced to America by Gen. Marquis de Lafayette. He was received in America in 1825 as a European and American republican and patriot. He collaborated personally with Americans like later Secretary of State Henry Clay, later President John Quincy Adams, and the economist Mathew Carey.

### **The Zollverein**

Thirty-six German states, each with its own economy and tariff system, had no say in history vis-à-vis the overwhelming military and economic power of the British Empire and its colonies. The British continuously manipulated these states in playing the interest of each against the others. List understood that to become independent and united, Germany had to be able to develop its own

industry, manufactures, and productive power. Political union can be achieved if there is a working economic union. He proposed to create a common market for the German states, that is, the elimination of internal tariffs. But to build up industrial strength one needs some time, and the still weak industrial national structure must be able to produce for the internal market even if, at the beginning, the cost may be higher than the British offers. The market must be protected by customs duties against foreign competition. Only the most important branches of industry (with high concentration of technology) requires special protection for the initial phase.

The Zollverein began on Jan. 1, 1835 (List had fought for this since 1819), with the Prussia-Hanover and the Bavaria-Württemberg associations, and recruited the others on the way, the last ones to join being the Hansa cities which were more under British influence. List's idea was to associate to this union, de facto, all of continental Europe. He proposed this to Belgium in 1844. He tried to get Holland in it in 1844; Austria and Hungary, including Prague, he had already invited in 1843; and from here he foresaw a corridor of development along the Danube up to Turkey. He discussed this with France, where he was in contact with the followers of the Colbertist tradition. He had a plan to associate Russia to this expansion of manufacturing and trade.

One can say that he is the real father of the European economic community based on the American System.

### **The railway system and infrastructure**

To create a national industrial system and to promote the development of the productive forces of the new union, List proposed the immediate realization of a series of great projects centered fundamentally in the creation of an efficient network of railway connections. List called the Zollverein and the railway system "the Siamese twins." Already in 1833 in his first comprehensive railway plan, one of the arms coming from Leipzig went to Prague. His project was to connect all continental Europe by rail and inland canals, reaching in particular into Belgium and Holland, establishing in this way a direct connection of Europe to the United States via ocean-going navigation.

List's ideas of a "national system of political economy" reached into Japan, the China of Dr. Sun Yat-sen, Latin America, Hungary, and in all the corners of Europe. The Spinners' Association of Bohemia was very close to List's ideas, and the Slovak writer Lodovit Stur campaigned for List's programs.

### **The degeneracy of Vaclav Klaus**

With these sketchy but useful ideas of the Listian system, of the American System, let us turn to investigate the proposals and the program of Vaclav Klaus, the finance minister of Czechoslovakia.

What really is his program? From the intensity of the

discussions and the aura of power built up also in the West, one might be misled to think that Klaus has a comprehensive, detailed, extraordinary plan to get the economy out of communist backwardness into the paradise of what he calls the market economy. I had the chance to read the available collection of speeches and contributions he made in a number of public meetings in the past months since November 1989, and I must admit my surprise to see how little economic elaboration there is in the middle of a big ideological thrust. But let us look more closely to dig out his fundamental criteria of economic reform.

1) Klaus wants a free market economy. To better qualify this notion, he calls immediately to his assistance Adam Smith and Milton Friedman of the Chicago School of Economics.

2) A negative definition. A market economy is not the 1968 Prague Spring, it is not market socialism from the West, not perestroika, not a sophisticated government program which wants to build infrastructure, it is not a state plan.

3) The time. The "reform" must be implemented according to the "turnpike theorem"; that is, the fastest way without any hesitation and no halfway measures or hybrids. "We have to follow a straight ideological and economic turnpike to implement a full-fledged market economy," Klaus said.

4) The three pillars of the transformation.

A) Private property through domestic and foreign agents. It is supposed to be a full privatization also with the help of the voucher system for the workers, because there is a low rate of savings in the country.

B) Opening the domestic market through 1) price liberalization, 2) elimination of government intervention, 3) elimination of subsidies, and 4) devaluation of the currency (there have already been three devaluations).

C) Opening Czechoslovakia's economy to the rest of the world through 1) the liberalization of foreign trade, and 2) internal convertibility.

Klaus mentions some problems which are aggravating the situation, like the oil shock and the collapse of foreign trade among Eastern European countries. He asks Western countries to open their market to Czechoslovakian products and exports, and to encourage public sectors of Western countries to contract for goods in the East—both suggestions being in direct violation of the implacable law of the "invisible hand" of the free market. Finally, Klaus candidly admits that he is not with those who want to orient his nation toward Europe, but toward worldwide institutions like the IMF, World Bank, and the General Agreement on Tariffs and Trade (GATT). Why? "Because prosperity is founded upon a system of a worldwide free trade, not upon man-made institutions."

Klaus then combines these decisions with a repeated firm belief in "a very restrictive monetary and fiscal policy combined with cuts in the subsidies and radical and painful budget

cuts, eliminating the excess demand in investment and intermediate goods market." He wants, through cuts, to move from a deficit to a surplus budget as quickly as possible, to reach a zero rate of growth of monetary supply, rejecting at the same time major foreign aid financial assistance which is "not only wrong but dangerous because [it will] decelerate the change of the system."

### The 'Mexico of Europe'

So everyone can clearly see that Klaus not only does not have a plan to promote industry and agriculture, but he does not want to have it. The end result of his policy will be catastrophe. Czechoslovakia, which managed to maintain a relatively high industrial and technological standard in the Soviet-dominated East bloc, has gotten a communist inheritance of an industry with backward technology compared with German or Western European standards, low productivity, poor product quality, no market in the West, lack of efficient infrastructure, communications, and transportation, an unbalanced bureaucratic management, a market totally oriented toward Moscow, and a proportionally gigantic armament industry of which a part must be converted. Consequently, no one in the world of the free market would buy a product made in Czechoslovakia if he can get a better Western product. On the contrary, due to the incredible devaluation, foreign capital can buy everything cheap in Czechoslovakia and, conversely, Czechoslovakia cannot buy anything (in particular a high-technology product) in the West. This system is de facto transforming the country into a Third World, colonial entity. At the present time, countries of Africa or Latin America are used to extract raw materials; here, the main raw material is relatively qualified but cheap labor. I believe that the plan of the free market proponents is to transform Czechoslovakia into the "Mexico of Europe," looting the cheap labor.

In the short to medium term, this system will lead to a collapse of the domestic market and a total block on technological modernization for lack of funds. The restrictive credit policy implies a foreign takeover, and an impossibility for the formation of a national Mittelstand, small- to medium-sized private entrepreneurs, which is the only alternative to what Klaus calls the monopolist state. And the alternative to this monopolist state will then be to sell the state entities to foreign, international cartels.

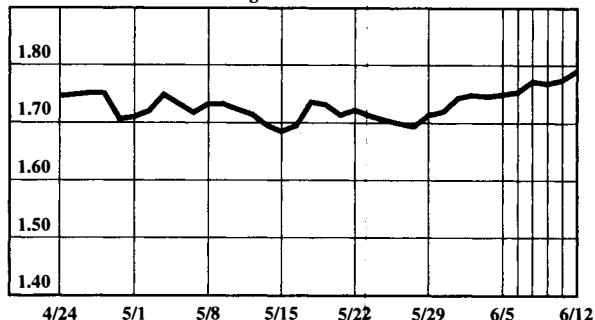
Klaus's policy is putting before the nation two alternatives: internal market and production collapse, with all the imaginable social and political consequences, or pushing Czechoslovakia back into the arms of the Soviet Union, i.e., to continue to produce for the old system, as a province of the Soviet or Russian Empire.

There is an alternative: participate in creating a continental European system of economic development, the American System, the industrial system of the "Productive Triangle."

## Currency Rates

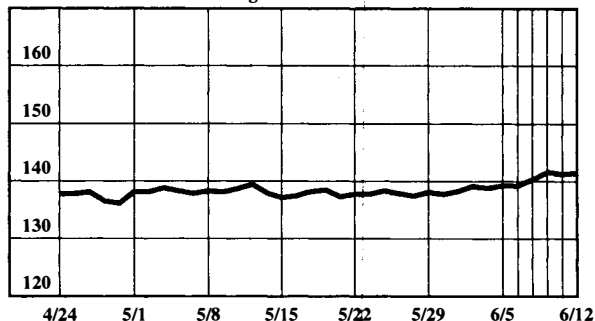
### The dollar in deutschemarks

New York late afternoon fixing



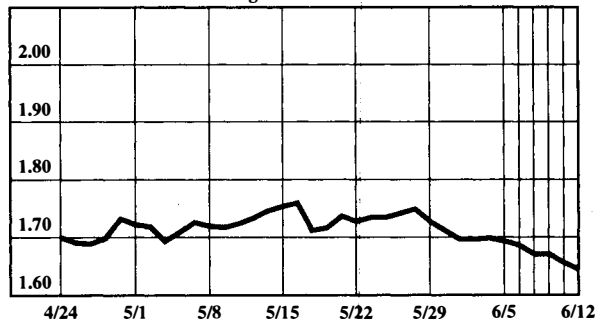
### The dollar in yen

New York late afternoon fixing



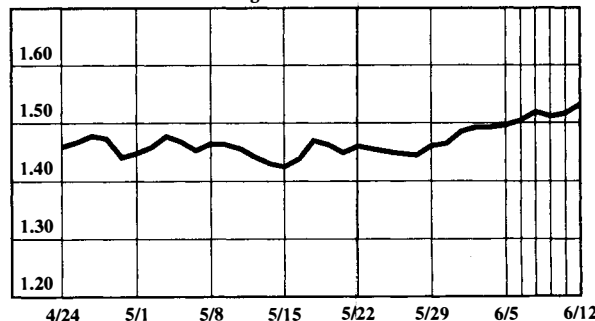
### The British pound in dollars

New York late afternoon fixing



### The dollar in Swiss francs

New York late afternoon fixing



# Ministers Samper and Hommes promote narco-economics in Colombia

by Javier Almario

The industrial sectors that will be hurt most by the "free market" economics imposed by the government of President César Gaviria Trujillo, are "steel, automobile, and sectors related to petrochemicals," according to Ernesto Samper Pizano, the perennial proponent of drug legalization who is currently Minister of Economic Development in the Gaviria cabinet. Samper made these remarks in an exclusive interview with *EIR*, which took place in his office in the capital city of Bogotá in early May.

These economic sectors, which will not resist the indiscriminate opening up of imports demanded of Colombia by the International Monetary Fund and the Bush administration, will simply disappear, and their bankruptcy will cause unemployment and a worsening of the living conditions of the Colombian population. "Those are the most sensitive sectors, and labor management schemes are being constructed and designed for them," Samper admitted.

Despite the social and economic consequences of this economic opening, the Colombian government is not willing to give in an inch, and is insisting that all of the monetarist demands of Colombia's creditors be fully satisfied. As a result of the opening, Samper told *EIR*, "The rights of workers will be hurt. Or, more than rights, the general conditions of the average worker." But the government will insist on going ahead with the program, and will seek "labor relocation, retraining, and skills enhancement," to try to absorb the unemployment through micro-businesses that will undoubtedly pay lower wages than the workers are currently receiving from the larger companies.

The destruction of national production which the free trade policy will bring about is not something which will occur sometime in the future, as Samper claims; it is something that is already causing huge losses and threatens to completely paralyze the country's economy. The invasion of imported goods, which has resulted from the total opening to imports and the reduction of tariffs decreed at the beginning of the Gaviria administration, has already damaged national production seriously.

According to the National Association of Industries (ANDI), industrial output dropped 3% in the first quarter of

1991, and sales dropped 1%.

The hardest hit sectors were

- petrochemicals, whose production fell by 20%;
- transportation equipment and materials, down 14%;
- metal products, down 12.4%;
- textiles, which fell by 12.3%; and
- non-metallic minerals, down 10.5%

However, it is not only Samper Pizano's trade opening, which is strangling national production. The monetarist credit policies being carried out by Colombia's Finance Minister Rudolf Hommes, who is Samper's colleague, have deliberately raised interest rates while simultaneously placing the country's entire credit system in the hands of the drug runners.

In point of fact, Hommes, who keeps using the excuse that it is necessary "to break the backbone of inflation," has destroyed the national credit system with a single stroke of the pen. At the end of last year, Hommes issued an order that all new banking deposits had to be shipped directly to the Banco de la República, the country's central bank—i.e., he established a 100% banking reserve. The result has been that the banks can't lend any of the money they receive in the form of deposits, but only the money that they take in as payments on earlier loans issued.

## Boom in the 'extra-banking market'

"The financial system so far this year has reduced loans by 300 billion pesos," said Flor Angela Gómez, the director of the Banking Association of Colombia (Asobancaria), on May 18. This, she said, "has caused serious traumas to companies and to the economy as a whole. In order to be able to get money, big and small companies alike have had to take recourse to the extra-banking market, getting involved in highly risky operations with interest rates above 60% effective annual rate."

It's an open secret that most of the extra-banking market is controlled by the drug runners. The switch-over from credit from the traditional banking system to the non-conventional extra-banking system "was foreseen in our plans. We knew that it was going to happen," Rudolf Hommes bragged before

television cameras on May 19.

All sectors of the economy are in trouble as a result of this policy. Cattle ranchers have cut back production so drastically that the price of meat has almost doubled this year. The National Federation of Rice Growers warned that if credit was not restored to the agricultural sector, production will be paralyzed and there will be a drastic shortage of food by the end of the year. Housing construction dropped 12% in the first quarter. The same is in store for fishing. Nobody is safe—except for the drug runners.

Meanwhile, President César Gaviria's government has suspended all payment to the contractors who build or repair highways, bridges, and other public works, which has brought the country's engineering sector to the brink, and paralyzed all works. Every month there is another announcement about the postponement of the construction of some hydroelectric dam or other project, citing two excuses: "there is no money," or "it's a way of freezing the money supply."

### Only the drug runners run free

Although the Gaviria government keeps explaining that the "monetary squeeze" is necessary in order to "restrict the money supply and thereby control inflation," the same government is allowing the drug runners an immense amount of liquidity that has turned them into the lenders of last resort. It should be noted that Gaviria is engaged in a series of negotiations with the drug runners designed to lead to their "surrender" to authorities, after which they would spend a few months in jail, they would be pardoned, and their assets would be legalized.

The infamous "sinister window" mechanism has been supremely active over the course of this year. This "window" or facility at the central bank was established under the presidency of Alfonso López Michelsen—who is known as the narcos' political godfather—and through it anyone can exchange unlimited amounts of dollars, with no questions asked as to their origin.

In the first four months of 1991, the window has bought \$1.033 billion, 125% more than during the same period last year.

Those selling the dollars assert that the money has come from income from services such as tourism—but no one has seen any enormous flow of foreign tourists into Colombia's cities, such as would account for this amount of foreign exchange, which is equal to about a third of the country's annual debt service.

In order to buy those \$1.033 billion, the central bank had to print more than 600 billion pesos. In other words, the government ordered 300 billion pesos worth of productive credits frozen, at the same time that it was handing over liquidity to the tune of 600 billion pesos to the owners of the extra-banking credit market—i.e., the drug runners! Not even from a strictly monetarist point of view can one argue that this is an anti-inflationary restriction of the money sup-

ply. Rather, it is a policy of handing all economic power over to the drug runners.

### Bush's 'Enterprise for the Americas'

In the first six weeks of application of the government's new law amnestying capital held abroad, 33 billion pesos have been amnestied and legalized. "That way we have gotten a billion pesos in taxes for the nation's treasury," Hommes bragged.

But this is no home-grown policy. Samper, in his interview with *EIR*, admitted that his office is coordinating and negotiating the country's economic policies directly with the government of the United States. He also conceded that, as part of President George Bush's Enterprise for the Americas initiative, which Samper endorses and is trying to apply in Colombia, they are implementing in Colombia a "free foreign exchange" policy, and the establishment of various international financial centers with flexible regulations, as in Panama, Uruguay, and the various Caribbean islands, designed to attract foreign capital. In other words, officially they are encouraging the formation of establishments to launder dirty money.

The creation of an international financial center in Bogotá, as demanded by Bush, "is one of the factors that the Finance Ministry will have to consider when it authorizes the creation of the international financial centers. Concretely, we have thought of establishing one on the island of San Andrés."

Under Bush's initiative, Colombia would be left with a fictitious, drugged economy, while the real physical goods, natural resources—such as oil, coal, and natural gas—industry and equipment, and utilities will end up in the hands of the international creditors and "foreign investors," be they multinationals, drug runners, or both, or in the hands of some ecologist foundation or other whose purpose is to reduce the Colombian population supposedly in order to "protect nature."

The Colombian government, Samper said, is willing to exchange "debt for nature" on the terms established by the Bush initiative. "For example, Carbacol commits itself to pay its debt in Colombian pesos to an ecological foundation and, in exchange for that pledge, its debt is reduced. Basically, the [U.S.] Export-Import Bank would hand the debt over to a foundation so that that foundation can live off the interest Carbacol would pay them." The foundation would buy national territory and prevent its use for any economic activity.

*EIR's* last question to Samper was the following: "There are a series of individuals and foundations in the United States that promote the legalization of drugs and they had great hopes that you, in the government, would do something for their cause. What message would you like to send them at this point?"

Samper's answer was: "Well, ask me that question when I leave the ministry."

# Mexico becoming a world paradise for financial speculation and fraud

by Carlos Cota Meza and Dennis Small

This magazine has charged that one of the essential purposes of the much-touted North American Free Trade Agreement (NAFTA) of the U.S., Canada, and Mexico is to ensure that Mexico generates enough foreign exchange earnings to be able to continue paying its foreign debt of over \$100 billion. We have explained that this will be achieved through a gigantic growth of the slave labor shops across the border in Mexico, known as *maquiladoras*. And we have argued that the Bush administration is lying when it projects a growth in U.S. jobs based on increasing American exports to Mexico, for the simple reason that Mexico's creditor banks and the International Monetary Fund will not allow it to continue importing more than it is exporting: a balance of trade *surplus* is the *sine qua non* of debt repayment.

Almost before the ink was dry on Bush's "fast track" victory in Congress, the City of London's *Financial Times* was quick to admit what *EIR* has been charging all along. In its June 3 issue, the *Financial Times* stated matter of factly that, with NAFTA, "the whole country would eventually have duty-free status . . . [a] transformation of Mexico into one big *maquiladora*." And in its May 21 issue, the London-based international daily had warned that, except for the *maquiladora* sector, Mexico was running an increasing trade deficit, and that this should not be allowed to continue, since it was "overheating" the economy.

So, the obvious question is, how is Mexico going to keep current on its over \$9 billion in yearly interest payments?

The answer is simple: Hand over to the creditors title to more and more chunks of the Mexican economy, and use the Mexican stock market to do this. The head of the Mexican Institute of Finance Executives, Ernesto Marcos Giacomani, even came up with a fancy technical name for it: "the stock market-ization" of credit. As the Mexico City daily *El Universal* reported on May 24, Mexico "will increasingly finance itself more through the issuance of stocks and bonds on the capital markets, and less through banking credits. In other words, he [Marcos] said, there is a clear tendency toward the stock market-ization of credit, which has grown as the international financial markets have become more integrated and less regulated."

## A fools' paradise

Mexican financial officials have formally recognized that there is an excess of liquidity, over and above what is required for the movement of goods and services through the economy. Primarily, this monetary surplus is due to the growing influx of foreign capital, by various means. The main refuge for this volatile capital, for the moment, is the Mexican Stock Exchange, whose index has registered dramatic rises not seen on any other stock exchange. On May 10, the stock index passed 990,000 points, and by May 13, it would have surpassed 1 million, had authorities not decided to drop three zeroes, turning the 1 million into 1,000. Once at 1,000, the index again began to climb. The profits are stratospheric, and specialists say that statistical analysis of the stock market is now impossible.

Nonetheless, statistics do exist that suggest how this speculative orgy came about. According to the Mexican Stock Market Institute, there is on the Mexican market a total of \$7.784 billion in what has been categorized as foreign investment. The instrument that has captured the bulk of these funds is the mysterious ADR (American Depositary Receipt), with a total of \$4.256 billion invested. Public stock has captured \$2.104 billion. The investment fund of the government holding company Nacional Financiera has \$1.9 billion, and the Mexico Fund \$413 million. Foreign investment has undergone significant changes. In 1989, total direct foreign investment in Mexico was \$3.036 billion, while foreign investment in financial paper was \$493 million. In other words, for every \$6 in direct foreign investment, there was \$1 in a portfolio investment.

In 1990, the amount of foreign portfolio investment was \$2 billion, as compared to \$2.633 billion in direct foreign investment. For each foreign dollar channeled into the stock market, there was now \$1.36 in direct investment. The tendency for 1991 is that foreign investment in the financial sector will significantly surpass traditional direct investment. According to the apologists of speculation, this is because approval of "fast track" negotiation of NAFTA "will be interpreted by the market as confidence in the Mexican economy."



## Who runs 'the market,' anyway?

Of the total number of stocks which make up the Mexico stock market index, five (Telmex, Cemex, Vitro, Cifra and Femsa) represent 60% of the index, and they jointly make up 74% of daily volume on the exchange. By and large, the busiest days on the exchange are controlled by six brokerage houses, which account for 62% of the traded shares.

But the biggest hoax of all is Teléfonos de México. In 1988 the company had a market value of \$1.7 billion, and the state owned 55.89% of assets. As of the end of 1990, with zero investment for two years, the government sold the presidency of the board of directors to the group of Carlos Slim, in association with Western Bell and France Telecom, for a little more than \$2 billion. In May of 1991, the government concluded the sale of 15.7% of its "L" stocks (which carry limited voting rights inside the company) on 20 different world exchanges, especially those of Tokyo, Amsterdam, London and Wall Street. Significantly, more than \$2.166 billion stayed on deposit in the coffers of the New York Federal Reserve. In exchange, the Mexican government received a Voucher of Deposit from Gerald Corrigan, president of the New York Federal Reserve Bank. It was a great deal. Through the sale of all the most important seats on the board of directors to Carlos Slim, plus the minuscule participation of the telephone workers, plus the sale of the "L" stocks on the international markets, the Mexican government garnered more than \$4.2 billion. The sale of the "L" stocks on the national exchange garnered another \$1 billion, which went directly into the pockets of Slim and company. Now, the market value of Teléfonos de México is \$14.4 billion, more than eight times what it was worth in 1988.

The only problem is that the company isn't worth it. According to Roberto Fernández, one of the bidders defeated by Slim, in the Valley of Mexico alone, Telmex's operations are a total disaster. Underground cables are perpetually flooded during the rainy season, and drainage is a multimillion-dollar operation. Rural telephone service has virtually disappeared in reality, but it remains there on the books. The problem of company retirees and pensioners is also unresolved. Company operations nationwide are in total chaos.

The last real investment in Telmex was in 1985, and it was to repair damage from the earthquakes that hit Mexico City. The company is incapable of responding to the demand for new telephone lines, which is the main reason why a cellular telephone concession was just granted.

The stock exchange transactions of Telmex are similar to the great frauds committed on the London market in the 19th century, when British tricksters created paper companies to sell stocks in the name of Simón Bolívar for building railroads in South America, or in the name of Alexander von Humboldt, for major mining projects in Mexico. The fraud was discovered in 1829, the same year of the crash of the London market.

To be sure, Telmex is no paper company, but its physical

condition is as deplorable as that of the Mexican economy as a whole.

## More bubbles

Perhaps the most significant development at this moment of national euphoria—due to the victory of the fast track, the Telmex negotiations, President Salinas's receipt of the United Earth Award by the U.N., and even by the victory of the Mexican Lupita Jones as the new Miss Universe—is the bankruptcy of the airlines Aeroméxico and Mexicana de Aviación. Both of these companies were just privatized two years ago, and, for a good period of time, their stocks led the Mexican exchange.

Aeroméxico announced that it was canceling its purchase order for various Boeing planes "due to lack of funds," but spokesmen for that company say that there never was a real plan to buy: It was all a propaganda operation designed to drive up the value of its stock on the Mexican exchange. Meanwhile, Mexicana has announced that the results of its 1990 operations "are below the point of financial breakeven."

The regional airlines which were created under the deregulation scheme are also bankrupt. Aerocalifornia was rescued with an almost clandestine credit from the Banco de Comercio Exterior, scarcely two years after it was created. Aviacsa, which covers the southeast region of the country, has had to drop certain routes. Aeromar has suspended almost all its operations and is about to disappear.

But the Mexican government's privatizers are like nymphomaniacs. They are scarcely finished with one company when they are already thinking of how to take on the next one. With the privatization of the airlines, more than \$2 billion entered the financial system. With Telmex, the numbers are already over \$4 billion, and rising. And the talk is that \$8 billion could come in from the reprivatization of Mexico's banks. Thus far, such operations have resulted in the entry of over \$7 billion into the Mexican stock market, which explains why the country's international reserves are at \$13 billion, even though Mexico is now running a foreign trade deficit.

What is the source of these maniacs' success? Rudiger Dornbusch, the MIT professor who is also the mentor of various Mexican government officials, including Finance Minister Pedro Aspe, put it bluntly in an interview with the daily *El Financiero*: "Mexico is about to experience a boom. . . . There are lines of institutional investors and pension fund managers who want to come to Mexico."

In Dornbusch's view, the success of the Mexican model is based on a foreign variable: "George Bush's enormous commitment to Mexico. . . . Bush will be re-elected, such that investors should analyze the next six years of Mexico's economic future in light of the personal interest of the man in the White House. . . ."

Thus, Mexico's economic future seems to depend not only on Bush's political future, but also on his personal health. And what if his thyroid problem worsens?

# After Yeltsin wins, the real race is on

by Konstantin George

The June 12 Russian presidential election is now concluded, with Boris Yeltsin's victory as the first popularly elected President of Russia. This "race" has stolen the headlines in June, but a far more important race is under way in the U.S.S.R., a race against time, to prevent, by early autumn at the latest, a complete collapse of the economy.

Prime Minister Valentin Pavlov, in a speech to the U.S.S.R. Supreme Soviet on June 10, declared that the Soviet Union has "two to three months" to prevent the accelerating decline of the real economy from crossing the threshold where it "will pass out of anyone's control."

He stressed that the government "anti-crisis program" of April had been undertaken just in time, to "hold up the complete collapse of the economy" during the second quarter. The program had barely stemmed the tide toward an uncontrolled drop in industrial production. In the first five months of 1991, the fall in the production of consumer goods had been reduced to "only" 3%, while the drop in industrial production as a whole, at 5% for the first quarter, now stood at 3% for the first five months.

Pavlov emphasized that these figures gave no grounds for complacency: "We have kept ourselves above water, with great difficulty, mainly by having slashed imports by 45%," with no hope in sight of alleviating, let alone reversing this catastrophe, because of the collapse of Soviet hard currency exports, and, he complained, "too few foreign credits" to finance badly needed imports. In the first five months of 1991, exports of oil and natural gas, the U.S.S.R.'s main foreign currency earners, fell by a staggering 49%, and similar percentages were given for the export of timber and ferrous metals.

The collapse of oil and natural gas exports, and along with it Moscow's foreign exchange position (Pavlov revealed that the Soviet Union by June 1 was nearly \$4 billion in arrears in foreign payments) has been the high price for slowing down the rate of internal collapse. As he explained, if the U.S.S.R. had kept its prior level of oil and gas exports, this would have meant slashing oil and gas supplies to industry, touching off a chain reaction of industrial slowdowns and plant closures.

## The crossroads

The only hope for a positive shift in direction depends on what is worked out between Germany and the Soviet Union in the brief interval between the June 12 Russian elections,

and the mid-July Group of Seven summit in London. Gorbachov's plan to attend that summit has been confirmed, following the announcement on June 13 by British Prime Minister John Major that he had been invited.

But British Foreign Secretary Douglas Hurd, during a June 8 stop in the German city of Halle, put out the word that Gorbachov will receive no aid from the G-7 meeting, and that any future aid is predicated on Moscow's submission to humiliating conditions of mass unemployment and overall weakening of industry, like those imposed on Poland. This confirmed the view of many in Moscow that the Anglo-American bloc only wants to sharpen the economic crisis in the U.S.S.R. Those who hold this view, believe that the only potential for healthy economic cooperation lies in forging ties with united Germany.

As Russians were going to the polls on June 12, Foreign Minister Aleksander Bessmertnykh arrived in Bonn for two days of consultations with German Chancellor Helmut Kohl, President Richard von Weizsäcker, and Foreign Minister Hans-Dietrich Genscher. While he was there, it was confirmed that Chancellor Kohl would soon travel to "somewhere" in the Soviet Union, "outside of Moscow" to meet with Gorbachov. Leaks from the Bonn government have pointed to the Ukrainian capital of Kiev as the location and June 18 as the date.

The Anglo-Americans are basing their policies toward the Soviet Union on two false premises: that Russia will "inevitably" be always in a "Time of Troubles," and that the Soviet Union has ceased to be a great military power.

A backlash is building up in Moscow against London and Washington. In his Nobel Peace Prize acceptance speech in Oslo June 5, Gorbachov warned that Moscow will never accept aid based on stringent conditions which mandate Soviet economic and political policy changes. Scoring the Western attitude as "unproductive," he stated: "It is also futile and dangerous to set conditions, to say: 'We'll understand and believe you, as soon as you say, the Soviet Union, move completely to resemble us, the West' . . . Those who participate in and even shape world politics also must continue to change, to review their philosophic perceptions of the changing realities in the world. Otherwise there is no point in drawing up a joint program of practical action." Gorbachov, the Pavlov government (as the party boss was speaking in Oslo, for the second time in five months his prime minister accused Western banks and governments of conducting economic warfare by "credit embargo" against the U.S.S.R.), and the Soviet military know that "aid" tied to the kinds of conditions envisioned by Washington and London is designed not to help, but to doom the Soviet economy and state to mass turmoil.

Gorbachov in Oslo slyly warned that a "new world order" would never happen "if perestroika fails," for then "the prospect of entering a new peaceful period in history will vanish, at least for the foreseeable future."

## Bailing out the 1992 election

*The Bush administration is hoping its bag of tricks can keep the Depression hidden for another year.*

In a farcical replay of 1988, the Bush administration is attempting to hide the enormity of the U.S. banking crisis until after the 1992 elections. Particular emphasis is being placed upon New Hampshire, site of the first primary of the season, and upon New England in general.

With eight months to go before the New Hampshire primary, Bush has a lot of tidying up to do. So far this year, 36 banks with combined assets of \$29 billion have failed in New England, including the Bank of New England. Many depositors still have not been reimbursed in Rhode Island, where the governor was forced to declare a banking holiday, and Connecticut has the highest level of non-performing loans (10.4% of all loans) of any state in the nation.

On top of that, Thomas Cimeno, senior vice president of the Federal Reserve Bank of Boston, told a meeting of the New England Economic Project June 6, that the troubles at the region's banks were far from over.

"We'll have enough failures [over the next 12 months] to equal in size the failures we've had to date," Cimeno said. The failure of "20 mid-sized institutions isn't out of the question by any means," he said. "That's not unreasonable."

"New Hampshire is an absolute basket case," Cimeno said. "It's pretty well understood that a lot of those companies are insolvent or on the road to insolvencies." Some form of Federal Deposit Insurance Corp. (FDIC) open bank assistance to those banks, he said, is likely "very soon."

"Open bank assistance is an idea whose time has come," Cimeno added. "The FDIC can take them one by one or do something more creative and less expensive to the fund."

Open bank assistance, in which the FDIC injects capital into a troubled bank without closing it, is one part of what Office of Thrift Supervision director Timothy Ryan recently called a "new strategy" being devised by the FDIC and the OTS for dealing with troubled banks.

Other aspects of this alleged new strategy include forbearance, under which federal regulators leave troubled or even insolvent banks and S&Ls open; and placing insolvent institutions or groups of insolvent institutions under new management.

None of this is new. In the late 1980s during the Reagan-Bush administration, regulators left scores of banks and thrifts open, either under their own management or under federal conservatorship. These institutions proceeded to lose billions of dollars more than they would had they been closed, dramatically driving up the cost of the taxpayer-funded bailout.

After then-Vice President Bush was safely elected President, he then launched a massive public relations campaign to blame the crisis on alleged corruption by S&L officials and Democratic congressmen, and directed the Department of Justice—at even greater cost to the taxpayers—to frame up and prosecute these alleged crooks. Never again, the President pompously intoned, would this type of criminal behavior be tolerated.

But now, with the 1992 presidential campaign rapidly approaching, that is precisely what George Bush is doing.

This time around, however, there is significant opposition to the administration's scheme.

"If I had the power," House Banking Committee chairman Henry B. Gonzalez (D-Tex.) told *Rolling Stone* magazine, "I would just go ahead and accept the fact that we've got insolvent institutions and you ought to shut them down—right away. What we're getting instead is regulatory dictums as to who they think they can keep alive. I think we're deceiving ourselves again."

The American Bankers Association, which represents small and large banks, has expressed a similar position.

In the Senate, Banking Committee Chairman Sen. Don Riegle (D-Mich.) is holding up the reconfirmation of Comptroller of the Currency Robert Clarke until the administration provides the committee the "full story" on the administration's handling of the failure of the Bank of New England—which was in effect dead a year before its closing in January.

In a May 23 letter to Comptroller General Charles Bowsher, Riegle called for Bowsher's General Accounting Office to evaluate the Comptroller of the Currency's handling of the Bank of New England, including why "the Comptroller was so mistaken in its assessment of the health of the Bank of New England . . . in 1988 and early 1989."

"The committee will not proceed to the nomination of Clarke until the inquiry on the Bank of New England is completed," Riegle wrote Bowsher.

Meanwhile, the pre-election situation continues to unravel rapidly. The FDIC recently increased its projections for bank failures, admitting that the agency could lose as much as \$23.1 billion during 1991 and 1992.

## Farm milk prices plunge

*To free traders, low prices are "competitive"; to farmers and eaters, they are economic disaster.*

June is "National Dairy Month." This year it should be better known as "National Dairy Crisis Month." Today's farm milk prices are the same as they were in 1978—part of the overall plunge of basic farm commodity prices implemented in the last 10 years by the food cartel, private financial interests, and the U.S. Department of Agriculture. Some examples: Wool prices are down by 50% in one year; wheat prices are down by 50%; and dairy prices dropped close to 30% since last fall.

Ignoring the implications of this crisis situation for farmers, and for the eating public, the new Secretary of Agriculture Edward Madigan has joined with U.S. Trade Representative Carla Hills to run around Europe in recent weeks, insisting that the "Uruguay Round" of the U.N. General Agreement on Tariffs and Trade (GATT) be revived to result in a global treaty this year. For what purpose? To force governments around the globe to allow their farm sectors and food supplies to be governed by the "free market" run by the international cartel companies.

Since the Uruguay Round was begun at a GATT member-nation meeting in 1986 in Punta del Este, Uruguay, the GATT bureaucracy in Switzerland has criticized the U.S. milk and sugar price policies as "trade distorting," and excessively supported by federal intervention. Reference was made to the U.S. national milk marketing system and federal floor price program, set up in the 1930s in the name of providing a secure supply of fresh milk, a perishable food item.

Though the Bush administration has insisted on setting the floor price far too low—\$10.10 for a hundredweight (about 12 gallons) of raw milk—the mechanism is itself useful, and a sovereign prerogative.

But under a GATT treaty, such an intervention will be outlawed. Even now, in advance of compliance with the free trade policy, the USDA has been issuing reports and planning hearings on dismantling the floor price and marketing board system. And they are insistent on low prices to farmers no matter what. This spring, a move by the U.S. Congress to raise the farm milk price floor was quashed by the Bush White House.

Since then, individual states have moved to order that buyers of raw milk pay higher prices to farmers. For example, on May 8, New York State ordered that dairy farmers receive an extra 80¢ a hundredweight for their milk.

The signs of what could throw a monkey wrench into these GATT machinations came during June from Wisconsin, the nation's leading dairy state.

A county government board in northern Wisconsin declared a state of economic emergency—not because of weather or other natural disaster, but because of "man-made" disaster—namely, the low milk prices. County officials have asked for help, something the GATT process would disallow.

The Board of Supervisors of Lincoln County passed a resolution of emergency, they said, in order to call national attention to the economic

emergency caused by low farm prices.

The declaration was passed 14-5 on June 5, and the same initiative is now being taken up by surrounding counties. Elected officials of nearby Clark County defeated a similar resolution earlier this year, by one vote.

Lincoln County dairy farmer, Phil Schneider, who is a board member who backs the resolution, told the Associated Press, "If prices stay as they are, there will be no sound dairy farmers in the state."

The Lincoln County resolution reads, in part:

"Whereas, the dairy farmers of Wisconsin and Lincoln County have had a severe drop in milk prices in recent times; and

"Whereas, their expenditures for farm operations have remained the same or increased; and

"Whereas, Lincoln County conducted a survey of 25% of the dairy farmers in the county and found that 40% were planning on retiring before 1995 and found that 87% of all the farmers had no successors intending on continuing in farming once the current operator quit dairying; and

"Whereas, at the time of the survey the farmer was making a slight profit. Since the survey, milk prices have dropped 25%. This reflects a loss of \$4.25 million. The price for milk is below a profitable level for nearly all dairy farmers, which will increase the amount of farmers who are near retirement and/or forced out of farming for financial reasons.

"Therefore, be it resolved that the plight of the farmers in Lincoln County will have a most definite affect on the tax base of Lincoln County. Let it hereby be requested by the Lincoln County Board of Supervisors to declare Lincoln County as a disaster area and request the appropriate federal officials and agencies to provide help to the dairy farmers."

## 'The issue is oil'

*Even government spokesmen admit that the privatization scheme is Kissinger's old debt-for-equity grab, with a new twist.*

**B**razil's privatization program constitutes such an overt assault on national sovereignty and so openly favors creditor banks and other foreign agencies, that within days of its being launched officially, even Vice President Itamar Franco attacked it.

While President Fernando Collor de Mello was in Europe on official business, *Folha de São Paulo* published an interview with Itamar Franco on June 6, in which the vice president affirmed, "I have my own ideas," and added that the proposed sale of the large steel complex Usiminas "will hurt" the economy of the state where it is located. "I would favor the move," he continued, "if local businessmen and the workers could control the company."

These statements exemplify the widespread rejection of the model which the government is using to sell off the first company in its privatization program, the profitable Usiminas. The gigantic concern, which produces 40% of national steel production, and exports \$500 million worth of steel annually, was assessed for sale at the dirt-cheap value of \$1.5 billion.

This reaction to the auctioning of state sector companies is the least of it, however. On May 17, Eduardo Modiano, president of the National Economic and Social Development Bank (BNDES), who is also coordinator of the privatization program, admitted to foreign journalists in a Rio de Janeiro press conference that the program, whose first phase will sell off 26 companies, starting with Usiminas, is nothing other than former Sec-

retary of State Henry Kissinger's old debt-for-equity plan, presented at the 1983 Council of the Americas meeting in Vail, Colorado and later incorporated into George Bush's Enterprise for the Americas plan.

When *EIR* asked Modiano whether plans to privatize companies like the state oil concern Petrobras, or the strategically important telecommunications company Embratel, weren't being mentioned for the moment for "tactical reasons," Modiano responded sharply, "Yes, it is a political tactic not to discuss this for now . . . because if we were to begin talking about the state oil monopoly, we'd end up not privatizing anything." He added that "the government's project [the National Reconstruction Project], sent recently to the Congress, includes six constitutional amendments putting an end to the state oil and telecommunications monopolies."

Brazil's Constitution protects the existence of these two strategically vital sectors, both of which are considered to represent the country's economic sovereignty. Defense of these sectors has served to unite diverse political forces, from both civilian and military arenas.

Asked again by *EIR* whether the Collor government's plan to swap debt for equity in state-sector companies was the same plan designed by Kissinger, Modiano replied: "Each country pays its debt in whatever way it can; that's what we're doing." He explained that this would provide the means to assemble funds to be used exclusively to "reduce the public debt,

both domestic and foreign . . . and not one penny will go for new investment." In fact, Modiano concluded, Brazil's is "a fine program for swapping foreign debt for equity in companies."

Currently Kissinger Associates, Inc., the former secretary of state's consulting firm which is taking the lead in ensuring that privatizations go forward in Ibero-America, especially in the oil sector, is going to great lengths to ensure that control over hemispheric oil reserves remains in the hands of the U.S. and George Bush's new world order.

Kissinger Associates President Alan Stoga recently told a reporter that "the real issue in the Enterprise for the Americas program is oil." The U.S. should guarantee its supply from within the hemisphere, he said, from Mexico and Venezuela. Obviously, the U.S. will consider other options as well. Stoga mentioned, for example, the recent decision to explore Antarctica.

Kissinger and the Bush administration's desires to grab resources like oil are compatible with those of the Brazilian privatization team. They openly assert that they want to dismantle the entire state sector and add, "we're seeking the privatization of the future."

Moreover, they are quite clear that they are handing real wealth over to foreign groups, such as those which control the world's oil monopoly. In discussing the privatization of the petrochemical sector, which will begin with the Petroquisa conglomerate which refines oil owned by Petrobras, the BNDES director in charge of that sector revealed that the company which evaluates the privatization procedure is linked the Rothschild Bank, i.e., to the interests of the Anglo-Dutch oil company, Royal Dutch Shell.

# Business Briefs

## **Biological Holocaust**

### **Heimlich warns of multiple epidemics**

Speaking at a May 25 commencement address at Eastern Virginia Medical School, Dr. Henry J. Heimlich warned that the U.S. is moving toward a biological holocaust based on multiple epidemics of infectious disease.

The renowned developer of the lifesaving technique to save choking victims, the "Heimlich Maneuver," said that the United States is moving toward "a major catastrophe." "The forerunner, AIDS, is spreading rapidly," he said. "But that's just the beginning."

Syphilis, tuberculosis, measles, malaria, Lyme disease, and even rabies are spreading, he said. The agencies charged with halting these diseases are routinely and quietly dismissing them, he said. "We watched AIDS develop in the gay community and the answer was, 'That's them.' We've allowed poverty to continue in the richest country, and that is morally wrong, and it's destructive," he said.

"If we continue to ignore the problems of our streets and inner-cities because a disease strikes minority groups or needle users, these diseases will reach into our homes, offices, and hospitals, as has happened with narcotics, crime, and AIDS. As long as this wealthy country turns it back on the poverty in our midst, epidemics will spread."

## **'Free Market'**

### **Vienna Institute attacks shock therapy**

"The so-called shock therapy to create a radical transition to a market economy, as applied first in Poland, can actually lead to a South American-type of situation in which not only is inflation not permanently solved, but in which recession becomes a chronic phenomenon," charges the Vienna Institute for Comparative Economic Studies. The institute has issued a study which attacks the economics of Harvard's Jeffrey Sachs, the International Mone-

tary Fund (IMF), and the World Bank.

"The IMF and World Bank point out that they have all the right answers. [But] the mandate of these institutions [is] totally monetaristic, claiming that deficiency of money is the most important variable in economic policy. The chief task of the IMF is to correct temporary balance-of-payments discrepancies."

Rather than Western economists claiming they are the great experts, the study calls for a little more humility. "Most Western economists have absolutely no direct knowledge of the economies they are advising in Eastern Europe."

## **Agriculture**

### **Bovine AIDS virus widespread in U.S. herds**

A bovine AIDS virus is widespread in U.S. herds, and may be spread by biting flies, according to the May 31 *Wall Street Journal*. Infection rates vary from 4% in Midwestern and border states to 8% in the Louisiana-Mississippi region. Utah herds show no infection.

"Researchers say there is 'no firm evidence' so far that BIV suppresses the immune defenses of beef and dairy cattle so that they are more susceptible to disease and infection," according to the paper. Martin VanDerMaaten, leader of the BIV research team at the Agriculture Department's National Animal Disease Center in Ames, Iowa, says, "We don't have clinical evidence of these animals coming down with bacterial diseases." However, virulence increases as BIV passes from one cow to another.

The *Wall Street Journal* continues, "The researchers don't yet know how the virus is transmitted from cow to cow, but they suspect that biting flies may pass it."

It does seem clear that BIV is not infectious to human beings—research workers have accidentally inoculated themselves with the virus without subsequently developing antibodies. The virus is also easily killed by the cooking of meat and the pasteurization of milk.

## **Infrastructure**

### **German: Soviets need big projects quickly**

Infrastructure projects in the Soviet Union aided by Western nations are a top international priority, according to a German Social Democratic parliamentarian. Germany and other Western nations must make a hard and fast commitment to build infrastructure to help the Soviet economy out of its crisis, Markus Meckel told a conference on the U.S.S.R. Meckel is a member of the so-called "East" faction of his party. He served as the foreign minister in the interim East German regime in the period leading up to German reunification.

Meckel said that it was a mistake for West Germany not to have agreed to a DM 15 billion infrastructure fund (about \$ 8.3 billion) when transitional communist leader Hans Modrow came to Bonn in February 1990. "Whatever people thought of Modrow and communism, the fact is that a definite commitment to infrastructure then would have bought valuable time, and set in motion a process that might have avoided the crisis situation in eastern Germany now."

The same now applies to Gorbachov and the U.S.S.R., he said. "Whatever happens to him, it were better now to agree to build transport and railway systems. There should be a railway between Warsaw and Moscow, also between Riga and Leningrad. That is the way we should be thinking."

## **Development**

### **OAU chief calls for 'German model' for Africa**

Africa needs something like the very productive German *Mittelstand* or medium-sized industries, declared Uganda President Yoweri Museveni, who is the outgoing chairman of the Organization of African Unity, in an interview with the June 4 *Tageszeitung* daily.

Attacking tribalism as a big obstacle to economic recovery in Africa, Museveni, who



recently visited Bonn and met with Chancellor Helmut Kohl, said: "There was tribalism once also in Europe, even in Germany. And what created German unity in the past century? The German *Mittelstand* promoted the movement for unification. It felt strangled and was fed up with the system of small states. Thus, the social development led to the political development.

"The basic problem of Africa is not tribalist thought, but the lack of an industrial, productive *Mittelstand* that has an interest in the market.

"What has prevented the emerging of an African *Mittelstand*," he concluded, "was not the Africans. The international system is the reason. . . . Unpredictable prices are preventing the creation of a *Mittelstand*. Everywhere in the world, the *Mittelstand* is the basis of society—only in Africa is it missing."

## Soviet Union

### Official calls for sci-tech revolution

The Soviet Union needs a new "scientific-technological" revolution, reported *Rabochaya Tribuna* in an interview with Academician and Deputy Prime Minister N.P. Laverov. The interview begins with the comment, "In the 1970s, the world grasped [that] it would be difficult to survive and we would be tormented by ecological and food problems unless the scientific-technical strategy changed abruptly. In the West, the understanding of this entailed an entire revolution," and goes on to criticize Soviet attempts at building up its energy-intensity and the lack of energy resources in the Soviet Union.

The revolution he calls for is in part an environmentalist program, but would continue the basic research programs in "high-energy physics, high-temperature superconductivity, Mars, human genome, controlled thermonuclear fusion and plasma processes," and global changes in the natural environment and climate. Listed under "high-speed, ecologically clean transportation," is "a high-speed center-south railway main line," and Laverov com-

ments that "magnetic levitation trains are expected to be built."

The "ecology" programs include the manufacture of very high-speed computers, energy-efficient technologies, "advanced materials," the latest methods of biological engineering, ecologically pure power generation, resource efficient and ecologically clean metallurgical and chemical processes, highly efficient food processing, fighting most common diseases, providing safety to the population in light of possible technological disasters, and advanced telecommunications facilities and integrated communications systems based on fiber optics.

## International Credit

### Japanese finance minister warns of capital shortage

Addressing an international bankers conference in Osaka, Japan, Finance Minister Ryutaro Hashimoto told the group that world interest rates will not come down until a current worldwide capital shortage eases. He called the global shortfall of funds "one of the most pressing issues facing the world economy," and urged it be taken up at the July meeting of the Group of Seven industrialized nations in London.

Hashimoto reiterated a proposal made to the April meeting of the International Monetary Fund in Washington that it be granted vastly expanded lending power in order to extend large sums of capital to developing countries as well as Eastern Europe, for countries pursuing IMF economic adjustment programs.

Hashimoto's Finance Ministry has just released figures for Japanese direct foreign investment for the fiscal year which ended March 30, showing the first decline in Japanese overseas direct investment (real estate, factories, etc.) since 1983. Investment in the United States and Canada fell 20% to \$27.2 billion, in Asia by 14.4% to \$7 billion, and in Western Europe by 3.5%, with a 30% increase in investment in Britain, where Japanese companies are rushing to establish a market presence before 1992, when the European Community market becomes integrated.

● **CARGILL, INC.**, part of the international food cartel, is the largest privately held firm in the United States, with 1990 sales of \$43 billion, according to *Ward's Business Directory*.

● **POLAND** will soon begin importing coal. Three power generating plants on Poland's Baltic coast are seeking to import 600,000 tons of coal because of a sudden skyrocketing of delivery charges for rail transport. Since the end of World War II, Poland has been a net coal exporter, but the recent devaluation of the zloty and a new 20% levy on coal exports have cut exports by nearly half.

● **CHANCELLOR** Helmut Kohl personally reopened the Czech-German rail link at Bayerisch-Eisenstein in a ceremony June 5. In his short speech, the German leader addressed the importance of cross-border transport relations for the integration of Eastern Europe into the West.

● **FEWER THAN 7%** of U.S. 17 year olds can solve multi-step mathematic or algebra problems, to say nothing of calculus or trigonometry; and only 6% of all U.S. high school students have writing abilities rated better than "adequate" or "minimal," reported the June 2 *Philadelphia Inquirer*.

● **THE PRICES** paid by the average Third World consumer more than doubled last year. In the industrial countries the prices held to a steady 5% rise, according to an International Monetary Fund report cited by the *Bangkok Post*. Throughout the Third World, the average price inflation was 107.1% for the year.

● **SIR CHARLES POWEL**, a private secretary and confidant of Margaret Thatcher while she was prime minister, will become a senior director of the Hong Kong-based Jardine Matheson group, named in the book *Dope, Inc.* and standard business directory histories as an integral part of the China opium trade.

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## Cold fusion debate points to new approach to physics

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*Carol White reviews some theoretical implications of new theories emerging from the experimental work on cold fusion, including suggestions from Lyndon LaRouche.*

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Despite the extraordinary and deliberate disinformation campaign being conducted by the U.S. science mafia to discredit work in the domain of cold fusion, recent experimental results continue to be extraordinarily promising. At the same time, various theoretical hypotheses have surfaced which are of great interest.

Oddly, many of these attempts to explain the results observed are contradictory in their implications—at least as they are presently formulated—yet they are of great intrinsic interest. We can hope, that out of this apparent theoretical chaos, a new approach to physics itself will emerge, perhaps of profound theoretical importance. To date however, each of the theories on cold fusion has been fitted to the traditional norms of quantum theory.

After being briefed on breaking developments in the field, Lyndon LaRouche issued the following remarks on the status of cold fusion research in the United States, and the role of the science mafia in trying to destroy the promise of this work. On May 20, he said:

“If our civilization survives the U.S. Bush administration, the past two years will be remembered as a remarkably shameful page in the history of modern science. The exemplary case is the disgusting response which most of the official science mafia has made to the so-called cold fusion experimental report of [Martin] Fleischmann and [Stanley] Pons. This must be seen in the setting of a virtual fascist takeover of many leading U.S. universities by the so-called political correctness movement.

“The Fleischmann-Pons phenomena are significant in several respects, principally two.

“First of all, the experimental phenomena have implicitly a crucial importance for nuclear physics, physical chemistry, and so forth, in the respect that there are fundamental theoretical problems involved, and at least some degree of implied overturning of existing physical theory.

“Secondly, the experiment is crucial in that it highlights the question, whether at the present time institutionalized U.S. science is capable of facing truthfully any issue which involves a crucial theoretical question of physics.

“On the first account: We do not know whether the Fleischmann-Pons experiment is a true fusion experiment in the meaningful sense, or something else. We do know that whatever it is, it’s extremely important, and does go to fundamental questions of nuclear physics.

“It should be noted, however, that this is *not* the first time this line of investigation has been considered, but, rather, we have circles associated with the famous Lise Meitner and others, back in the middle of the 1920s, who were already looking in these experimental directions—a fact which points out to us the possible place in which to locate the experimental phenomena in the history of physical science to date, i.e., in respect to the deeper understanding of the Periodic Table.

“I would suggest that we take not only the general accumulation of proven experimental results from various sources inside the United States and elsewhere over the

recent two years, but take perhaps as a point of reference the contrast between the thesis advanced recently by [Frederick] Mayer and the contrasting thesis advanced in Italy by [Giuliano] Preparata. What should be done, at this point, is to aim experimentally at settling the question, whether either of these two proposals, or a possible third or even fourth, will indicate the correct direction in which to carry further experimental work.”

### Is it really fusion?

Our May 21 issue reported on a Boston press conference given by Frederick Mayer and John Reitz, in which they proposed that in “cold fusion” experiments, what actually was occurring was the formation of a short-lived virtual neutron capable of penetrating heavy elements and changing their isotopic structure. According to their theory, they should be able to build a demonstration reactor five years from now. Mayer and Reitz also claim that their theory can explain how heat is generated at the center of the Earth.

An interview with Dr. Giuliano Preparata appeared in the Winter 1990 issue of *21st Century Science & Technology* magazine, which we reprint below. His theory of how cold fusion works is of special interest, because it ties together the phenomena of superconductivity and cold fusion. He believes that his theory is also applicable to work of optical biophysicists such as Dr. Fritz Popp, who hypothesizes that cells communicate by principles similar to those by which lasers in the ultraviolet range operate. Dr. Preparata is a theoretical physicist at the University of Milan, who spent a semester last year as a visiting professor with the National Cold Fusion Institute at the University of Utah in Salt Lake City. He is the author of more than 200 theoretical papers on high-energy physics. He earned his degree in 1964 from the University of Rome, and up until 1988 he mainly worked on the theory of high-energy physics, or subnuclear physics. He has spent time at various universities in the United States including Princeton, Harvard, Rockefeller University, and New York University, as well as being connected with the European Center for Nuclear Research (CERN). Clearly his credentials are impeccable when it comes to certifying—as he does—the importance of the experimental work of Fleischmann and Pons. Despite the fact that he is primarily a theoretical physicist, he has also worked on the free electron laser.

Essentially, Preparata believes that the palladium lattice acts to transform deuterium gas, because the palladium at room temperature acts like a metal which has become super-cooled to become a superconductor.

One-quarter of all metals can become superconducting at temperatures close to absolute zero. Ceramics can also become superconducting at temperatures of about  $-200^{\circ}\text{F}$ . In a superconductor, the extremely cold temperatures allow the reorganization of electrons, so that electric current can flow without resistance. According to Preparata, something similar occurs in cold fusion. He points out that supercon-

In the original experiment conducted by Martin Fleischmann and Stanley Pons, announced in March 1989, the basic apparatus consists of palladium and platinum electrodes placed in a glass tube with heavy water. A voltage applied across the electrodes splits the water into oxygen and deuterium, and the deuterium is then absorbed by the palladium. Excess heat at room temperature was measured, which Fleischmann and Pons attributed to a nuclear process—the fusing of deuterium atoms. The experiment occurs at room temperature, hence the name, cold fusion.

ductors tend to maintain themselves by expelling heat. This bleeds entropy from the system. In other words, the system maximizes order, or negentropy.

He relates this to cold fusion, by again supposing that the palladium lattice acts as if it were cooled to temperatures in the neighborhood of absolute zero. According to standard quantum theory, the state of electrons in the palladium should be structured according to quantum constraints, so that no two electrons could exist simultaneously in precisely the same state. This is known as obeying Fermi statistics. Preparata says that this is not the case, but the palladium lattice, under circumstances of electrical flow, behaves according to Bose statistics: in other words, as if it were photons rather than electrons. Light or photons, unlike matter, operate according to Bose statistics, which means that they can be organized to act in unison, or sequentially to emit coherent, lased light.

In the instance of palladium, the coherent oscillations of the electrons create spaces in the palladium which allow the deuterium to enter. It is in these holes that fusion takes place. (For this to occur however, the palladium must be specially treated chemically—and how this is done is being closely guarded by holders of industrial patents on the process.)

Preparata, unlike Mayer, does believe that what is occurring in the cold fusion experiments is actually a fusion reaction. Nonetheless, a cold fusion reaction does have different characteristics from fusion which takes place at temperatures approaching that of the Sun.

For example, with high-temperature deuterium fusion—hot fusion—a compound nucleus is generated, and a neutron and helium-3 are released, along with a proton and tritium. With the Fleischmann and Pons experiment, it is more likely that helium-4 and heat will be produced. This presents a problem for the conventional picture of condensed matter. Preparata believes that this can be explained by the fact that the electrons around the nuclei of palladium are able to make oscillations, which concentrated the negative charge and screened the positive charge, thus lowering the Coulomb barrier for penetration.



# Coherent self-organization in cold fusion

*The following interview with Dr. Preparata, a physicist at the University of Milan, was conducted in Italy by Evanthia Frangou in June 1990. It appeared in the Winter 1990 issue of 21st Century Science & Technology magazine.*

**Q:** Can you explain in more detail the notion of superradiance and how it is a possible explanation for the phenomenon of cold fusion?

**Preparata:** Superradiance is the self-organization of matter in interaction with electromagnetic radiation. This occurs in a situation where the matter is highly condensed, as in a liquid or in a solid. This behavior does not hold, at least spontaneously, in a dilute system like a gas.

A gas is a phenomenon that is easy to describe physically: All the single molecules of the system, like balls, go on their own randomly. But if you take this gas and compress it, and lower the temperature until it makes the transition into a liquid or a solid phase, then something different happens. As soon as you put all these "balls" or systems together they lose their individuality. They become part of a big family, and it does not look anymore like balls, but like plasma fluids throughout the crystal. The whole entity is endowed with completely different properties. The whole is really much more than the sum of its parts.

I have shown that under certain conditions the laws of quantum mechanics that everyone loves and cherishes, in fact, *do* allow for the kind of system of self-organization that occurs in condensed matter. When you simply look at it from the outside, nothing in particular seems to be happening. However, if you really look deep inside the system, you see all the elementary systems—the atoms, molecules, and so on—just oscillating in phase, at the same pace, and with a peculiar configuration of the electromagnetic field.

This radiation gets trapped inside and cannot get out; it is imprisoned in the matter. It is this order that makes possible the strange phenomena that we begin to see in cold fusion, for example.

**Q:** How exactly does this radiation help the deuterons to fuse?

**Preparata:** This fusion is really due to the fact that the various electrons are traveling; they are not static; they move

at a peculiar pace, which creates the situation where it is much easier for the deuterons to get in touch and fuse. It is a very subtle and completely new way of behaving.

At first this somehow looks strange and ridiculous. You think, "There is a molecule here and another there; how do they know each other?" But they do, because essentially through radiation they are able to exchange long-range messages.

**Q:** Is this the way that the electrons are able to overcome the Coulomb barrier?

**Preparata:** Yes, they are helped by these very strange plasma waves. Of course, this could not happen if matter is what everyone believes it is. But this is the point.

**Q:** You have also related this behavior of condensed matter to what may be happening in room temperature superconductivity. What can you tell us about that?

**Preparata:** I hope that by the end of this year I will have a theory on room temperature superconductivity. The idea of having an ordered structure that remains so at high temperatures, or room temperature, is not trivial. Low-temperature order in superconductors is order by default, because you can't have anything else. Room temperature order is order by choice, because there are so many other choices, all of them disordered to fight against, yet you choose the most unlikely possibility. This goes also for cold fusion at room temperature.

The basic mechanism that makes superradiance work is that there must be a system that can communicate electromagnetically only on a well-defined, sharp frequency. If you have a lot of frequencies, this radiation simply disperses itself. If electrons emit always at one peculiar frequency, then you have a tremendous amplification effect. So the real question for high-temperature superconductors is to find out which are the discrete, peculiar frequencies on which the interaction works out among electrons—the fluid that carries current into this type of material.

I think there is a very interesting hint in the anti-ferromagnetic structure of this material. You know that all the materials used in achieving room temperature superconductivity have this property. The copper spins tend to be aligned one opposite to the other. Now this looks very much like an

undulator, a complicated magnetic structure like the one used in the FEL or free electron laser. So I got the very simple idea of using the single frequency that you have in the FEL to do that, and I believe that idea works out.

Of course, I have not been able to work out all the specifics yet. A superconductor, even from a conceptual point of view, is a very complicated system. There's the question of pair condensation and so forth, but these are just technicalities. Again, the concept is that when a particle moves on a magnetic structure that undulates, then it works with a single frequency. That is the frequency in which the electrons can talk to each other, get ordered, and condense.

This is a dynamic order, not a static order. These are relationships not in space but in time. This is because you want to have at the same time order and plasticity. You don't want this order to be frozen; you want this order to move like water and yet keep its formation even though it moves.

Superradiance is an ordering that comes from the fact that the matter systems—say, electrons, atoms, molecules, nuclei, whatever—communicate with each other in particular frequencies of the electromagnetic field. It is a superradiating process because the radiation is enormously amplified by the fact that there are many systems that radiate precisely,

the same way it happens in a laser.

**Q:** You have also proposed that this behavior of condensed matter can explain some peculiar properties of water that may play a part in the observed water with “memory” of the Benveniste experiment?

**Preparata:** Here a similar thing could be happening, only with different actors in the play, shall we say. But these actors tend to play always in the same way (see box).

**Q:** How did you arrive at the notion of superradiance?

**Preparata:** Throughout my life I concentrated on quarks, on the behavior of matter at very deep layers where there are still frontiers. It is not an area where the laws are yet established, so you still struggle to understand what the forces are, what the fields are, and how they behave. It is not like ordinary matter, where scientists know precisely what the forces and the actors of the collective drama of matter are. For some reason, because of certain steps I took in my life, I was able to transfer to this area the things I had understood for quarks. About three years ago, by chance I got interested in this area. Putting two and two together, a picture of matter emerged that made a tremendous amount of sense.

## How H<sub>2</sub>O molecules can ‘communicate’

*Giuliano Preparata discusses a potential explanation for the Benveniste experiment in Paris in 1988, in which water seemed to have a “memory.” His remarks are condensed from an article he wrote for the Italian daily La Stampa, in August 1988.*

I would like to present a few recent theoretical developments on the structure of water that, far from explaining the results of the Benveniste group, do, however, shed light on the capacity of water, up to now unknown, to organize itself around biological molecules in dynamic structures of considerable complexity. It allows for phenomena that imply that water assumes an active role in biological reactions. . . .

Some months ago, my colleagues, E. Del Giudice and G. Vitiello, and I decided to apply some ideas that I had developed in the area of laser physics, to the fundamental substrate of living material: water. We decided to concentrate on the most simple aspects of water. We described it as a collection of a large number of molecules in the shape of a wide “V,” with oxygen at the vertex and the two hydrogen atoms at the ends. These rotate without

stop, trailing behind them a sort of radio antenna because of asymmetry of the electric charges of the atoms of hydrogen (positive) and of the oxygen atoms (negative).

Soon it became clear to me that this rotating antenna created a communication of the molecules via “radio” within a distance of some tens of microns, the typical dimension of the cell. This radio contact informs the molecules to combine together at precise cadences, transforming the initial chaos into a dynamic order, very similar to what happens to the photons in a laser.

Water, in fact, behaves like a laser! In the “pre-ordered” system of this myriad of walky-talkies that are constantly exchanging information, we attempt now to place a biological molecule also equipped with a walky-talky (which is usually the case). This new molecule will be able to “give orders” to the water around it at a distance equal to that of the cell’s dimensions, generating in this way around itself a state of water that is very “personalized,” that depends on the type of “orders” that were given.

That molecules of water could communicate electromagnetically on particular frequencies has been known for a long time. It used to be thought, though, that the signals were too weak to have appreciable consequences. What has been understood recently is that, due to a mechanism that occurs also in lasers, the mechanics of quanta enormously amplifies these signals.

## A plan to create new water supplies for North America

by Marcia Merry

The article begins an *EIR* series about how to reverse the physical collapse of the U.S. domestic economy, the problem the George Bush crowd (as well as its loyal opposition in Congress) is criminally evading. We begin our examination of the gaping U.S. infrastructure deficit with the water crisis now afflicting many states. The key is waterworks—not pennywise “conservation” schemes and other quack prescriptions dispensed by the austerity-mongers and their ecological fascist cohorts.

Most people think of rivers, lakes, aquifers, and water wells as resources fixed by nature, to be either conserved or consumed. On the contrary: The only relatively fixed feature of the water cycle in North America is the overall annual precipitation, which amounts to an average 4,200 billion gallons a day (bgd). Of that, about 1,200 bgd reaches the 48 coterminous states, where man’s intervention over the past 200 years has directly affected what water engineers call the average dependable supply of runoff. Today, this totals about 515 bgd, and it is not a fixed figure, but the result of man’s activities to clear channels, drain swamps, prevent evaporation, and create storage capacity.

The colonization of the 1600s saw local water improvements such as the Saugus Ironworks in Massachusetts, where water sluices powered giant waterwheels and bellows. In the 1700s, waterworks were constructed along the fall line of the eastern seaboard, to power grist mills and textile centers whose town names tell the tale today: e.g., Falls Church, Virginia. The nineteenth century saw the construction of vast waterworks: the Erie Canal, the Pennsylvania Canal, and the utilization of the great river systems of the continent. The early twentieth century surpassed even this, with the construction of the giant Hoover Dam, Grand Coulee Dam, the St. Lawrence Seaway, and other man-made wonders, and the model of resources development, the Tennessee Valley Authority.

With these high dams, the best barrier sites for maximum water capture were utilized, and new means of water improvements were required for moving into





*Irrigation on the Russell Giffen Ranch in California, downstream from the Pine Flat Dam. Mr. Giffen is known locally as "the world's largest irrigated farmer." Reduced precipitation in California over a five-year period, plus the failure to develop new water projects, have resulted in a crisis for agriculture.*

the twenty-first century. The average reservoir capacity produced per cubic yard of dam declined from 10.4 acre feet in the 1920s and earlier, down to 2.1 in the 1930s, 0.52 in the 1940s, and 0.29 in the 1960s, according to the U.S. Geological Survey (1984).

Following World War II, new means were at hand to create new water supplies. The grand, and obvious, plan was conceived to divert streamflow from the far north of the continent, which flows from the Yukon into the Arctic Ocean, southward. Atoms for Peace researchers were working on peaceful nuclear explosives capable of giant earth-moving tasks, as well as nuclear technologies to cheaply desalinate seawater.

However, these plans were all aborted. The U.S. water crises of today are the inevitable result—a situation which will only get worse, until we resume the geographic engineering required to "take care of nature," and expand usable water supplies.

### **The hydrologic cycle**

Most of the United States has between 20 and 40 inches of rainfall a year, and only one-third of the nation's area gets less than 20 inches of annual precipitation. The limitations on water availability come from seasonality of precipitation, unreliability, difficult access, and similar factors, which vary greatly from place to place.

The overall hydrologic cycle for the 48 coterminous U.S. states is shown in **Figure 1**. This shows the U.S. "budget"

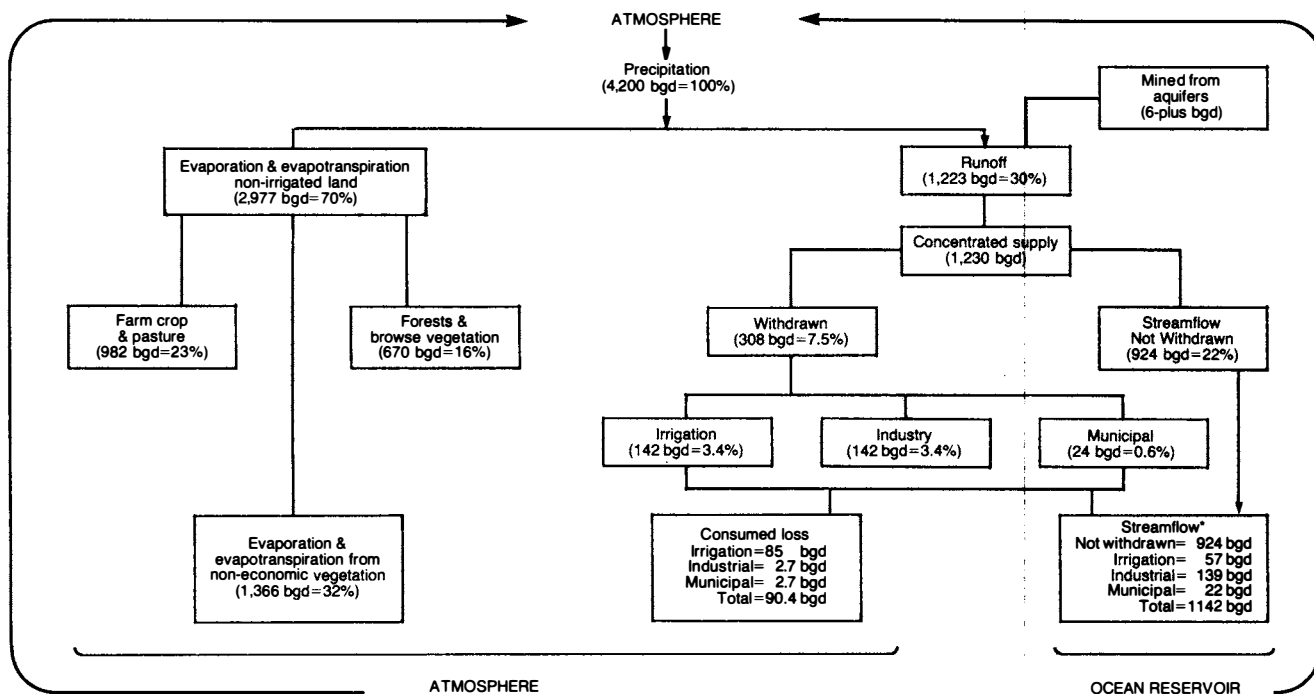
of water flowing in (as snow or rainfall), and water going out (as evaporation, or streamflow return to the oceans). There is an estimated overall precipitation of 4,200 billion gallons a day coming in. (You can think of the size of 1 billion gallons as a column of water whose base is the size of a football field, and whose height is over four times that of the Washington Monument.)

This amount, coming from weather patterns in the atmosphere, then breaks down into about 30%, or 1220 bgd, of runoff into streamflow and ground water, leaving 70%, or 2,977 bgd, to return as evaporation or evapotranspiration through plant life, to the atmosphere.

In the 1960s, the U.S. Geological Survey, part of the Department of the Interior, began a survey process to assay water resources—the volumes available, the quality, and all other necessary features. The purpose was to provide analysis for the ongoing process of making infrastructure improvements to supply water for future generations in the amounts, purity and locations necessary.

The Geological Survey established 21 hydrologic resource regions, 18 of which are shown in **Figure 2** and listed in **Table 1**. There are 18 regions in the 48 coterminous states, and one region each for Alaska, Hawaii, and the Caribbean. The regions were delineated based on the coherent runoff and ground water patterns that occur in the various watersheds across the country. For example, the region called "Southeastern-Gulf" includes the river systems draining eastward into the Atlantic Ocean and the Gulf, which mostly originate on the southern and eastern

FIGURE 1  
**U.S. hydrologic cycle and water use, 48 coterminous states**



\*The same water may be reused at points spaced along a single stream.

Source: Abel Wolman, Publication 1000-B, National Research Council, 1962.

slopes of the Appalachian range.

The runoff varies greatly across the hydrologic regions. Table 1 shows total runoff for each region, the "estimated dependable supply," and per capita supply and use in 1985.

### How much can be utilized?

The key issue, as shown in the central area of the hydrologic cycle diagram marked "Withdrawn," is how much water can be effectively utilized in the cycle, for the support of the economic development of the population and improvement of our ecology. The diagram gives statistics for water use in the United States in about 1960, when the total water withdrawn was 308 bgd. This is only 7.5% of the annual 4,200 bgd precipitation, and still only 25% of the runoff of 1,223 bgd a day.

However, relative to the estimated daily readily available supply—515 billion gallons—the 308 bgd use was 60% of readily available supply. This showed clearly the necessity for a program of water infrastructure projects to be implemented over the last 30 years. Already in the 1960s, some regions were running short of water, and others were approaching their supply limit.

The urgency of the issue is further shown by the fact that per capita water use in 1960 was 1,506 bgd, and that

increasing numbers of people, combined with increases in needed per capita water withdrawals, would inevitably cause severe shortfalls unless available supplies were increased.

In the absence of man-made water projects to augment natural water supplies, increasing use has been made of ground water. Today, ground water supplies up to one-fifth of all fresh water withdrawals for use nationally.

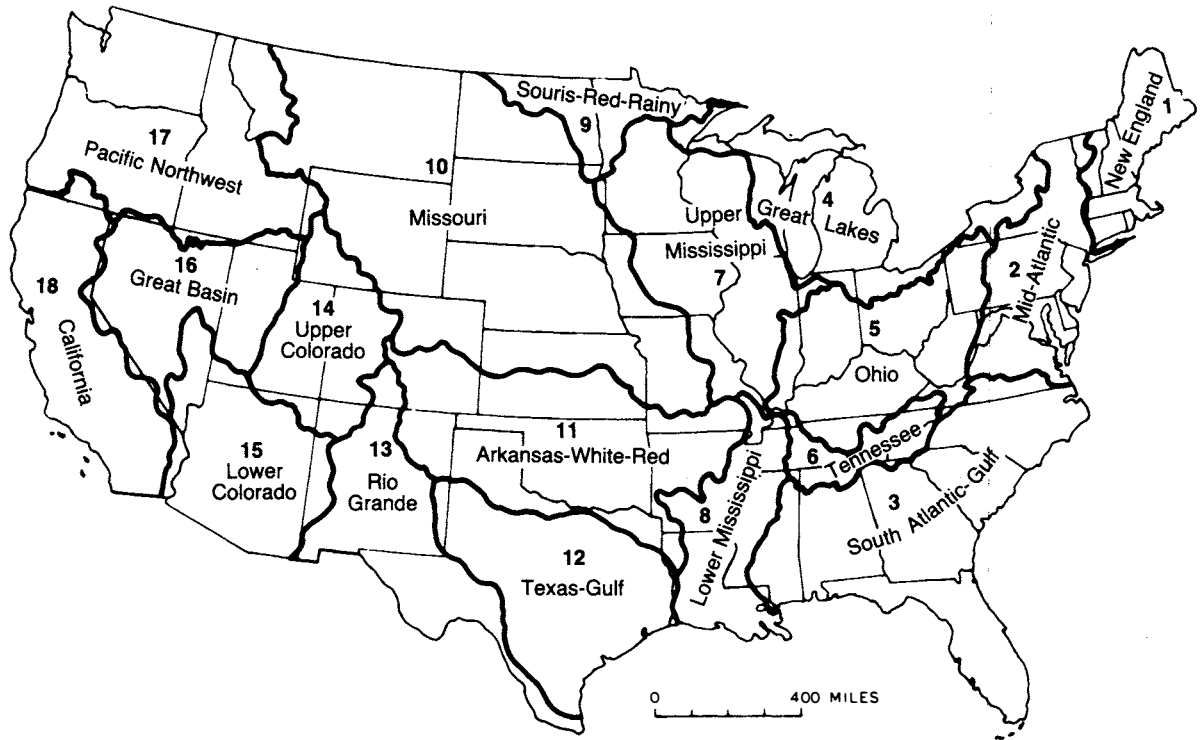
There are an estimated 150,000 billion gallons of water (about 450 million acre feet) stored in large (50 acre feet or more) surface and ground water reservoirs, and an amount estimated to be 200 times this stored in aquifers up to 2,500 feet below the surface. However, there is great variability in the rate at which aquifers recharge, the quality of water available, the structural consequences of heavy drawdown of aquifers, and other factors. Most of the areas of the West have been heavily dependent on ground water use.

### Short water supplies, ground water crisis

Table 1 shows that there are many hydrological regions where dependable runoff is far under the 2,200 gallons per day per person benchmark requirement level (discussed in the next section), either because of little water, large population concentrations relative to available runoff, or both. The two areas with the reverse situation—large water runoff and small

FIGURE 2

**U.S. hydrologic regions in the 48 coterminous states**



Source: U.S. Geological Survey

populations—stand out dramatically: the Great Basin and the Upper Colorado. In fact, the waterworks of earlier this century tapped off this water for use downstream by the populations in southern California and the Southwest.

Table 1 gives the per capita water withdrawals in 1985, that is, water used per person in that hydrological region in 1985. Since in many hydrological regions, the per capita water withdrawn for use figure exceeds the runoff per capita, this makes clear the role of ground water supplies, and interbasin transfers of runoff through water diversion programs. This also makes clear that if water diversion flows and/or ground water sources are diminished, much of the nation's economic activity is jeopardized.

The pattern of use shows that though the western states receive precipitation at about one-quarter the amount per acre as the East, their withdrawals are nearly double. The daily per capita use of water ranges from 596 gallons a day in the Mid-Atlantic region to 11,800 in the Upper Colorado. On a state level, the extremes range from 152 gallons in Rhode Island to 22,200 gallons in Idaho, of daily per capita fresh water withdrawals.

This extreme variance reflects broader regional differences in irrigation and similar types of water use. In the 17 western states, per capita fresh water withdrawals in 1985 averaged

2,214 gallons per day, which is more than twice the average for the 31 eastern states where irrigation is not the rule.

**The problem areas**

Given the inherited patterns of water use, and the 25-year hiatus in developing new water supply infrastructure, the water supply problems are showing up most acutely in the western regions, but also in a few other key parts of the country.

Several successive years of low precipitation have markedly reduced water supplies in California and the Missouri regions. In 34 states, saline water intrusion has resulted from years of pumping ground water for amounts exceeding the rate of recharge.

**California.** Reduced precipitation for the past five years, plus years of heavy net withdrawals from ground water sources, have resulted in short supplies, salt water intrusion, and related problems. The water levels in the state's reservoir system continue at only 65% of average, and in Nevada, storage is even lower. Mining of ground water has resulted in seawater intrusion at many points in the central and southern coastal towns. The state has been obtaining 40% of annual water needs from pumping ground water, which in 11 of 50 major aquifers has led to an overdraft crisis. Thousands of

TABLE 1

### Water resources, by standard hydrologic regions, for the 48 coterminous states

Region	Total average runoff -(bgd)-	Estimated dependable runoff	-Per capita- dependable runoff -(gal daily)-	Use, 1985
1. New England	67	22	1,790	746
2. Mid-Atlantic	84	36	900	596
3. South Atlantic-Gulf	197	75	2,310	973
4. Great Lakes	75	69	3,240	1,300
5. Ohio	125	48	2,190	1,420
6. Tennessee	41	14	3,640	2,390
7. Upper Mississippi	65	31	1,480	807
8. Lower Mississippi	79	25	3,450	2,350
9. Souris-Red-Rainy	6.2	3	4,170	389
10. Missouri	54	30	3,222	3,370
11. Arkansas-White-Red	73	20	2,360	1,800
12. Texas-Gulf	32	17	1,160	934
13. Rio Grande	5	3	1,430	2,670
14. Upper Colorado	13	13	20,340	11,800
15. Lower Colorado	3.2	3	760	1,880
16. Great Basin	7.5	9	45,460	4,090
17. Pacific Northwest	210	70	8,510	4,310
18. California	62	28	1,060	1,432
<b>Total</b>	<b>1,200</b>	<b>515</b>		

square miles of agricultural land in the San Joaquin Valley have sunk. Over 36 years, much of the town of San Jose slumped up to 12 feet. In the Central Valley, the nation's most productive agricultural region, saline water is threatening to seep into the underlying fresh water aquifer, which has been heavily pumped.

**New York.** The drinking water supplies for millions of residents on Long Island are threatened because the underlying aquifer has been mined to the point that sea water is moving in.

**Florida.** The water supplies for Miami, Tampa, Jacksonville, and many other population centers are threatened by the saline intrusion into ground water sources, because of heavy pumping.

**Texas.** Land subsidence as a result of ground water pumping has occurred in the Houston and Galveston areas, causing costly damage. The effects of land subsidence due to overpumping ground water can include not only loss of storage capacity, but also structural damage to bridges, buildings, roads, and underground utilities.

**Rio Grande, Lower Colorado.** In these hydrologic regions, plus southern California, the U.S.-Mexican border

zone of *maquiladoras*—slave labor assembly plants—has become a biological breakdown zone because of the lack of safe water supplies. Hundreds of thousands of people have migrated there for cheap labor in the past five years, when as of the 1970s, the per capita and per hectare water supplies were unsafe for increased population, and hydrologists warned that improvements were necessary.

### Nawapa and contingency plans

The plan for a North American Water and Power Alliance (Nawapa) would ultimately provide at least 135 bgd to the United States, and additional supplies to Canada and Mexico. But during the 20 years required for its completion, priority regional projects should be implemented to fill local water deficits:

**Western projects.** California water supplies can be greatly augmented by lifting the arbitrary bans on utilizing the runoff of the rivers in the far north of the state, now flowing unused into the Pacific. Plans exist for a "Peripheral Canal" project to effectively harness this flow. There are other projects in Colorado, the Dakotas, and throughout the West that can be "unblocked."

On a larger scale, the vast runoff available in the Columbia River watershed, in the Northwest hydrological region, can be utilized. Engineering plans exist to draw off water through the Snake River system, and channel the flow southward to Nevada, California and other points south.

**Desalination.** The Atlantic and Pacific Oceans, and the Gulf of Mexico, constitute "reservoirs" of virtually limitless storage capacity, given the installation of advanced technology nuclear desalination facilities—the modular high-temperature gas-cooled reactor (MHTGR) design. If these plants were sited at key points along the Pacific, Gulf, and Atlantic coastline, their sweet water output could reduce the dangers of land subsidence and salt water incursion now threatening the water supplies for millions of people.

A string of California coastal towns, including Santa Barbara and the island of Catalina, are now building desalination plants. But they are using fossil fuel, retrograde technologies that do not point to a regional solution.

**Economic location.** The water supply figures in Table 1 show several hydrologic regions which offer plentiful supplies of reliable "surplus" water, notably the Great Lakes, the Ohio, and the Tennessee regions. Here, coordinated federal and local intervention could provide conducive circumstances for agriculture, manufacturing, and residential build-up. The power and transport potential of this region is great, and the proximity to pre-existing population concentration.

This would be an economically sound approach to building the nation, as opposed to backing for such economic hoaxes as the "Sunbelt" trend of the 1970s, or the "free trade" Mexican-U.S. border zone, where the water crisis has reached the point of an impending cholera outbreak and biological holocaust.

# Projected water requirements for the U.S. are drastically underrated

by Chris White

Water requirements can be assorted under three major headings. These include: household functioning, and related urban uses; the irrigation requirements of agriculture; and, the needs of power producing and industrial plant for cooling and condenser flows, and processing uses. Water withdrawals, from streamflow and ground water sources, under the latter two headings, accounted for about 80% of all U.S. withdrawals of fresh water in 1985.

Per capita, water withdrawals for all uses increased from about 528 gallons per person per day in 1900, to nearly 2,000 gallons per day in 1980. The development of modern agriculture, and the application of electrification, account for the lion's share of the increase.

Since 1980, per capita withdrawals have, for the first time in the past 100 years, gone into decline. The decline is not the result of drought. It is the result of policy choices: on one level, the collapse of manufacturing, since Federal Reserve chairman Paul Volcker's depression-causing high interest rate policy of 1979, and what the academics at Harvard hailed as the decoupling of growth, or decline, in electricity and energy supplies, from the functioning of the economy as a whole. On another level, the decline in per capita withdrawals of water also reflects investment decisions which were made, especially after 1967, and then in 1969, with the passage of the National Environmental Protection Act. This policy resulted in the rapid curtailing, and then elimination of large-scale water development and supply programs, by expanding the "cost-benefit" analysis of projects to include the so-called environmental impact of such factors as the infamous snail darter.

## Deindustrialization eased water demands

The results of these policies are shown in **Table 1**. The figures for 1980 and the year 2000 were projected prior to 1965 by the U.S. Senate. That was then the view of the level of water supplies that the U.S. ought to have available in 1980 and 2000. The 1985 column is the withdrawal that is estimated to have actually occurred during that year. The comparison is instructive. The divergences, especially between the early 1960s' anticipated requirement for the manufacturing sector, and the share of withdrawals which went to

manufacturing in 1985, reflect the longer-term policy shift which has taken place. Water withdrawn in the process of steam-cycle generation of electricity reflects the same, for the 1960s projections assumed that electrical generating capacity would continue to double every ten years, as it had since World War II.

Some are going to insist that the difference reflects something else. They will say that we now use water better than we did 30 years ago; that water-saving and recycling practices in the economy show up in less water used. Such arguments can't disguise the fact that the 1960s projections of higher water use in the 1980s represented a commitment to investing in capital improvements, in the form of man-made alterations to nature, to assure the future water supply. Because these assumed investments were not made, the result has been what was foreseeable 30 years ago: the beginning breakdown of the national water supply.

Using the kind of parameters which would have been employed 30 or so years ago to assess future water requirements, we come up with a per person need of about 2,352 gallons per day for all major uses (see **Table 2**). This is a bit less than the estimates projected in the early 1960s, but more than the per person withdrawals of 1985, the last year, until this coming August, for which the U.S. Geological Survey usage estimates are available.

The total per capita requirement is about 30 billion gallons per day larger than the 515 billion gallons considered to be the dependable—in 95 years out of every 100—daily streamflow which is produced during the course of the hydrologic cycle of the country.

Does that mean we are in a national water crisis? Yes, and no. The totals presented are projected withdrawals out of the flow of the hydrologic cycle. Most of the water accounted for as withdrawn, especially that used for cooling purposes in industry, or power generation, finds its way back into the streamflow throughput. Thus, it is available for withdrawal and re-use. About 20% of the withdrawals shown in the column headed Geological Survey in **Table 2**, are pumped out of ground water aquifers, and are not replaced, in their entirety, from precipitation and streamflow. But if things are left the way they have been in U.S. policymaking, the

TABLE 1

**Water withdrawals**

(billions of gallons per day)

	1980 (proj. from 1965)	2000 (proj. from 1965)	1985 (est. use)
Municipal	29	42	38
Manufacturing	104	233	30
Steam-electric	259	429	190
Agricultural	167	184	140
<b>Total</b>	<b>559</b>	<b>888</b>	

Sources: "Water Shortage Is a Frame Of Mind," William Bowen *Fortune*, April 1965; "Estimated Use of Water in the United States in 1985," U.S. Geological Survey.

proverbial writing is already on the wall.

The "dependable" streamflow limit is only a relative natural limit. It is also a limit which reflects what can be done with capital improvements either accomplished to this point, or left undone. It should point our attention in the direction of considering that expansion of what is considered to be "dependable" streamflow, by organizing more of the approximately 1,400 billion gallons per day streamflow that falls on the coterminous 48 states, ought to be a top priority.

This can be done through introducing water from outside the lower 48 states, as in the case of the almost 30-year-old North American Water and Power Alliance (Nawapa) proposal of the Ralph Parsons Engineering Co. to bring water from Alaska into the lower 48 states. If that had been done, as it could have been, in the 1960s or again beginning in 1982, then the "dependable" daily limit would have been well surpassed, and there would now be no problem anywhere in the country. Or, dependable supplies can be increased, on a smaller scale, by desalination of sea-water, by inter-basin transfers within the river systems of the coterminous states, and more local projects. Water can, in addition, be used, and re-used, more effectively, and less wastefully. For example, ultraviolet or nuclear waste processing of sewage and waste water can produce fresh, clean, drinkable water.

**Water demand zooms as depression ends**

Water requirements were estimated as follows. For household and related types of uses, 90 gallons per day was taken as the basis for estimation. This figure comprises 1 gallon per day per person for drinking and cooking, 30 gallons per day for laundry, face and hand-washing, and toilet flushing, 30 gallons per day for a six-minute shower, 15 gallons per day for other sundry household uses, and 15 gallons for street cleaning and fire services in built-up areas. Fifteen gallons have to be added to the 90 to allow for leaks and system losses.

The values are derived from base-line studies of the U.S.

TABLE 2

**Water requirements and use: three estimates**

(billions of gallons per day)

	EIR 1990 requirement	U.S. Senate 1980 projected pre-1965	U.S. Geological Survey, 1985 use estimated
Agriculture	178.7	167	140
Municipal	22.5	29	38
Industry	112.5	104	30
Electric	275.4	259	190
Mining	0.183	—	—
<b>Total</b>	<b>588</b>	<b>559</b>	<b>400</b>
Per capita (gallons daily)	2,352	2,462	1,673

Geological Survey done in the 1950s which provided for between 50-60 gallons per person per day (see K.A. MacKichan, "Estimated Use of Water In the United States," USGS 1955, and Ackerman and Loff, "Technology and American Water Development").

Thus, a family household comprised of two adults and an average of slightly more than two children, sufficient to provide for future population growth, would require 378 gallons of water per day, without including the margin for system leaks and losses. This family would be occupying about 2,500 square feet of living space, on a lot of between one-quarter to one-third of an acre. Such families, with such living space, vanished during the 1970s, along with the earlier plans for water development.

Without considering the still-developing effects of the AIDS-HIV virus, and other forms of epidemic disease, like tuberculosis and hepatitis, spreading as a consequence of depression-produced poverty and misery, the U.S. government's nonsense version of the future envisions the U.S. population increasing by 2 million per year, over the next decade, and rather less in the first decade of the next century. The increase is assumed to be made up, primarily, of an aging population, living longer, complemented by some immigration. The government does not envisage any reversal in the collapsing birth rates which have characterized the last generation, nor any shift of female employees, forced into the work force in the scramble to make ends meet, back into the household. The government perspective is that household size would continue to fall from its present 2.6 people per household. But the needs of posterity would dictate the opposite. Sane policy ought to consider providing for, say, 4 million new Americans per year, over the next 20 years, or an increase in water supplies for increased numbers of households of about 360 million gallons per year.



One way to think about what this would mean is the following. If the government's projection of the future were a serious one, then we ought to be providing for the construction and provision of the equivalent of one new city, about the size of the present Washington, D.C., every year. A growth rate that would result in actual growth, would require provision for the equivalent of two new cities equivalent in size to Washington, D.C., or one new Philadelphia. The area of Philadelphia is about 470 square miles.

### **Agriculture and irrigation**

Agriculture is the area of economic activity where the decision to stop capital improvements in infrastructure has already gone past a point of no return. Over the century, arid, or even desert areas of the country, like California and Arizona or even the High Plains states, have been turned into productive sources of food and other agriculture products through improvements including irrigation. Once desert and arid zones have been so upgraded, the improvements have

to be continued, otherwise disaster ensues, as is happening in California. Lack of investment jeopardizes the ability to maintain the accumulated generations' worth of man-made alterations to relatively inhospitable nature through capital improvements, which have permitted the existence of some of the most productive agriculture in the world on some of its most unproductive land, and threaten catastrophic short-term effects on the food supply of the country.

Irrigated agriculture ought to be increased by about 12% to provide for the national short-fall in fresh fruits, vegetables, and potatoes, defined relative to the U.S. Department of Agriculture's family-promoting nutritional standards of the 1950s. This is based on a per capita annual requirement of 532 pounds of fruit and vegetables per person per year, as against 1988 apparent consumption of 346 pounds per person per year; it envisions expanding domestic production to account for the replacable imports of fruit and vegetables, which are included in the consumption figures. Then, productivity ought to be organized to continue to increase to

## **LaRouche's campaign for water technology**

"Won't You Please Let Your Grandchildren Have a Drink of Fresh Water?" This was the title of a report commissioned by Lyndon H. LaRouche, Jr. in 1982, and given mass circulation by the National Democratic Policy Committee, the political action committee of the LaRouche wing of the Democratic Party. The document called for using "plain common sense" to advance nuclear desalination technologies and the North American Water and Power Alliance program (Nawapa).

In the preface to the pamphlet, LaRouche wrote:

"Next to a general thermonuclear war, the greatest single environmental danger to the American people over the coming two decades is the danger that whole regions of our nation will simply run out of usable fresh-water supplies. . . .

"This problem has been seen coming, at least by more far-sighted people, for most of the postwar period. Unfortunately, the general public has been kept in ignorance of this policy issue, and certain among influential political circles have sabotaged sound policies and programs, for a variety of reasons.

"Now, unless we act quickly, the Great American West is going to die, suffocated by a swirl of dust and sewage. Already much of our agriculture is in danger, as the drought of 1980 ought to warn us. A few more years

ahead, the water shortage will grow to become the most acute environmental danger to many facets of our life, as well as our nation's supplies of food and fiber."

Then in his 1984 presidential campaign platform, LaRouche wrote: "During the indicated twenty- to twenty-five-year period [1985-2010,] the United States must create an additional ten or more new cities. If we are sensible, some of the new cities will spring up in what has been called 'The Great American Desert,' the broad band of arid and desert land reaching from the eastern slope of the Rocky Mountains to the mountain ranges of our western coastal states. The possibility of developing new urban centers in this region is indicated by the established feasibility of transporting water from Alaska and Canada down through the arid and desert regions of the United States, the project known as Nawapa. . . .

"By increasing greatly the density of chlorophyll of growing plant-life in these arid regions of our nation, we moderate the climate. If we accomplish this on a large scale, we foster the development of rainfall systems within the region. As we develop the conditions for expanded agriculture in such regions, we create the opportunity and need for establishment of new urban centers.

"If we are sensible, we shall integrate the implementation of the Nawapa water-management system with other elements of our national water-management system. Fresh water and energy are the cornerstones of terrestrial life; an abundant and secure supply of both predetermines the degree to which life can be supported. These are the preconditions for developing high potential relative population-densities."

TABLE 3

### Irrigated acreage required (thousands of acres)

	Present	Increased total
Vegetables	2,024	3,805
Fruits	3,343	6,920
Potatoes	812	1,404
<b>Total</b>	<b>6,179</b>	<b>12,129</b>

Sources: EIR estimate; Census of Agriculture; USDA 1987.

keep pace with the increase of population. The anticipated 1% increase in population would require 1.8 billion gallons of water per day more each year for irrigation, and would more than double if we had the sense to turn around the collapsed birth rate.

Irrigated agriculture hasn't simply fallen through the cracks, as it were. It has been under deliberate attack, as part of an effort to force down food production to impose genocidal austerity. This was referred to by the National Research Council in its 1989 study "Alternative Agriculture." "Federal efforts to reduce production are often hampered by programs or policies that encourage irrigation and its resulting high per acre yields," it read.

Irrigation of crops accounts for about 85% of the consumptive uses of water in the economy; those are the uses which result in evaporation, or other relatively permanent transformation of the water's physical state. Some 94% of agricultural use is for irrigation, 4% for needs of livestock, and 2% for farm households.

In 1985, agriculture's average use was 140 billion gallons per day. Average daily consumption is as misleading, as average national "dependable supply" might be. Daily use by farmers, for example during the growing season, can exceed 500 billion gallons per day, or 90% of what is considered to be the dependable daily supply. Though irrigation methods are applied in the eastern part of the country, the method is necessitated where transpiration or transpiration from plant life and vegetative cover is below about 12 inches per year.

There is much more at stake. Irrigated farmland is about 12% of all cropland in the country; about 10% of the working farmers cultivate it. **Table 3** shows our estimate of irrigated acreage needed. The output of the irrigated 12% of all farmland is about one-third of the annual cash value of all national farm production. (**Table 4** contrasts the high crop yields from irrigated land as opposed to dry-land farming.) Thus, the 10% decline in irrigated acreage since the late 1970s is a national catastrophe from the standpoint of food security, as is reflected in the collapsing production of orchard fruits and fresh vegetables (see **Table 5** for percentage of total acreage

TABLE 4

### Crop yields: dryland farming vs. irrigated agriculture, 1982

Crop (bushels)	Dry per acre	Irrigated per acre	Ratio I to D
Corn for grain	106	137	1.29
Wheat	32	69	2.16
Sorghum (grain)	54	93	1.72
Barley	48	81	1.69
Cotton (bales)	0.9	1.7	1.89
Soybeans	31	36	1.16
Potatoes (cwt)	83	333	4.01

Source: "Alternative Agriculture," National Research Council, 1989.

TABLE 5

### Harvested irrigated cropland and pasture, 1982

Type of land	Irrigated (thousand acres)	% Total crop irrigated
<b>Cropland</b>		
Corn	9,604	12.3
Sorghum	2,295	17.0
Wheat	4,650	6.6
Barley, oats	2,098	11.8
Rice	3,233	100.0
Cotton	3,424	35.0
Soybeans	2,321	3.6
Irish potatoes	812	64.0
Hay	8,507	15.0
Vegetables & melons	2,024	60.7
Orchard crops	3,343	70.4
Sugar beets	550	53.2
Other*	2,428	17.9
Sub-total	45,289	13.4
Pastureland	4,499	0.9
<b>Total</b>	<b>49,788</b>	<b>6.1</b>

\* Includes peanuts, tobacco, edible beans

Source: "Alternative Agriculture," National Research Council, 1989.

of various crops irrigated). The production is geographically restricted. California, Washington state, and Florida account for about 85% of the country's irrigated fruit-producing acreage, and about 62% of the irrigated vegetable-producing acreage. Irrigated acres produce 60% of the vegetables in the country and 70% of the fruit. About 94% of irrigated acres are in 17 Western states and three Southeastern states: Louisiana,

TABLE 6

**Ground water as percent of total withdrawals**

State	1980	1985
California	38	30
Arizona	25	48
Colorado	19	17
Idaho	30	22
Kansas	85	84
Nebraska	59	56
Oklahoma	55	44.7
Texas	33	29.2
Florida	19	23.5

Source: U.S. Geological Survey, "Estimated Water Use in the United States," 1985.

Florida, and Arkansas. The top five states—California, Nebraska, Texas, Idaho, and Colorado—account for 55% of irrigated land between them.

**Agriculture water crisis already severe**

Where is the increased water for the increased acreage to come from? This is where the water crisis already exists. Between 1940 and 1978, irrigated farm area more than doubled. However, the increase was made possible by tapping ground water supplies, which source increased 160% between 1945 and 1980 (see **Table 6**), while use of surface water increased less than one-third as rapidly. By 1984, irrigators obtained roughly equal amounts from underground and surface water supplies. Mining of ground water, at rates faster than aquifers are replenished by the flow of the water cycle, is creating problems which jeopardize the very existence of such agricultural practices, such as salt-water intrusion into the aquifers of California and Florida, or the exhaustion of supplies.

The present so-called drought crisis in California is a foretaste of where each of these states is headed. Continued mining of ground water is no answer, and transfers from neighboring river basins are no answer because for each of the states west of the 100th meridian, with the exception of the Pacific Northwest, water shortages now prevail. And basins with surpluses on paper, such as the Great Basin and Upper Colorado, are tapped out providing for southern California, Arizona, and New Mexico. This was the foreseeable crisis that Nawapa was designed to avert.

Presently, each American requires about six acres of agricultural land—two for crops, four for pasture and related uses. Even the government's nonsensical low growth rate would therefore require either the addition of 12 million acres per year, or productivity increases on existing cropped and

pastured acreage commensurate with the assumed growth in population. Double that figure would be required for the kind of population growth which would permit actual growth. Irrigation happens to be the most readily available means of increasing productivity, and the land required to sustain population growth would be reduced to 1.5-2 acres per person, 6 to 8 million acres per year.

**Industry and power generation**

The projections for both industrial water use and the requirements for power generation were developed by assuming a full employment profile for the economy. This has two aspects. The population of labor force age is growing in such a way that about 1 million workers are added to the labor force each year. Thus, about 20 million work places would have to be created over the next 20 years. Then, we must take into account the mis-employment of the work force. Assume, opposite to the dominant practice of the past generation, that goods producers in manufacturing, mining, construction, and transportation, make up 50% of the employed labor force, and that 60% of the population of labor-force age will be employed. The approach ought to be to pay our own way in the world by producing our own requirements, and exporting into expanding markets outside the country. No more free-loading through stealing the produce of those who cannot afford to defend themselves from our genocidal looting. To support the ability to turn around collapsing birth rates, the base for estimation is a labor force of about 114 million people, freeing up about 20 million women to return to the household, with about 57 million operatives in the cited industries, of whom, it is assumed, 41 million can be employed in manufacturing.

That will raise objections too: After all, it is insisted, we have moved beyond the phase in which we actually produced for ourselves. We're in the post-industrial society, don't you know? We steal some of what we need from everybody else, some we produce, and some we do without.

Fifty percent of those employed working in goods production is what used to be the practice before the rot set in during the 1960s.

**Table 7** compares the decline of goods-producing employment, since 1940, with the number of manufacturing employees, and horsepower of factory-deployed prime movers, manufacturing electricity use, industrial water use, and estimated industrial land area. Engineers employ such parameters to arrive at determinations of water usage. For example, the American Water Works Association prepared a study entitled "Water Requirements for Industrial Development," authored by K.L. Kollar and P. MacAuley. The study was published in Vol. 72, No. 1 of the *Journal of the American Water Works Association*. Employing 1979 employment data, by manufacturing sector, the study's parameters provide for a water requirement, per manufacturing employee, of 12,790 gallons per day. If such a standard were adopted,

TABLE 7

**Employment, power, water, and area, 1940-87**

	Goods producers % employment <sup>1</sup>	Manufacturing employees <sup>1</sup> (millions)	Factory horsepower <sup>2</sup> (millions)	Factory Kwh <sup>3</sup> (millions)	Water <sup>4</sup> (billion gallons/ day)	Area <sup>5</sup> (million acres)
1940	50	13.2	21.7	83.3	28.9	—
1950	49.7	18.4	32.9	181.3	37.9	0.8
1960	44.9	20.4	42	361.9	61.0	—
1970	39.4	23.3	54	573	62.9	1.5
1980	24.8	18.3	64	794	45.0	1.5
1985	22.3	17.4	65	824	30.0	—
1987	21.3	17.4	65	847	—	—

## Sources:

<sup>1</sup> Bureau of Labor Statistics, U.S. Department of Labor<sup>2</sup> "America's Needs and Resources," Twentieth Century Fund, New York; John A. Waring, Arlington, Va.<sup>3</sup> Bureau of Census, U.S. Department of Commerce; Edison Electric Institute, Washington, D.C.<sup>4</sup> U.S. Geological Survey<sup>5</sup> "Land Uses In American Cities," Harland Bartholomew; "America's Land and Its Uses," "Resources for the Future"; EIR estimates.

for an employed work force in manufacturing of 41 million, then about 520 billion gallons per day would be required for manufacturing alone. Or, for 1980, four times more water ought to have been available for industry than was.

The first is more than the "dependable" daily runoff of 515 billion, and about as much as peak growing season irrigation use.

Per horsepower applied, for factory-based prime movers, an engineering estimate for cooling feed, and boiler "make-up" water, runs in the order of five gallons per horsepower. This would come to 325 million gallons per day, for the reported 65 million factory horsepower of 1987.

Again, estimates of feed water requirements for cooling and condensing in electricity generation run from 10 gallons per kilowatt-hour to 40 gallons per kilowatt-hour.

The water used for such purposes can be recirculated. It has to be cleaned, almost to the standards of drinking water, to prevent scaling and other fouling of working surfaces, so why not re-use it, rather than pump cleaned water back into the dirty source from which it was extracted? Water is re-used in this way, seven times and more. That part lost in the process of generating steam, through evaporation, has to be replaced, called "make-up" water. In electricity generation, it can amount to 5% of the throughput.

The variabilities depend both on the thermodynamics of the process employed, and on the method chosen for the heat-sink. Some 60-70% of the heating value of the fuel employed to power an industrial boiler system, or an electricity generating station, is not converted in the process, and has to be vented as waste heat. In U.S. practice, where water has been relatively plentiful, and cheap, this has either meant, once-

## The 'nuclear option' for electricity and water

*Following are excerpts from a presentation to the American Power Conference in Chicago April 29-May 1, by General Atomics officers R.W. Schleicher and C.J. Hamilton, titled "Exploiting the Nuclear Option for Both Electricity and Water."*

... In many regions of the U.S., an acute need for new sources of fresh water is emerging as a consequence of sustained drought conditions, high local population growth, and deterioration of existing water supplies from contamination and overuse.

Concomitant with the need for new fresh water is the need for new electric power sources. Both population growth and industrial development bring about increased energy utilization, particularly in the form of electricity.

Although desalination has been a major water source for Middle East countries and island nations, it has not been a significant source of water in the U.S. However, the need for both water and electric power is a significant problem in populous regions with high growth projections, particularly Southern California and Florida.

In Southern California, which is in the fifth consecu-

through coolant and condensing cycles for plants located on ocean coastlines or rivers, or recycling coolant and condenser feed from plant-dedicated ponds and lakes. Phoenix, Arizona, powered from desert-located nuclear plants, uses treated and recycled municipal waste water as the source for coolant and condenser feed-water to the plants.

The waste-heat can also be air-cooled, through cooling tower arrangements. As long as technologies, such as magnetohydrodynamic (MHD)-based direct generation of electricity from coal, for example, are not developed, cooling and condensing needs of steam-cycle generators and boilers are going to be with us.

Given the variability, we estimated requirements simply by, in the case of industrial use, increasing the 1980 manufacturing withdrawals of water by a factor of 2.5 to reflect a full-employment policy. We also assumed that industrial use of electricity would increase proportionally, by the same factor, and then took an industry standard, 40 gallons per kilowatt-hour (kwh), as the cooling and condensing requirement for all electricity. Household uses of electricity were based on the 9,025 kwh per household, 1980 requirement to power the

array of appliances, lighting, and heating functions, which such a household ought to have. The results are 112.5 billion gallons per day for the manufacturing industries, and 275.4 billion gallons per day for steam-electric generation.

In the government's nonsense view, the labor force is supposed to increase by about 1 million per year. Under actual population growth, such a margin of increase could easily be doubled, but the increase will not be reflected in the employment profile until about 20 years after we convince ourselves that such a change would be in order, if we are to survive. Meanwhile, the question becomes, how rapidly can resources be mobilized to create the capital improvements, including expansion of the water supply, which can begin to shift the country back to producing its own way in the world. For each such million jobs in the productive sector, about 2.5 billion gallons of water will be required per day, 48 million kwh per year, and 60,000 acres of land at current per worker productivities. What happened between 1940 and 1970, as reflected in Table 7, ought to provide some idea of how such parameters might change over that 20-year period.

tive year of drought, recent water authority demands for 50% cutback in water use have raised interest in the possibility of desalination for urban water supply. Desalination represents not just a short-term solution, but a long-term water source to cope with the high population growth and loss of existing water supplies.

Florida is in a similar position. Despite a large annual rainfall, the topography and soil structure induce excessive runoff . . . [and] drawdown of the water table has permitted seawater intrusion into the coastal water supply. Hence, brackish water and seawater desalination solutions are being developed. With respect to power needs, Florida is already in a critical situation. . . .

### **The MHTGR: an ideal source**

Nuclear power is the ideal energy source for meeting the new demand for water and electricity. . . . Nevertheless, to be a practical reality for desalination, nuclear power must overcome several barriers which have interrupted development for the past 12 years in the U.S. These are: 1) achievement of exceptional safety characteristics; 2) economic competitiveness, with water and power production costs equal to or lower than alternative new sources; 3) acceptable financial risk for prospective owners and/or investors.

The Modular High-Temperature Gas-Cooled Reactor (MHTGR) is an energy source for both water and power production which has the potential to overcome the above barriers. The MHTGR features inherent safety character-

istics, tolerance of operational transients, and benign environmental impact, all of which have the potential to make it an ideal candidate for water and power production at sites near coastal population centers.

A study initiated by the Metropolitan Water District of Southern California, in conjunction with the Department of Energy and private companies in the energy and desalination fields, has evaluated the technical and economic viability of using the MHTGR for desalination in Southern California. The major findings are:

1) Growth in normal water demand in Southern California requires development of about 460,000 acre feet per year (AFY) of new reliable water by the year 2000. By the year 2010, a total of 890,000 AFY must be developed. There is a corresponding need for additional large sources of electric power after the year 2000.

2) A dual-purpose MHTGR desalination plant consisting of four 350 megawatt modules with a multieffect distillation desalination system supplied with backpressure steam from the MHTGR can produce 106 million gallons of fresh water per day (MGD) in addition to 466 MW net electric power output.

3) The MHTGR will meet all established safety, environmental, and seismic criteria for siting in Southern California.

4) The institutional issues, which include public acceptance and demonstration of a means of waste disposal, loom as the most significant factors affecting viability of MHTGR desalination.

# The Nawapa plan to 'green' the deserts

by Marcia Merry

The water and land surveys done in the United States after World War II showed that for an expanding population and healthy economy in North America, more water would have to be supplied to the arid western regions, or else, growth of population and economic activity would have to be concentrated in the existing, well-watered regions of eastern Canada and the United States, as well as southern Mexico.

As the hydrologic patterns reported elsewhere in this *Feature* show, the western watersheds overall do not have the potential to support expanded water withdrawals unless their flows can be augmented from outside.

In the 1950s and early 1960s, very effective designs were drawn up for the technological and geographical engineering to provide additional water. If these proposals had been implemented, the ecological degradation now worsening in the West would not have occurred.

The plans for water provision were based on bringing water from the Yukon southward—water which otherwise flows, unused, into the Arctic Ocean. Further, the plan was to bring northward the surplus water of Central America, to water the arid northwest of Mexico.

These continental water diversion plans were realistic, because in the immediate postwar period, technologies were still too costly and primitive for desalinating large volumes of the water of the Pacific Ocean or the Gulf of Mexico. Though large in scale, the engineering tasks involved were not inherently complicated. Moreover, the postwar development of the technology of peaceful nuclear explosives (PNEs) promised to greatly cut construction times and revolutionize methods for large-scale earth-moving projects round the world.

Plans for the Mexican hydraulic projects were worked up by the College of Civil Engineers in Mexico City. Called the Hydraulic Project for the Northwest (Plhino) and the Hydraulic Project for the Gulf of the Northeast (Plhigon), the designs would move water through canals and existing river beds to the dry northern states of Sonora, Sinaloa, and Tamaulipas.

The Pasadena, California-based Ralph M. Parsons Co. designed the northern projects for Canada and the United States, which at the time was called Nawapa—the North American Water and Power Alliance. In parallel with this, the state of California—the most populous, water-short area of the United States after the war, pursued projects under its

1957 California Water Plan, arising from its 1947-57 water resources survey. And in the meantime, the large pre-war projects—Colorado River, Columbia River, etc.—provided water for economic growth.

In 1966, U.S. Senate hearings were held on the feasibility of Nawapa, chaired by Sen. Frank Moss (D-Utah), head of the Special Subcommittee on Western Water Development of the Senate Interior Committee. Senator Moss said that with the expected success of putting a man on the Moon, the U.S. public and policymakers had reason to look forward to the completion of Nawapa.

However, within a decade, Nawapa and Plinho-Pligon were politically all but dead and buried. The California plans fell behind schedule, then they were drastically scaled down. International opponents conducted massive campaigns in the name of environmental protection, population reduction, and cost-cutting, and otherwise launched dirty tricks against groups and persons backing such projects.

Development economist Lyndon LaRouche kept the infrastructure issues alive through his political campaigns and the policy groups which he initiated. In 1982, the National Democratic Policy Committee issued a mass-circulation report promoting such water development projects, with the title, "Won't You Give Your Grandchildren a Drink of Water?"

Now today, the merit of the projects comes again into focus, because despite 25 years of anti-technology propaganda, people can potentially see the awful results of preventing infrastructure improvements. Desalination plants are on the agenda in California. Alaska Gov. Walter Hickel has proposed the construction of a plastic offshore pipeline to carry water from his state to southern California. These initiatives show that once again, there is emerging a mood to solve problems, rather than to succumb to anti-growth propaganda and national economic devastation.

## The scope of Nawapa

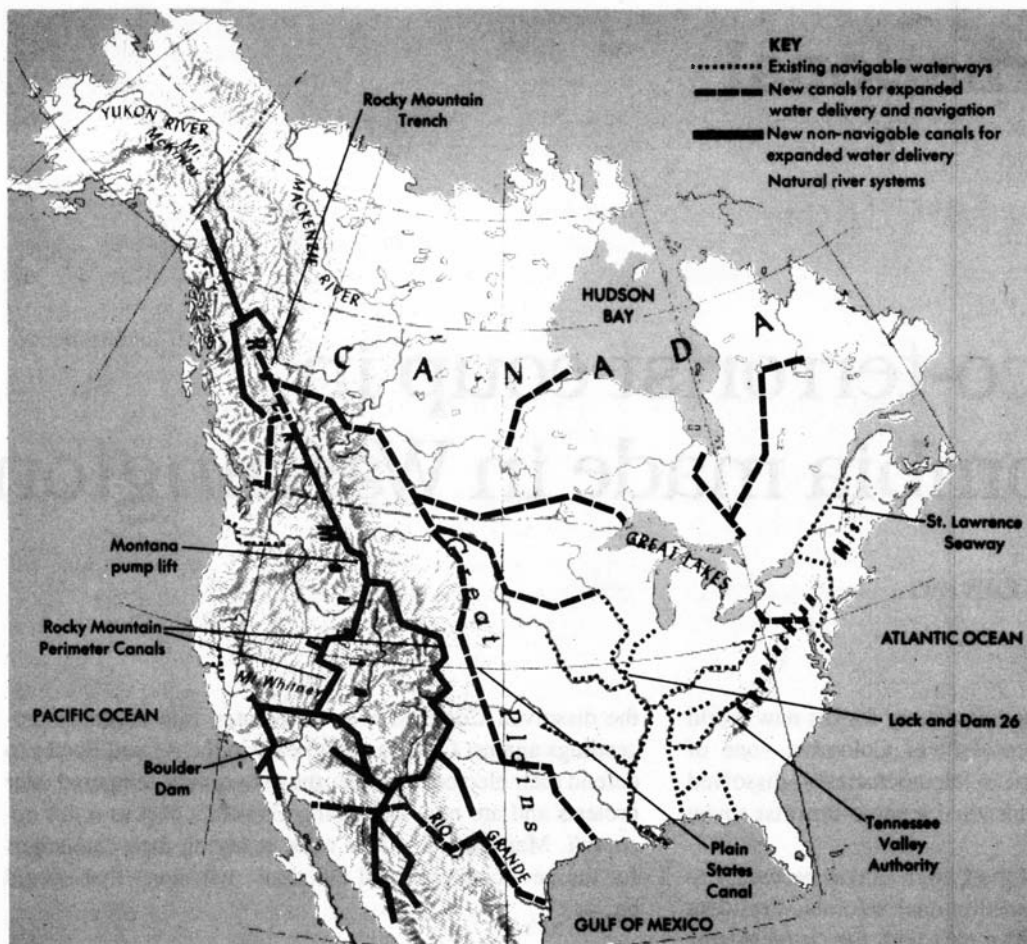
The basic concept of Nawapa is shown in the map on page 37, based on the plans of the Ralph M. Parsons Co. in 1988. The northwestern region of North America receives about one-quarter of all the rain and snow that hits land on the planet every year, and most of this cascades, untouched by anyone, northward into the Arctic Ocean, or westward into the Northern Pacific. The Nawapa scheme would divert up to 15% of this flow, beginning with channeling it into a natural wonder reservoir—the 500-mile-long Rocky Mountain Trench in British Columbia. This is a 10-mile-wide geological formation that could hold almost 500 million acre feet of water.

From here, the water would flow in three directions:

1) eastward across the Canadian Plains provinces, providing water for irrigation there, as well as a navigable canal that would connect the Pacific Ocean to the Great Lakes, allowing for the regulation of Great Lakes and St. Lawrence



## The North American Water and Power Alliance



Source: As elaborated by the Fusion Energy Foundation, 1982.

Seaway levels for the first time;

2) southward across the Sawtooth Mountains in Idaho, through Utah and Nevada into southern California (where it would provide 10 million acre feet a year), Arizona, New Mexico, and northern Mexico, where it would provide 22 million acre feet a year, alleviating the burden on the over-taxed Colorado River;

3) southeast across Montana and the Dakotas, where it would recharge the depleted Ogallala Aquifer on the High Plains, and augment the flow of the Missouri and Mississippi rivers, and link the Canadian Plains with the Mississippi by a navigable canal.

### How fast can it be built?

Construction time for the entire Nawapa design is estimated to be 20 years, after the first 5-8 years of feasibility analysis, engineering reconnaissance, and various levels of governmental approvals. This timetable is based on traditional construction methods, not the time-saving nuclear methods that could be developed and applied.

However, any timetable at all is now subject to the constraints of the economic decay in the U.S. economy. The best development that could take place under the circumstances is for the project to proceed in stages. Under the original

projection, after Year 8 of construction, it would be possible to produce and sell 5 million kilowatts of electricity. After Year 9, some 23 million kW would become available, and the first flow of 15 million acre feet per year (maf) of water would begin. In 12 years, there could be 31 million kW of electricity, and 39 maf of water.

### The cost

In the 1960s, the cost of Nawapa was figured at \$100 billion, which today would be \$300 billion over a 30-year period, or, depending on the pace, \$10 billion a year. The phases of construction would have significant positive effects throughout the economy. Parsons' Nawapa engineer Nathan Snyder reported in 1988 to a gathering of the Institute for the Advancement of Engineering: "Much experience has been gained in accomplishing large projects in Alaska and Canada. For instance, Parsons managed the design and construction of \$4 billion oil and gas recovery and processing plants and infrastructure on the Alaskan North Slope. This was done under the budget and time schedule planned under the most severe weather conditions in a remote area. Even now, the massive hydroelectric complex constructed along La Grande Rivière in Quebec shows definite proof by the Canadians that a program such as Nawapa can be accomplished."



## Narco-terrorist coup in Colombia made in Washington

by Andrea Olivieri

George Bush chalked up another victory for his new world order June 8, when the President of Colombia—one of Bush's favorite South American "democracies"—dissolved the National Congress and installed a narco-terrorist *soviet* in its place.

Claiming that a purge of the Congress was necessary to clear the way for urgent constitutional reforms, President César Gaviria Trujillo signed a pact with the co-presidents of the so-called National Constituent Assembly to suspend the current Congress, arrogating to himself dictatorial powers until new congressional elections are called *in the indefinite future*. The Constituent Assembly, an illegally constituted body made up largely of "former" terrorists and cocaine cartel frontmen, is rewriting Colombia's national constitution, scrapping its natural law premise in favor of a narco-terrorist "new order."

The last time a South American President tried to order the suspension of Congress through the mechanism of an illegally convoked "referendum" was in 1973, and Chilean President Salvador Allende was militarily overthrown for his attempt to dismantle one of the country's national institutions.

Gaviria's pact was signed by his former health minister, amnestied terrorist chieftain Antonio Navarro Wolf, with former President and mafia godfather Alfonso López Michelsen, with former attorney general and narco-apologist Horacio Serpa Uribe, and with others of their ilk, all in the name of "peace" and "a new beginning." Not surprisingly, one of the first acts of the Constituent Assembly—now that the obstacle of Congress is apparently cleared away—has been to hear a proposal for the legalized production, sale, and consumption of drugs.

Although the initial reaction of a number of members of

the dissolved Congress was to threaten impeachment proceedings against Gaviria and to call on the Armed Forces to defend their elected mandate, they have since tempered their protests and are now describing Gaviria's pact as a *fait accompli*. Many are now said to be readying their campaigns for the new congressional elections, whenever that should be.

### A 'democratic' coup

Gaviria's alliance with narco-terrorism to shatter Colombia's national institutions has already been denounced as a "coup d'état" by Senators Hugo Escobar Sierra and Edmundo López Gómez. Anti-drug former Interior Minister Carlos Lemos Simmonds, a dissident delegate of the Constituent Assembly, has charged that the terrorist M-19 "has accomplished in the political arena what it couldn't through armed struggle"; namely, the dismantling of state institutions.

Former President Misael Pastrana Borrero, one of the Assembly's more prominent delegates, was the first to resign from that body on June 13, in disgust at what he called a pact to establish "a dictatorship." Even one of the signers of the pact, Assembly co-President Alvaro Gómez Hurtado, has caused a scandal inside the Assembly by charging that López Michelsen—believed to be the actual architect of the pact—manipulated the signers into giving dictatorial powers to the President.

On June 12, Lemos Simmonds devoted a column in the daily *El Tiempo* to charging Gaviria with "treason" against his own Liberal Party, and to warning that the pact would lead to disaster for the country. Referring to Gaviria's earlier promise that the Constituent Assembly would not have the power to fire anyone legitimately elected, Lemos wrote that the pact "indicates that in Colombia a pledge, even at the

highest level, is now worth nothing; all is subject to change, compromise and negotiation. It also indicates that it is the morality of the amnestied guerrillas which finally prevailed. . . . Dr. Navarro Wolf is above all a revolutionary, and his ethics are not ours but those of the revolution to which he devoted his life. . . . As with Castro in Cuba, the Sandinistas in Nicaragua, or Allende in Chile, the revolutionaries know how to disguise their intentions, if this serves their ascension to power." This process, concluded Lemos Simmonds, "can end up leading genuine democrats into such sad episodes as that of Munich."

What Lemos failed to note is that the collapse of constitutional rule in Colombia is the direct result of the Bush administration's experiment in "democracy" in that country. By promoting the dismantling of Ibero-America's militaries, while simultaneously refusing to provide the political, financial, and technical support for a serious war on drugs in 1989, when Colombia was briefly stirred into action, George Bush has de facto encouraged the Colombian government into precisely the kind of appeasement policies whose results are so painfully exemplified by Munich 1938.

### **Laundering the cartels**

While Gaviria was carrying out a coup d'état against his own government in the name of "fighting corruption," a luxury villa was being built—under Gaviria's orders—to house Pablo Escobar, one of the world's most wanted drug traffickers and assassins. Escobar stands accused, along with running the world's largest cocaine smuggling ring, of the murders of three presidential candidates, numerous cabinet ministers, countless law enforcement officials, judges, journalists, politicians, and hundreds of innocents through random terror bombings.

He and his bodyguards are expected to surrender imminently to Colombian authorities, under a plea-bargaining agreement *designed by the U.S. Justice Department*. The deal involves confession to a single crime, in exchange for protection from extradition and a reduced prison sentence—apparently to be served under his own terms and conditions. His "prison," a collection of luxury suites protected by high-technology equipment and Escobar's hand-picked guards, was constructed on mafia-owned land in the city of Envigado, the drug kingpin's hometown and a wholly-owned "subsidiary" of Escobar's Medellín Cartel. It is even said that Escobar paid for the construction of his "five-star" jail himself.

Few law enforcement officials, be they U.S. or Colombian, have any illusions that Escobar's surrender will mean the end of cocaine trafficking in Colombia. It is an open secret that Escobar's cartel partners, the Ochoa brothers, have continued to run their business from their luxury jail cells ever since their surrender earlier this year. The daily *El Espectador* of May 30 revealed that Gaviria's "Operation Surrender" includes a pledge not to touch Escobar's vast fortune, and to retire the most effective anti-drug fighters within the National

Police force.

It is also an open secret that the so-called Cali cocaine cartel, whose long-standing links to the U.S. government have been the subject of numerous exposés by *EIR*, continues to operate with total impunity. The Cali Cartel has not only cornered more than 50% of what used to be Medellín Cartel operations, but is said to be dramatically expanding into Europe and Asia.

### **'Peace at any price'**

The capitulation doesn't stop here. President Gaviria's chief "peace adviser," Jesús Antonio Bejarano, has been deployed to Caracas, Venezuela to conduct amnesty negotiations with the country's leading narco-guerrilla forces, the Colombian Armed Revolutionary Forces (FARC) and the National Liberation Army (ELN), even while those forces continue to traffic in drugs, and kidnap, terrorize, and murder in the name of "revolution." The negotiations, heartily endorsed by the U.S. State Department and sponsored by Venezuela's Socialist President Carlos Andrés Pérez, are modeled on the U.N.-backed talks ongoing with the FMLN guerrillas of El Salvador. And just as with that Central American country, the negotiating agenda of the Colombian rebels is topped by demands for 1) the dismantling of the Armed Forces, and 2) concession of political power.

M-19 chieftain Antonio Navarro Wolf flew to Caracas in early June, to offer his brethren in the FARC and ELN an easy route to power through guaranteed quotas in the Constituent Assembly and through early elections to the new Congress, in which they would be allowed to participate if they accepted the government's amnesty offer. Reportedly, the FARC-ELN are still holding out for proof that Navarro's Constituent Assembly is ready and willing to dismantle the Colombian Armed Forces, which still have a constitutional mandate to combat the narco-terrorists' armies nationwide. Turning them into a civilian police force, is, in fact, a key agenda item for the remaining few weeks of the Constituent Assembly.

What the Armed Forces will do come July 20, when the nation's constitutionally elected representatives have been prohibited from taking their seats, remains to be seen. One can only assume that nearly a decade of bloody warfare and the sacrifice of tens of thousands of men to the narco-terrorist forces now sitting in power has certainly not predisposed Colombia's defense forces to Bush's new-style "democracy."

Neither does Colombia's narco-dictatorship come with a "made-in-the-U.S." warranty. The stage is already set for civil war, which would likely spill over national borders and ignite several hot spots in the region. The Bush administration, ever on the lookout for a military adventure, has already begun to put a little distance between itself and its "Frankenstein's monster" in Colombia, and the sudden discovery of a "U.S. national security threat" there, as in Panama and Iraq, cannot be ruled out.

# In Poland, Pope pleads for innocent life, brotherhood among nationalities

by EIR Staff

Pope John Paul II has just completed a 10-day visit to Poland, his first evangelical journey since issuing a new encyclical on May 1 which demanded human dignity and economic development for Eastern Europe and the Third World.

The papal visit was also the first since communism lost control of the government there in 1989, and his intention was to rejoice, not only with his fellow Poles, but with the multitudes of Ukrainians, Lithuanians, and Hungarian Catholics who flocked over the borders to join hundreds of thousands of Poles in assisting at the daily open-air masses held by John Paul II between June 1 and 9. He started the trip not in the big urban centers of the south, center, or west, but in the relatively small cities of Koszalin, in the Baltic region, Resoczw, Przemysl, and Lubaczow—all not far from the Soviet border.

The pope put the visit to his native Poland under the inspiration of the Decalogue, the Ten Commandments “forcefully articulated by God atop Mount Sinai and confirmed by Christ in his Sermon on the Mount.”

## **Poland's sovereign contribution: solidarity**

On June 8, Pope John Paul II spoke at the Royal Castle in Warsaw, where he was greeted by President Lech Walesa, who noted that Poland is “celebrating the 1,225th anniversary of the baptism and birth of our state” and “the 200th anniversary of the passing of the Third of May Constitution—here in this very place—the charter of the wisdom and democracy of our people on a world scale.” Walesa continued, “All these memories, the present day, and our desires, are born in the centenary year of the publication of the great encyclical of Pope Leo XIII: *Rerum Novarum*. The injunctions, the incentives, the warnings of that document are necessary for today, because the Church, the population, and our country still face the phenomenon of new things.” The centenary of *Rerum Novarum* cited by Walesa has been celebrated by John Paul II by issuing *Centesimus Annus*, a social encyclical which directly counters the Anglo-American “new world order” of pillage and social injustice.

In his speech at the Castle, the pontiff reflected on these 200 years of Polish history. “Can it not be said at the same

time that the events of this century have restored us to ourselves by the same token, as the authors of the Constitution of 200 years ago say? . . . The course of the historical events in which the Polish nation has played an active role during the entire time has contributed to that. That active role in World War I appeared above all, but not exclusively, as an armed effort up to the Battle of Warsaw in August 1920. That active role in the post-Yalta stage was expressed above all as a conscious movement in defense of the sovereignty of society destroyed by the totalitarian system.”

Quoting a contemporary Polish philosopher, John Paul II said that today humanity forms a compact network of nations, strongly bound by various links, yet every nation and every individual has its unique calling. “The world cannot be understood today other than as being in a dialogue with God, who calls, repairs that which man spoils, and always gives us new opportunities. The two centuries which separate us from the passing of the Third of May Constitution were also the time of such a dialogue with God. . . . It became the content of a diversified record that marks a special period in the history of Polish culture, Polish literature, music, and art. This record endures in new generations, and should endure, as it is a special commentary on the Third of May Constitution. It pointed, and still points, the way to our Polish identity in Europe—identity as a society and as a political community.

“This is important, at the threshold of the Third Republic, because, restored to ourselves, we are still looking for the way to ourselves, to a political and also economic form of that sovereign identity which is our portion.

“Poles,” the pontiff continued, citing an Italian thinker, “can either simply enter the consumer society, taking up, if they can, the last place, before it finally closes its doors to newcomers; or they can contribute to the rediscovery of the great, profound, authentic tradition of Europe, by proposing to it simultaneously the alternatives of a free market and solidarity.

“For solidarity has crossed the Polish border. . . . Let us trust, therefore, that in introducing a free market, Poles will not cease to consolidate in themselves, and deepen, the

attitude of solidarity. An important element of that attitude is concern for human rights, beginning with the most important of these: the right to life. The point is not just to demand these rights for oneself. Solidarity also means to strive for respect for the rights of all those who have been wronged and for the weakest, especially those who are unable to defend themselves.”

### **The issue of unborn life**

In closing, he emphasized a theme that would recur throughout the 10-day apostolic journey, a call to repudiate abortion: “Real solidarity must be integral; unborn children must not therefore be excluded from it. They, too, like all other human beings, have a right to life.” Since 1956, Poland has had one of the most liberal abortion laws in the world, and the Polish parliament, which he was addressing, has just tabled indefinitely a plan to change that law, a relic of the communist dictatorship.

Although 95% of Poles are Catholics, incredibly, half of all babies conceived are aborted, and the population growth rate has fallen below 1% per year. “I would like to ask those who are responsible for morality in Poland,” he demanded, “whether they should be permitted to take lightly the fact that they are exposing the Polish family to new destructions. . . . You cannot talk about freedom in this case, because it is a freedom which makes you slaves.”

On Polish soil, the commandment, “Thou shalt not kill,” he said in a homily in Radon on June 4, “has been violated by millions of outrages and crimes. Particularly appalling was the killing of entire nations—of Jews in particular—but also of other ethnic groups (like Gypsies), motivated solely by membership in this nation or that race.” He added, “That cemetery of the victims of human cruelty in our century is extended to include yet another vast cemetery, that of the unborn.” No human institution possesses the right to legalize the killing of an innocent, defenseless human being, the pope said. He called on the Polish people, to “help your neighbors to accept with joy their child, who—speaking in human terms—has arrived, shall we say, at the wrong moment.”

### **Reconciling two rites**

In Przemysl—where he has named a bishop of the Uniate rite, Msgr. Jan Martyniak—less than seven miles from the Soviet border, John Paul II called for the reconciliation of Poles and Ukrainians, at the very confluence of the Western and Eastern churches. In the Church of the Sacred Heart, he welcomed the hierarchy and more than 2,000 believers of the Greek Catholic (Uniate) rite with their patriarch, Cardinal Lubachivsky, who has been back in Lvov since Easter, after 50 years of exile in the West. When everybody start applauding because he was speaking Ukrainian, the pope quipped, “When God allows me to go to Lvov, I will speak your tongue much better.” He announced that the Church would be given to the Uniates as their cathedral, solving a longstanding con-

flict between the Roman Catholics and Uniates in the region.

Warning against all impulses contrary to “universal brotherhood,” he said that as one who had come to welcome the awakening of his nation in 1979, helped its resistance in 1983, and nourished its hope in 1987, he was today making the moral demand that all must restrain nationalisms inspired by exclusion. He called for a community of Christian people around their values and nations, respecting each other for the “common good.” Those who set Poles against Ukrainians, or Lithuanians against Russians, are acting for evil, and against the “spirit of reunion,” “our highest joy.”

There have in the past been ethnic conflicts among these groups within the Church, and on one level the pope was acting to prevent such conflicts from destabilizing the area. In Przemysl he warned, “To light again old nationalisms would be an anachronism. . . . We meet to thank God because the Church in Ukraine could come out of the catacombs. Even in the most audacious dreams it was difficult to foresee that, at the end of the second millennium, [that] church would conquer back its freedom and its right to live and develop. Not even one bishop of this Church denied its belief and left the unity with the rock of St. Peter, even if the persecutors did their best to achieve their aim.”

These words evoke those in the encyclical, *Centesimus Annus*, which describe the heroism of the Church in Poland in the last decade’s battle against communism. The implication—spreading freedom into Ukraine and other western parts of the Soviet Union—could not be missed, especially with 10,000 Ukrainian Catholics having crossed the border to listen to him.

In Lubaczow, the pope said, “From this piece of land which belongs to the diocese of Lvov [in Ukraine], I must look beyond the border,” and smiled when he saw a huge banner with the words, “Moscow Awaits the Pope of Rome,” in the crowd of 500,000.

### **Material goods are not ends**

On economic policy, too, John Paul II recalled concepts developed in the encyclical. “Never should you aim at material goods as if they were ends in themselves,” he told the Poles. “The economic reform in our homeland should be accompanied by a growth of social engagement, by an even greater attention to the common good.”

These teachings counter the pervasive message from such Western oracles as Harvard University, who hawk “free market consumerism” in Eastern Europe like a new deity, even as production in those countries continues to fall, and morale declines under such “free market” shocks as the news that Poland, once a world leader in coal production, now imports coal. Warsaw is full of products that almost no Pole can buy—plus Coca Cola, fast food, and “sex shops.” The Pope ruthlessly attacked this new evil, and stressed that to stop human labor by using financial rationalizations is an anti-human policy.

# Another reality—why don't we hear about what is happening in Iraq?

by John Pilger

*The article below first appeared in England in the weekly The New Statesman, on May 24. It is republished here with the kind permission of Mr. Pilger, whose research on sensitive issues, such as Anglo-American support for the Khmer Rouge, has brought down upon his head the fury of the intelligence establishment in his native country. Note what Mr. Pilger has to say on the threats made by the British government against the charity Oxfam, shortly before their team was to leave for Iraq in March.*

There is an epic shamelessness about the symmetry of current, imperial events. An honorary knighthood is hand delivered by the Queen to General Schwarzkopf while his victims, mostly young children, continue to die in their thousands in Iraq, in conditions described by the United Nations as "near apocalyptic."

Certainly, the general's most enduring achievements ought not to go unrecognized. On May 11, the former U.S. Attorney General, Ramsey Clark, set up an international commission of inquiry and war crimes tribunal, which will investigate what was really done in the Gulf, as opposed to the version represented by "the artifices of media images and the cant of politicians." Not surprisingly, the Ramsey Clark commission has been all but ignored by the media. As the evidence unfolds over the coming months, it may be difficult to ignore. Ramsey Clark distinguished himself as America's chief law officer under President Johnson. He is an authority on the prosecution of war crimes and believes the law is not as vague in that area as it is often presumed.

The Clark commission will concentrate on the body of international law codified in the 1977 Geneva Protocols additional to the Geneva Convention of Aug. 12, 1949, which expressly prohibits attacks on "objects indispensable to the survival of the civilian population, such as foodstuffs, agricultural areas . . . crops, livestock, drinking water installations and supplies and irrigation works." Article 56 states that "dams, dykes and nuclear electrical generating stations shall not be made the object of attack, even where these objects are military objectives, if such an attack may cause the release of dangerous forces and consequent severe losses among the civilian population. . . ."

In the announcement of its formation the commission noted that there is "abundant *prima facie* evidence to support

the allegation of war crimes . . . the U.S. Air Force between Jan. 16 and Feb. 27 carried out the most sophisticated and violent air assault in history against a virtually defenseless people. A deliberate policy of bombing civilians and civilian life-sustaining facilities has resulted in the destruction of the Iraqi economy and urban infrastructure." The evidence will draw on a range of sources, including the report of an investigating team commissioned by the U.N. secretary general which says that, due to the bombing, "Iraq has, for some time to come, been relegated to a pre-industrial age" and left in a "near apocalyptic state" with "even sewage treatment and purifying plants brought to a virtual standstill."

We have had only glimpses of this "near apocalyptic state," notably in the *NSS* and the *Guardian*. The suffering of the majority of the Iraqi people, like the true nature of the war, or "turkey shoot," has been suppressed. There has been only one indelible image of the war's horror: a photograph published in the *Observer* of an Iraqi petrified in death on the Basra road. According to the Clark commission, between 150,000 and 300,000 Iraqis were killed; yet we are left with just this one icon.

Why? Why have we not seen a single frame of film of the Iraqi trenches after they were cluster-bombed and napalmed? Why have we not seen the bulldozing of bodies into mass graves? This latter image is the one that those who prosecuted the war fear most.

They know it will evoke the memory of bodies bulldozed into pits in the Nazi concentration camps. Official film no doubt exists. Will it go the way of the official film of what was done to the people of Hiroshima? This record was hurriedly consigned to the Pentagon and classified "secret" for 23 years.

Were we now to view such horrors of the "famous victory," we might understand that the bodies in the pits were mostly Kurds and Shias, who were slaughtered not by Saddam Hussein as they scaled mountains, but by the "allies" as they tried to get away. We might understand that the Kurds have been a useful propaganda distraction for the U.S. and British governments, who killed most in the Gulf and with impunity. Witness John Major's "irritation" with and "blunt letter" to the U.N. about speeding up humanitarian aid to the Kurds. Thatcher's Sir Bernard would have been proud of that one. On May 4, the United Nations High Commission for

Refugees called Major's bluff by disclosing that the U.N. had been "starved" of funds for the Kurds and that the British government had given a derisory £95,000—compared with Germany's \$20 million. Britain has since modestly increased its share; and the Overseas Development Ministry has been instructed to concentrate on the "safe havens," to the detriment of the rest of Iraq.

"Do we even care," wrote Linda Schabedly, in the *Guardian* letters column, "about the other version of reality that exists beyond the artifices of media images and the cant of politicians?" It is a central question, to which the answer is that a great many people do care but are denied the "other version of reality," just as they were denied it during the war itself. Through the narrow focus of those supportive and protective of the state, the caring and the complex misgivings of the public are trivialized or silenced.

Maintaining this one version is essential to British policy in the region, with its sub-imperial posturing by a latter-day Lord Palmerston, who began his ministerial life at the Foreign Office by traveling to Baghdad as a "top-level salesman" of weapons to Saddam Hussein. Many people must now wonder if they can believe a government that cannot even tell the truth about the "friendly fire" deaths of nine British servicemen. Yet the Ministry of Defense used the "feelings of families" to justify much of its draconian censorship during the war. Where truth has emerged, it has come from those who are driven by humanitarian concerns, who assume no obligation to side with the state. This is especially true of certain voluntary aid organizations, like Oxfam.

Last week I wrote here about the Charity Commission's censuring of Oxfam as "too political." This has had the effect of gagging Oxfam on the human disaster in Iraq, now exacerbated by sanctions. Even before the Commission's report, Oxfam was threatened by the Department of Trade and Industry—together with other "exporting companies"—that "breaching sanctions is a serious offense" for which "the maximum penalty is up to seven years' imprisonment or an unlimited fine or both." The threat was repeated just before Oxfam's team left for Iraq in March.

It was immediately clear to the Oxfam team, on arrival in Iraq, that sanctions must be partially lifted if tens of thousands of people were to survive; contamination of water alone is decimating young children. With the Save the Children Fund, Oxfam reported that Baghdad had no uncontaminated running water, no refrigeration, no fuel, and no food processing. "The unavailability of powdered milk," says the report, "spells nutritional and health disaster for children . . . the spread of diseases such as cholera and typhoid in the present conditions is inevitable."

U.N. Resolution 661, passed on Aug. 6 last year, stated that the following items are exempt from sanctions: "supplies considered strictly for medical purposes and humanitarian food stuffs." As Dr. Eric Hoskins of the Gulf Peace Team has graphically pointed out, this resolution has been disre-

garded and "Iraqi civilians have been dying of starvation and disease in their thousands . . . because of lack of basic food and medicines . . . never before in history has a government been prohibited from purchasing and importing food and medicine for its own people."

What is clear is that the sanctions committee of the Security Council operates ineffectively, if at all; and that it is dominated by governments in no hurry to restore the framework of civilized life in Iraq. Oxfam believes sanctions at least should be eased; yet even though Oxfam has a mandate to inform and educate people about *causes*, perhaps for the first time the agency dares not speak out for fear of being labeled "political" and being ordered to reimburse large sums. The superb Oxfam book, *Punishing the Poor*, and other publications are "under review."

The Charity Commission's report is quite scandalous. Not only does it substantially rely, as I reported last week, on extremist lobby groups for much of its information—such as the American-funded, far right International Freedom Foundation—but a careful scrutiny of the language of the report raises other serious questions. For example, in the main body of the report there is this statement: "Some of the evidence to the enquiry indicates that grants have been made [by Oxfam] to clearly non-charitable bodies, including partisan political groups or for non-charitable purposes. Other evidence appears to indicate that Oxfam takes sides in political controversies within foreign countries."

Now compare those highly qualified words with this indictment by David Forrest, secretary to the Commission, in a letter to Mary Cherry, chair of Oxfam's Trust, which was released alongside the report. "Some of the evidence to the enquiry," wrote Forrest, "shows that grants have been made and other evidence makes it clear that Oxfam has taken sides in political controversies." Where are his certainties borne out in the report itself? Yet this is the spirit of a punitive indictment leveled against an organization with an impeccable record.

Oxfam has been denied natural justice. It has not seen or had the opportunity to comment on any of the commission's "evidence"; yet the organization, and by implication its work, stands condemned for it. Also, while much of the evidence is the result of a letter-writing campaign by special interest groups, Oxfam is unable to rally its millions of supporters among the public for support. That, of course, would be "too political."

So I am hereby launching such an appeal. I urge readers to write—not to me—but to the Secretary, the Charity Commission, St. Alban's House, 57-60 Haymarket, London SW1, or telephone him on 071 210 4420. Ask for the evidence and sources of the accusations against Oxfam, and do not be fobbed off. I also suggest that readers write to their MPs, and to John Major and Neil Kinnock. Oxfam needs to help of those from whom it draws its strength, just as the discarded people of Iraq urgently need Oxfam's skills and voice.

# Urgent appeal on the oppression of the Palestinians in Kuwait

*The Palestinian Human Rights Committee issued an "urgent appeal" on the situation facing Palestinians in Kuwait which was broadcast throughout the Arab world on June 1. The committee addressed the appeal to the U.N., the Arab League secretary general in Cairo, the Islamic Conference Organization, the International Red Cross, the Arab Lawyers Association, and all Arab and international organizations, societies, leagues, Arab and human rights committees. The selections that follow were edited from the State Department's Foreign Broadcast Information Service transcript. Subheads have been added.*

The Palestinian Human Rights Committee has received urgent calls for help from numerous sons of the Palestinian community in Kuwait confirming the escalation of the campaigns of persecution, arrest, and deportation which have begun to take on a determined and organized aspect with the advent of the new Kuwaiti government as of May 28. These campaigns are aimed at the places of Palestinian concentration and the sons of the Arab communities who remained, particularly nationals of states that adopted a different stand toward the intervention of the allied American-Atlantic forces during the Gulf crisis and the destructive war that was waged against Iraq and Kuwait.

These messages revealed the falsehood and invalidity of the statements of the Kuwaiti authorities and the military administration about the limited number of acts of revenge and violations of human rights. The desire for revenge that was fanned by the ruling authorities took the country to the brink of genocide, sedition, and incitement to committing acts of pursuit, arrest, and assassination of opposing Kuwaiti elements which disapproved of the acts of assassination and torture committed against Palestinians and sons of the Arab community in Kuwait.

These messages described the recent sham trials as a theatrical performance designed to distract attention from the chain of daily suffering and agony endured by the Palestinians and Arabs in the shadow of the conditions of vengeance and revenge that have become routine behavior, gripping the mentality of the Kuwaiti authorities and their military and security services and various departments. This has gone so far as to reach civilian institutions and private and public

companies. As a result, it has become the wish of the sons of the Palestinian community, who are about 150,000 in number, to get out of this hell. They are suffering the terrors of the military and security siege, acts of pursuit and persecution, unemployment, starvation, and impoverishment. The situation has reached the point where the landlords of buildings and apartments are being incited to throw Palestinian tenants and their families out into the streets, on the pretext that they are in arrears in their rent, despite the fact that all official statements and declarations have confirmed that these debts have been waived.

These messages refer to admissions by Kuwaiti sources that the number of detainees in Kuwaiti prisons has reached 13,000, one-third of whom are Palestinians, distributed over 10 main detention centers and chiefly the military prison, where they practice brutal torture, using electric shocks, knives, and hammers, suspending the body by the arms, breaking bones and fingers, and removing fingernails, without mercy. Some prisoners' lives have been endangered as a result of the illnesses and injuries inflicted on them by the severe torture. . . .

According to Kuwaiti sources, the victims who have died as a result of this repression and terror so far number well over 1,000, of various Arab nationalities.

The messages refer to special torture chambers, at the al-Farwaniyyah . . . and the great Mubarak hospital, villas, and special places which belong to sheikhs and emirs.

## **Restrictions in travel, education, health care**

The messages define the recent measures taken to implement oppression and discrimination within the framework of government announcements in the following spheres:

- **Freedom of travel and movement:** The interior minister began to grant only a very limited number of exit permits, after comprehensive scrutiny, to Palestinian applicants. Permits are only obtained after tortuous visits to the department and humiliating and exhausting haggling. The next problem begins when the Kuwaiti airline refuses to sell tickets to the sons of the Arab communities who are being punished for their countries' stand; these are nationals of Iraq, Palestine, the Arab Maghreb, Yemen, Jordan, and Sudan.

Some companies . . . make it a condition that passengers

must obtain transit visas in advance for the state to which they want to travel. This simply means that it is impossible for them to travel or to leave the grand prison.

- **Traveling by road:** There is no chance of traveling across the Iraqi border. Saudi Arabia still refuses to allow anyone to pass through its territory in transit. In the event of a travel permit being granted, the person who is leaving is not permitted to carry any luggage except his personal clothes and in a very limited quantity. The matter is not very different with regard to freedom of movement and travel inside Kuwait. Travel is restricted by unexpected roadblocks by the Army, police, and militia. Even police patrols are enforcing movement restrictions that cannot be met by the sons of the Palestinian community. These start with personal abuse and fines starting at 100 dinars and end with the seizure of motor vehicles. . . .

- **As for the question of employment:** The new government still procrastinates over the payment of salaries that are due to the Palestinian employees and technicians who remained in Kuwait during the crisis, and in the shadow of all these dangers. The authorities refuse to pay any financial compensation; this is in contrast with the Kuwaiti employees and others of different nationalities who are not included in the boycott decisions. These have received their checks, or enough to let them meet their needs in the shadow of poverty and the very high cost of living. The ever-growing unemployment threatens to turn a broad section of the sons of the Palestinian community into beggars.

The new government also issued a decree forbidding Kuwaiti companies and private organizations from employing any Palestinians, however desperately they need employment. The decree also includes the nationals of other states. All this is taking place while companies daily are placing advertisements in newspapers for employees and those who are specialized to rejoin their units. The exception to this is the Palestinians who are being exposed to delays and procrastination so that they are prevented from rejoining their employers, or as a step toward terminating their services and finally expelling them from work.

- **Education:** The Kuwaiti minister of education announced that his ministry will not accept students who continued their studies during the occupation. . . .

In the light of his ministry's decisions on the university and schools, the situation is now as follows: The university—one academic year is counted as two to recompense for the previous year and the current year. Study at the university is confined to Kuwaiti students only. Palestinian students, according to the ministry's decisions [must defer] their university studies to the coming year. This means that when they return next year, and this is not quite certain according to the reports, they will have lost two years of study.

As for the schools, studies in government schools are confined to Kuwaiti pupils only. It was decided to deprive the other pupils, and in the forefront are the Palestinians.

The new government decision also calls for abolishing the

support which used to be given in the form of waiving 50% of the fees for all students in private schools. This makes it difficult for the guardians of students to pay these high financial commitments. It also places private schools in the vicious circle of new problems, which are added to the old problems, and this may lead to the closure of most of them, depriving a wide section of students from completing their education.

- **Health:** The new government has decided to abrogate the system of treatment and free medicine and confine it to Kuwaitis only. A decree that was issued in this regard pointed out that the implementation of this decision would be carried out two months after it was issued. This means that the lives of thousands of sons of the Arab communities are threatened with health risks, starting with the dangers of environmental pollution and ending with the current and dangerous diseases brought about by the destruction of war caused by the alliance's weapons of death and destruction.

- **Housing:** The Kuwaiti citizens, owners of estates and houses, have started to ask the sons of Arab communities, particularly the Palestinians, to pay rent that is backdated to Aug. 2, 1990, knowing that the Emir of Kuwait announced in his speech to cancel backdated rents from tenants. Some landlords have resorted to the methods of threats, harassment, and abuse to tenants, insulting their families and threatening to throw them out on the streets with their furniture.

- **Trials:** We think it is sufficient here to mention what one of the leading figures of the Kuwaiti opposition, from the proud sons of Kuwait, said that these trials are a fictitious play, the realization of which is elementary and in which justice and the real defendants are absent. Their aim is to divert attention from the reality of the crimes taking place in Kuwait perpetrated under the aegis of martial law which is backed by the presence of the forces of the military alliance.

This also has been confirmed by the international press, some of whose correspondents are able to attend the farce of the trials together with some representatives of the International Red Cross, Amnesty International, and the foreign embassies in Kuwait. Here we hasten to point out that the Kuwaiti authorities have stopped the Arab Bar Association, the Arab Human Rights Organization, and a number of Arab legal and human rights organizations from attending these trials, monitoring them, and defending the accused. . . .

### **Who really ought to be tried**

We consider it our right, considering the Western testimonies, which describe these trials as shameful and false, to wonder: Who will put the real culprits on trial and when? When will Sheikh Sad al-Sabah, the general military governor, be put on trial? Who will put on trial his son, who led the assassination teams and killed and sabotaged left, right, and center according to the British newspaper *The Independent*? Who will put Sheikh Nasir al-Ahmad al-Sabah on trial for the crimes committed by his militias, who were trained in the United States, Beirut, and Damascus? This also is



according to foreign journalists. When will the direct responsibility of the sheikh and the emir, Basil Salim Sabah al-Salim and Basil Jabir al-Ahmad, be proven for all the crimes of collective murder and genocide to which hundreds of innocent Palestinians, Kuwaitis, and Arabs are exposed? We mention in particular Sheikh Ahmad Fahd al-Ahmad al-Sabah, who was proved by Kuwaiti sources to have personally committed murder and torture.

Here we do not restrict ourselves to calling for trials, as we find it to be our human duty to demand Arab and international public opinion to intervene using all means to stop these massacres and to deter the culprits.

We think that the command of the U.S.-NATO alliance, which is spreading its military shadow over Kuwait, the Gulf region, and the [Arab] peninsula, is completely responsible, because what is being committed is taking place within the sight and sound of these forces—and frequently under their supervision, according to numerous Western press testimonies—as we have said in previous memoranda.

● Prisons, detention camps, and the situation of the detainees: In addition to the aforementioned documented testimony and information, the Palestinian Human Rights Committee has received irrefutable reports and documents from the al-Tasamuh committee, which is a non-governmental committee established in Kuwait following the formation of the Kuwaiti Human Rights Committee and which concerns itself with defending the rights of Palestinians in Kuwait. These reports reveal the terrifying facts about the situation in Kuwait. They truly are an indictment of the murders, persecutions, and torture committed daily by the Kuwaiti authorities with the knowledge, supervision, and blessing of the U.S.-NATO alliance forces. These documents also reveal the reality of the tragic situation which thousands of detainees and hostages suffer in public and private prisons of Kuwait.

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## Bilderbergers hold top-secret meeting

by Scott Thompson

No sooner had the participants left Tokyo from the April 20-22 meeting of David Rockefeller's Trilateral Commission, than preparations were under way for the even more secretive and high-powered Bilderberg Society to gather for its annual conference June 6-7. Despite the extraordinary secrecy in which the conference was shrouded—such that even determining the location of the meeting required a major sleuthing effort—*EIR* has been able to glean, through a series of interviews, a good idea of what issues are on the group's agenda, and who the major players are.

While the Bilderbergers can no longer claim the monopoly in policymaking for Western Europe and North America that they held during the first 20 years of the group's existence, they still do represent considerable clout within the Anglo-American financial community. It is therefore useful for anyone opposed to the oligarchy's "new world order" to monitor their activities closely.

An example of their continuing power can be seen from the fact that former British Prime Minister Margaret Thatcher's office returned *EIR*'s call to agree that the decision to pull the plug on her government had been taken at the 1989 Bilderberg meeting in Spain. Further, Thatcher's aide said that the decision had been to continue the prime minister's disastrous economic policies, by giving them a new face. All the aide wanted to know, was what the Bilderbergers would be up to next.

The origins of the society are similar to those of the Royal Institute of International Affairs (Chatham House), New York Council on Foreign Relations, Trilateral Commission, and such elite institutions. The first Bilderberg conference was held in Holland in May 1954, with support from, among others: the Royal Institute of International Affairs; "European Movement" leader Joseph Retinger; H.R.H. Prince Bernhard of the Netherlands; establishment liberal W. Averell Harriman, who promoted eugenics in the 1920s and 1930s; and, U.S. Director of Central Intelligence Gen. Walter Bedell Smith. From the beginning, the Bilderberg gatherings attracted the top names of the establishments of North America and Europe, including men like: the Duke of Edinburgh (Prince



*No photographers are allowed at the Bilderberg Society meetings; at left, is an artist's conception of the most recent proceedings.*

Philip), William and McGeorge Bundy, British Prime Minister Sir Alec Douglas-Home, Peter Rupert Lord Carrington, Sullivan and Cromwell's Arthur Dean, and former U.S. Undersecretary of State George Ball. Just as the Carter administration would later be run by "Trilaterals," so the Kennedy administration was run by "Bilderbergers." The society's meetings were held at deluxe retreats, which were heavily guarded to keep out journalists and other snoopers.

As for the 1991 meeting, it has even been difficult to discover who was making the preparations for it. However, through means that *EIR* is not at liberty to disclose, it was discovered that the society used a leading bank to reserve an entire hotel in Baden-Baden, Germany (near the Black Forest) for the period from June 5-9. The hotel was the deluxe Steigenberger Badischer Hof. Asked if this would be the main site of the conference, the executive secretary of the society's Amsterdam headquarters would only say: "You should not know that information."

### **Mideast: 'Baker's peace conference will explode'**

Interviews by *EIR* with associates of the Bilderbergers show that there were three main policy issues at the 1991 meetings, which, if implemented, would unleash "free market" looting on the world, on the model of the Roman Empire. Some of the Bilderberg leaders stated that they were in direct

competition with plans of jailed political statesman Lyndon H. LaRouche, Jr. to integrate Europe by building an infrastructure grid of nuclear energy power plants and a high-speed rail "Productive Triangle."

The main paper on the Middle East was written by George Ball, who has been described as the most powerful North American member of the Bilderberg Society next to David Rockefeller. Ball said that because Secretary of State James Baker had failed to reach a community of principle during his recent shuttle to the area, any ensuing Middle East peace conference "would explode." According to *EIR*'s interview with a man who had talked to Ball about the Bilderberg paper, Ball considers the Arab-Israeli conflict far more important than the fate of Iraq and Kuwait.

Another Bilderberger, Harlan Cleveland, who had been an assistant to Ball on Mideast and other matters at the State Department, elaborated in a discussion with a journalist: "There are simply too many American initiatives in the region. The Baker shuttle is one, and it is at best procedural. If Baker could arrange a Middle East peace conference, it would explode; there's nothing in common." Instead, Cleveland, who claims the destruction of Lebanon was some kind of accident, called for the radical restructuring of Syria, Jordan, Israel, and the overthrow of the Gulf monarchies. After disposing of the claims of Yasser Arafat and the PLO to have a separate state, Cleveland concluded: "Israel may have to

agree with Sharon on Jordan being Palestine.”

Cleveland is today head of the Hubert H. Humphrey Institute in Minneapolis, Minnesota, through which he is close to such “Zionist lobby” members as Burton and Geri Joseph, and Dwayne Andreas.

### **NAFTA: a debt bailout for Wall Street**

*EIR* interviews have documented that Chase Manhattan banker David Rockefeller is the rallying point for plans to turn the North American Free Trade Agreement into a global free enterprise system. As we reported almost a year ago, Rockefeller began to accelerate work on what has since become NAFTA after the 1990 meetings of the Trilateral Commission, Bilderberg Society, and Council on the Americas. According to sources in Rockefeller’s office interviewed by *EIR*, the banker worked personally with President George Bush and Treasury Undersecretary David Mulford. He was also a regular consultant to a Bush policy team coordinated by Owen Wethington at the President’s Council of Economic Advisers, which prepared for NAFTA with the June 27, 1990 Enterprise for the Americas initiative.

Well-informed sources say that Rockefeller’s closest aide has been his deputy on Chase’s international advisory board, Henry Kissinger. Kissinger’s chief economist, Alan Stoga, told a journalist on May 24, after the “fast track” plan for NAFTA passed Congress: “This is one of the most creative acts of financial diplomacy.” NAFTA “has made Mexican debt service payments, despite periodic adjustments, sustainable,” he stressed. Stoga revealed that the whole point of the eight-year program to build up the *maquiladoras*—the slave labor assembly plants on the U.S.-Mexican border—had been to find a way to finance Wall Street debt holdings with cheap investments. Stoga said that it was true that Kissinger was trying to secure rights to Mexican and Venezuelan oil. Although he said the reason was that the Gulf war had shown that the United States could not rely upon Middle Eastern sources, he revealed that this oil grab was part of the original Enterprise for the Americas plan.

At an April 22 press conference in Tokyo, where David Rockefeller announced his replacement as North American chairman of the Trilateral Commission by former Federal Reserve chairman Paul Volcker, Rockefeller called for the creation of a global free enterprise system under the auspices of the General Agreement on Tariffs and Trade (GATT). Ironically, it had been Volcker’s 20% interest rate policies that not only shut down U.S. farms and industries, but also doubled and tripled Ibero-American debt, past those nations’ abilities to pay. Said Rockefeller: “The world could be heading toward a new division into neo-mercantilist trading blocs—a result which I believe could be catastrophic. . . . A successful outcome of the Uruguay Round [of GATT] must be the number-one priority of all of us, including Europe. I am not arguing that the responsibility for the outcome of GATT rests only with Europe, although Europe will have

to be a key part of the solution and will have to give GATT at least as high a priority as integration.”

Asked on May 18 whether many Trilateralists were really threatening more military actions like those of Panama and the Gulf to seize the raw materials and enforce debt payments of recalcitrant Third World countries, Trilateral spokesman Andrew Frankel replied bluntly that if Enterprise for the Americas does not succeed, “then the U.S. abdicates its economic leadership after demonstrating its military leadership. . . . No one is predisposed to use the military, but you can’t say never! It may not be necessary after the Gulf and Panama, [but] it’s a sort of subtle projection of power.”

This kind of Roman Empire thuggery is the real content of the plans of banker Rockefeller.

### **Europe: Wreck the LaRouche ‘Triangle’ plan**

According to a former U.S. State Department intelligence source, one of the key people who organized the European side of the Bilderberg meet was Kissinger’s longtime friend R. Mark Palmer. Palmer became involved in a conflict-of-interest scandal in 1990, when on advice of Deputy Secretary of State Lawrence Eagleburger (formerly of Kissinger Associates, Inc.), he tried to stay on as U.S. ambassador to Hungary until the last moment, before joining the Central European Development Corp. (CEDC). A series of articles on Palmer in *EIR* (see “Probe Eagleburger Role in East Europe Looting Scheme,” *EIR*, March 23, 1990) led to the opening of an investigation by the U.S. Office of Government Ethics. Further, House Banking Committee chairman Rep. Henry B. Gonzalez (D-Tex.) referred to related scandals in April 25, 1991 testimony to Congress.

The CEDC has brought together such powerful financial interests as those of the Canadian real estate billionaires the Reichmanns and Bronfmans, together with Estée Lauder’s son Ronald, and others. But there are reports that the firm is having problems. As a result, R. Mark Palmer told a source, who spoke with *EIR*, that CEDC had relocated to Berlin to gain German capital, apparently dropping plans of his London banking friends to set up an alternative network to Germany in Eastern Europe. According to an interview conducted by *EIR* with someone who had spoken to Palmer in May, he is now trying to sabotage LaRouche’s Productive Triangle program. Not only has Palmer brought the French nuclear industry into Hungary and Czechoslovakia to implement part of LaRouche’s program by building power plants, but he even parrots the phrase “rail triangle” from LaRouche.

According to the source, Palmer said: “The Triangle of high-speed rail has enormous credibility. . . . A lot of new track is going to be laid in different directions. . . . But, whatever you do, stay away from Lyndon and Helga Zepp-LaRouche on this. They went after me. It was very unpleasant. . . . There is tremendous credibility in Europe for new rail, but the LaRouchies have no credibility for it as spokesmen.”

# OAS meeting adopts 'Body Count' McNamara's strategic ravings

by Gretchen Small

In a paper presented to the World Bank annual meeting on April 25, Robert McNamara, a leading ideologue of the U.S. Eastern Establishment, outlined a strategy to reduce and/or eliminate national military institutions in developing sector nations, as the next immediate step required to consolidate the new world order—and free up billions of dollars to bail out the bankrupt international financial system in the process. Arms sales and technology transfers to these regions must be centrally controlled by the U.N. Security Council, and all international aid conditioned on cuts in military expenditures, the former director of the World Bank instructed the meeting.

McNamara did not oppose military force per se: only that which is dedicated to defending the nation-state. He argued that the “international system that relies on the national use of military force as the ultimate guarantor of security” must be replaced by a “worldwide system of collective security,” in which the U.N. Security Council, led by the United States, controls all nuclear, biological, and chemical weapons, and deploys “coercive” measures against any country which does not follow international “rules of conduct.”

He also specified that regional bodies such as the Organization of American States (OAS) and the Organization of African Unity, and similar entities he hoped to see created in Asia and the Middle East, must “come to function as regional arms of the Security Council,” if the global collective security system is to work.

The imperial program outlined by McNamara in April won the day at the annual meeting of the OAS, held in Santiago, Chile from June 3-8. Despite nervous objections reportedly raised by some diplomats during closed-door sessions, the meeting concluded by all member states signing a final resolution which mandates the OAS to become precisely the “regional arm” McNamara talked about. The so-called “Commitment of Santiago,” hailed as a momentous step toward the consolidation of “democracy” in the Americas, in fact established the mechanisms for supranational military intervention against any government in the region that dares break from the free trade looting schemes which have made cholera and drug trafficking king in the Western Hemisphere.

Canadian representatives, and a U.S. team headed by former Kissinger Associates president Lawrence Eagleburger (now deputy secretary of state), marched into the OAS

meeting with the McNamara anti-military program as their main agenda item.

U.S. worries over the spreading military unrest in Ibero-America against the new world order plans are warranted. A year ago, groupings within the militaries of several countries were concerned over the collapse of their particular nations caused by the economic austerity programs and narco-terrorist deals promoted by Washington. Today that concern has spread across national borders. Increasingly, the discussion in military forums is over what to do to resist—what *regional* economic and military program could allow a generalized rebellion against the genocide imposed by the “democrats” to succeed. Similarly, military resistance has also begun to rally civilian forces against the bankers’ program in various countries.

## Pérez's treachery

The U.S.-Canadian agenda could not have dominated the OAS meeting as it did, however, without the aid of the Venezuelan government of the Socialist International's Carlos Andrés Pérez. Pérez (who has hired Henry Kissinger as “foreign investment adviser” to his government) is as rabid a one-worlder as can be found. Last month, during trips to Colombia and Europe, he repeatedly argued that “archaic” concepts of sovereignty must give way to “supranational rights.” He advocated the creation of a “regional army” to guarantee “democracy”—a democracy which does not permit protest against economic austerity, as Pérez demonstrated when he ordered Venezuelan troops to massacre hundreds in 1989.

Venezuelan diplomats proposed that the OAS meeting vote up a statement committing all OAS member states to an immediate break in diplomatic relations with any nation where a military coup, or an overturning of the presently existing governments, occurred. Other, tougher, sanctions could then follow against any government declared to be a renegade state.

This mandate for automatic intervention was too egregious for even the government of Carlos Salinas de Gortari in Mexico to swallow, and other governments joined in opposition. In his speech to the assembly, OAS Secretary General Baena Soares attempted to counter the Bush-Pérez ultra-“democratic” agenda, by reminding the foreign ministers that

“the threat against freedom does not exclusively originate in authoritarian temptations,” but also in “the chaos and anarchy that could prevail if our populations continue to suffer from the hunger and diseases that we thought had been eradicated. . . . Extreme poverty is the most acute problem and overcoming it is the most urgent task,” he stated.

But because all the Ibero-American “democracies” remain firmly committed to the Bush economic agenda, the U.S. easily succeeded in winning acceptance for a “compromise” version of the Pérez proposal. So the final “Santiago Commitment” included the two crucial points sought by the U.S. delegation: a ringing endorsement of Bush’s Enterprise for the Americas—in essence, a plan to turn the region into one vast slave-labor *maquiladora* plant in order to ensure debt payments to the banks—and a commitment that an emergency session of the OAS would be called within 10 days to discuss collective sanctions against that country, where a military coup has taken place.

The outcome of the meeting was “better than we expected,” U.S. Ambassador Luigi Einaudi happily told the press. Einaudi, dubbed “Kissinger’s Kissinger” because he ran Policy Planning for Latin America at the State Department straight through the Ford, Carter, and Reagan years, insisted that now the OAS must go further, and find mechanisms to bring the armed forces and police into “the continental democratic process.” In diplomatic language, Einaudi threatened any military that does not join this “process.” The U.S. invasion of Panama, he specified, was directed against “a government without authority,” but it caused tension within the OAS between the concepts of non-intervention and defense of democracy. Not to worry, he added: “At the moment there are no Noriegas in the active governments of America, which permits these things to be reconciled.”

### **Brainchild of the depopulation fanatics**

Robert McNamara’s role in the new world order “democracy” project should be sufficient to raise alarm about its fascist nature. Over the years, McNamara has participated in numerous policy planning outfits of the Eastern Establishment, ranging from the Inter-American Dialogue, where he was a member of the Executive Committee when the Dialogue first came out for drug legalization, to the Lucis Trust-Temple of Understanding, a U.N.-based satanic association, originally named the Lucifer Trust.

Cutting world population, however, has been McNamara’s obsession since at least his days as President Johnson’s defense secretary during the Vietnam War, when the term “body-count” was introduced as the metric to evaluate progress in a war. As head of the World Bank for most of the 1970s, McNamara tailored the bank’s policies to promote depopulation programs since, as he told the *Boston Globe* in March 1982, he believed that “the threat of unmanageable population pressures is very much like the threat of nuclear war.” In a 1982 interview that appeared in *EIR*, McNamara

argued that economic policy must be used to achieve depopulation goals: He suggested that a good way to “keep down population in the cities,” is to “put heavy taxes and regulations against heavy industry in the city and encourage labor-intensive agriculture with higher food prices.”

McNamara’s approach to crushing national military institutions is much the same. In his latest paper to the World Bank, “The Post Cold War World and Its Implications for Military Expenditures in the Developing Countries,” he argued that international lenders can force developing countries to cut out military spending, by simply cutting off international credits to resisters. “It is bad economics and bad policy for the donor nations and the international financial institutions to continue to behave as if the funding of stabilization adjustment and development programs can be separated from the financing of military expenditures,” he stated. “If producing governments sharply reduce the availability of such financing, it will be correspondingly more difficult for a number of the major Third World arms purchasers to continue importing at earlier levels.”

The international community should monitor the percentage of central government expenditures that are devoted to the security sector, as well as the ratio of security expenditures to Gross National Product, he insisted. “I strongly urge the linking of financial assistance, through ‘conditionality’ to movement toward ‘optimal levels’ of military expenditures.”

### **‘A world in conflict’**

Financial conditionality is one of five measures McNamara demands, to force military expenditures as a percent of developing countries GNP by the end of the decade. He lists four others: “Security Council guarantees of territorial integrity; continuing reductions in both conventional and nuclear arms by the Great Powers; tight control of the proliferation of weapons of mass destruction and the means to deliver them; and substantial limitations on arms exports from arms producing nations.”

McNamara dismisses arms procurement programs as extras acquired by Third World governments “to protect against perceived potential threats; to bolster their claims to regional-power status; as a symbol of unity and independence; as tangible evidence that they intend to defend their sovereignty; and to reward the armed forces for supporting them against internal opposition.” For McNamara, the most important—and undesirable—feature of military expenditures is that “it strengthens the political influence of the armed forces.”

The Security Council policing role that he envisions is not a peaceful one. The system of collective security requires, says McNamara, “agreement by the Security Council that regional conflicts, endangering territorial integrity, will be dealt with through the application of economic sanctions and, if necessary, military action, imposed by collective decisions and utilizing multinational forces.”

Likewise, the U.N. Security Council must oversee arms use internationally, as fiercely as it does regional conflicts. "The Security Council must be prepared to undertake collective and, if necessary, coercive action," he dictated. "To begin with, the Council should agree to prohibit the development, production, or purchase of nuclear, chemical, and biological weapons and ballistic missiles by nations not now possessing them. Countries in violation of relevant Security Council resolutions would be subject to strict economic sanctions on the part of the international community. If sanctions failed to alter the behavior of the government in question, a U.N. military force would be given a mandate to eliminate the production capability and any stocks that had been produced or otherwise acquired."

By any rational reading, McNamara's vision of the new world order would seem to inspire not arms cuts, but a commitment to the most high-technology arms buildup possible by any developing sector nation capable of such actions—in self-defense, before their nation, too, is subjected to the same genocide meted out to Iraq, foreseen by the "Great Powers."

### **Utopian delusions underlie McNamara's 'new world order'**

*The international "system of collective security" proposed by McNamara is premised on the wild delusion that Western conflict with the Soviet Union has been buried forever, as seen in the following selections from his paper, "The Post Cold War World and Its Implications for Military Expenditures in the Developing Countries."*

Today, for the first time in half a century, we have another opportunity to formulate a statement of world order. That is what I propose to set before you.

The major factor affecting global economic, political, and social trends in the last decade of the 20th and early years of the 21st century, in my opinion, will be the revolutionary changes in Soviet policy introduced by Mikhail Gorbachov. And I say that in full recognition of the fact that his days in power may be numbered.

Gorbachov has emphasized on numerous occasions that war between the Great Powers is no longer an acceptable instrument of political change. He says "today's problems between East and West must be resolved through political means." He has indeed ended the Cold War.

But the West has not yet revised its foreign or defense policies to reflect that proposition. . . .

I believe Gorbachov is presenting the world with the greatest opportunity in 40 years to shift the basis for formulation of relations among nations from "Cold War" thinking to a totally new vision of world order. By such a shift we should be able to enhance global stability, and at the same time produce significant long-term budgetary savings and the resources to support much-needed restructuring of the economies of both the developed and developing countries. . . .

[S]ince 1986, Gorbachov has sought to redefine Soviet perceptions of national security by introducing his so-called "New Thinking." The point that he returns to more than any other when discussing foreign policy is his belief that modern military technologies have rendered war an inadmissible means of advancing a nation's security interests. . . . The Soviets have studied the origin and implications of the confrontations over Berlin, Cuba, and the Middle East. They have recognized, perhaps more than others, the great danger that through misinformation, misjudgment, and miscalculation, such crisis may escalate. . . . [F]or over 40 years the foreign policy and defense programs of Western nations has been shaped largely by one major force: fear of, and opposition to, the spread of Soviet-sponsored communism. It will require a leap of the imagination to conceive of new national goals, goals appropriate to a world which will not be dominated by the struggle between East and West. . . .

In sum, I believe we should strive to move toward a world in which relations among nations would be based on the rule of law, supported by a system of collective security, with conflict resolution and peace-keeping functions performed by multilateral institutions—the United Nations and Regional Organizations. . . .

. . . Such a world would need a leader.

I see no alternative to the leadership role being fulfilled by the U.S. I want to stress, however, that in such a system of collective security, though the U.S. must play a leadership role, it must accept collective decision-making. Correspondingly, its partners must accept a sharing of the risks and the costs: the political risks, the financial costs, and the risk of casualties and bloodshed. . . . I would favor . . . cuts in conventional [NATO] forces to 50% of NATO's 1989 strength. Such a "short-term" program will greatly improve crisis stability. . . . [B]asic changes in NATO's nuclear strategy are required. Some are going so far as to state that the long-term objective should be to return, insofar as practical, to a non-nuclear world. . . . [R]ecently disclosed, formerly highly classified documents of the Eisenhower administration indicate that Secretary of State John Foster Dulles had recognized this problem. In 1954, writing in a top secret assessment of internal strategy, Dulles . . . went so far as to state "atomic power was too vast a power to be left for the military use of one country." Its use, he thought, should be "internationalized for security purposes." He proposed, therefore, to "universalize the capacity of atomic thermonuclear weapons to deter aggression" by transferring control of nuclear forces to a veto-less United Nations Security Council. . . . Policing an arms agreement that restricted the nuclear powers to a small number of warheads is quite feasible with present verification technology. The number of warheads required for a force sufficiently large to deter cheating would be determined by the number any nation could build without detection. . . . [S]urely it would not exceed 100. Very possibly it would be far less, perhaps in the low tens.



# U.S. State Department targets Sudan

by Joseph Brewda

U.S. Assistant Secretary of State Herman Cohen gave an address before a conference sponsored by the Sudanese embassy in Washington on June 6, where he outlined Bush administration policy toward that nation. Cohen, who handles African affairs, condemned the Sudanese government for "bureaucratically" interfering with international relief efforts to aid victims of famine and refugees in Sudan, by demanding that planes flying into the country providing aid submit to Customs inspection in the capital of Khartoum. The planes should be free to go where they want, without interference, he demanded.

Following the collapse of the Mengistu regime in neighboring Ethiopia in May, over 150,000 refugees have fled to Sudan. On June 4, the Sudanese government issued an urgent appeal for immediate international relief for these refugees, whose presence compounds the problems the country faces as a result of a drought and increasing famine conditions.

The idea of using the mass migration of refugees and food shortages as a weapon against national sovereignty in the former colonial sector is an old one. It was an important theme of the "1980s Project" papers of the New York Council of Foreign Relations written in the 1970s, and a more recent conference of the powerful Ditchley Foundation of Britain. Last spring, the U.N. Security Council adopted a French resolution mandating armed trespass onto Iraqi territory under the pretext of aiding the Iraqi Kurds. From a legal standpoint, such actions are an act of war. Sudan is a top U.S. target because its government opposed the U.S. military intervention against Iraq.

## Sudan calls for action

On June 4, Sudanese Deputy Prime Minister Gen. Zubeir Mohed Salih issued an emergency appeal on the condition of Ethiopian refugees then entering Sudan at the rate of 20,000 a day following the collapse of the Ethiopian regime. "The flow of refugees started on May 26 with a few thousands," Salih stated. "On May 27, the number reached 13,000. The rate has continued to grow until it has reached 20,000 daily. On May 30, the total number of refugees present exceeded 100,000 with their families.

"Those refugees are in a grave state of suffering. At the moment, they lack proper shelter, and therefore live in open space. Cases of acute malnutrition number 13-15,000. A similar number suffer from acute dehydration. Patients re-

quiring surgical treatment number 11,000, of whom 1,000 are in need of emergency surgery. . . . The mortality rate now stands at 24 deaths per day, and it is on the increase every day."

The appeal reported that the current situation has surpassed Sudan's capability to provide adequate assistance; Khartoum is already hosting over 1 million refugees from neighboring states. "Due responsibility is, therefore, squarely placed on the international community to participate in the efforts of the Sudanese government to resolve this human tragedy," the appeal concluded, and called for international action to provide food, shelter, medicine, and the like.

## The U.S. responds

Former Carter administration official Larry Minear elaborated on Cohen's demands that Sudan surrender its right to maintain Customs inspection in order to receive aid, in remarks that he made before the Sudanese embassy conference. "These days," he said, "humanitarian issues are taking a higher position than sovereignty." Minear praised the recent relief operations, so-called, in northern Iraq, as an example of what had to be done to Sudan. A bill dubbed the "Horn of Africa bill," now being discussed in the U.S. Congress, would cut all aid to Sudan and other states in the region, and provide aid "directly to the people" without the permission or even the knowledge of the governments of the states concerned.

On June 11, Scott Spangler, assistant administrator for Africa of the U.S. Agency for International Development, told a special press briefing on the refugee situation in the region that the U.S. would provide no aid to the new refugee influx into Sudan unless asked by the U.N. High Commissioner for Refugees in Geneva, who has yet to make any such request. Directly attacking the Sudanese government, he claimed, "There never has been a famine where there is a democratically elected government, democratic press, and a free market system."

Spangler added that if aid is delivered, it will be air-dropped into the Sudanese city of Nasir, which is not even in the Kassala border region where the refugees now live. Nasir is a town held by John Garang's Sudan People's Liberation Army. The SPLA, like the Kurdish rebels of northern Iraq, is covertly directed by the U.S. State Department and CIA.

Naturally, such an air-drop would also provide weapons, just as U.S. relief efforts among the Iraqi Kurds do. One of the major concerns of the Bush administration is that the collapse of the Mengistu regime of Ethiopia, which had been Garang's base of operations, has driven the group into Kenya. "Humanitarian assistance" by the United States is intended to provide food and weapons to these rebel forces, who are now cut off from their former supply lines. Otherwise, U.S. policy is to let the refugees and stricken people of Sudan starve, and blame the result on the Sudanese government.

# Israeli lobby activated in India

by Linda de Hoyos

Rajiv Gandhi is a "victim of the changing new world order," stated former Pakistani Prime Minister Benazir Bhutto upon learning of Gandhi's May 21 assassination. In the election campaign weeks before the bombing-murder of president of the Indian Congress Party, calls appeared in the press from various quarters demanding that India join the Anglo-American new world order. As a corollary to this proposition, India is also to immediately and drastically improve relations with Israel.

The full policy shift demanded of India by some quarters was elaborated in a April 19 an opinion column in *The Hindu* by Maya Chadda which called upon Delhi to give up any further pretense to non-alignment—or equidistance from the superpowers. "Non-alignment," Chadda contended, "has trapped Indian policy makers in a sterile exercise of balancing priorities that no longer exist." After this shift (undoubtedly toward the West), India should upgrade ties with Israel and support the United Nations-sponsored conference on Palestine.

Israel was also the focus of an article appearing April 13 in the *Business and Political Observer* by one P.M. Kamat, a professor in the Bombay University. In 1988, Israel was permitted to establish an interest section in Bombay for business purposes. Kamat asserted that in this changing unipolar world, India's relations with Israel need upgrading.

Most importantly, Kamat claims, the road to Washington leads through Tel Aviv, and renewed ties with Israel will activate the pro-Israeli lobby in the United States which will help to weaken American support to Pakistan. Second, relations with Israel will aid Delhi in "correcting" its flawed pro-Arab policy. Third, if India has a pro-Israeli stance, it will weaken Pakistan in all international fora, most importantly the United Nations. Pakistan wants the Kashmir conflict with India settled through U.N. referenda, while India wants the conflict settled bilaterally.

On May 7, K. Subrahmanyam joined the chorus. Subrahmanyam, a former director of the Institute for Strategic Defense Analysis, also spent time at the Swedish International Peace Research Institute (Sipri) think-tank along with Emma Rothschild.

In his column "Global Watch," Subrahmanyam stated: "We have to look at the West Asian situation in the light of current realities. Israel is here to stay as much as Pakistan. We should now consider our relationship with Israel on the basis whether our having normal diplomatic relations with them would benefit the Palestinian cause better than our not having our relations."

Subrahmanyam was, of course, an outspoken supporter of the U.S. war against Iraq.

## Hindu fundamentalists front for Israel

The electoral stalking horse for India's joining the "new world order" and establishing ties with Israel is the Bharatiya Janata Party, the party of Hindu fundamentalism in India. The alliance between the BJP and Israel is based on their mutual hatred of Muslims.

On many occasions Israel has tried to take advantage of India's antipathy toward neighboring Pakistan, for example, to force India to order its Armed Forces to "take out" the Pakistani nuclear facility at Kahuta (see *EIR*, June 14, 1991 p. 55, "Sabotage Charged at Pakistan Ammo Dump.")

On May 7, former Army Chief of Staff Lt. Gen. J.F.R. Jacob announced that he was joining the Bharatiya Janata Party. Jacob said he believed the party would be able to benefit from his "experience in different fields, like defense, geopolitical, economics and foreign affairs," reported the *Times of India*. Jacob, a member of the Indian Jewish community, is known to have had strong ties with Israel's foreign intelligence agency the Mossad throughout his career. Moreover, he is known to have been part of the group within the Armed Forces which expedited Israeli Gen. Moshe Dayan's secret tours of India during the government of Morarji Desai during 1977-80, and which has been instrumental in opening up the nation of Nepal—another of India's neighbors—to Israeli intelligence operations.

## 'Winds of change'?

Jacob told reporters that "winds of change are blowing throughout our planet. We should take a new look at events in the world. We have to improve our relations with other democracies [believed to mean Israel] as well as our neighbors." According to sources, Jacob is slated to be the Indian ambassador to Israel if the Bharatiya Janata Party comes to power.

Since Jacob's announcement, 15 other retired senior officers of the Armed Forces have announced their entry into the BJP.

The view that India must ally itself with Israel has also long been put forward by current Commerce and Justice and Law Minister Subramaniam Swamy. Swamy was a key operative in the Janata Party's operation to overthrow Indira Gandhi as prime minister in 1977, and was trained in the Rashtriya Swayamsewak Sangh (RSS), the Hindu fundamentalist cadre organization that runs the Bharatiya Janata Party.



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## Book Reviews

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# Why William Shakespeare is not politically correct

by Mike Minnicino

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### **Reinventing Shakespeare: A Cultural History from the Restoration to the Present**

by Gary Taylor

Oxford University Press, New York, 1991, 488 pages, paperbound, \$12.75

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Polonius: What do you read, my lord?

Hamlet: Words, words, words.

Gary Taylor's *Reinventing Shakespeare* should be handled with care. Much of Professor Taylor's material is useful, and its development seems reasoned, but the whole represents an effort to entice Shakespeare-lovers down the path to political correctness. And, from that dark night of political correctness, none e'er return with their enjoyment of the Bard intact.

A large part of Professor Taylor's book covers the same ground as two old standbys, F.E. Halliday's *The Cult of Shakespeare* (1957) and actor-director Kenneth McClelland's *Whatever Happened to Shakespeare* (1978). All three tell the story of how a popular Elizabethan actor-playwright, who was not considered particularly brilliant in his day, became not only the "Chief Poet" of the English language, as Keats called him, but also a kind of ideological magnet, compelling 400 years of critics to amend him, reinterpret him, and modernize him according to their own idiosyncracies.

In all three books, there are the familiar tales of how producers after the Stuart Restoration in 1660 felt that Shakespeare was too crude for their dignified age, so they simply changed his plays, giving *King Lear* a happy ending, for instance, or adding a couple of musical numbers for the witches in *Macbeth*. By the 19th century, Shakespeare's genius was fully recognized by many, but this did not stop the wholesale continued mutilation of his work; 1807 saw the immensely popular *Family Shakespeare* by Henrietta and the Rev. Thomas Bowdler, with all the "indelicate" parts cut,

changed, or relegated to incomprehensible footnotes (we still talk of "bowdlerizing"). By the 20th century, Shakespeare had become completely ideologized: He was a proto-Marxist, a proto-Fascist, and an orthodox Freudian. Orson Welles could produce *Julius Caesar* in the 1930s as an anti-fascist play with Caesar dressed as Benito Mussolini, at the same time that Werner Kraus, Hitler's favorite actor, could produce the same play in Berlin, with Caesar as a benevolent *führer* surrounded by jealous traitors.

### **The musical school**

One interesting aspect highlighted by Taylor, and missing from the other two books, is the rise of the so-called musical school of Shakespeare interpretation, started by George Bernard Shaw at the end of the 19th century. Shaw, who was for a time Britain's most important music critic, declared that "it is the score and not the libretto that keeps Shakespeare's work alive and fresh." Shaw insisted that Shakespeare was often an inferior playwright (he rewrote three of Shakespeare's plays—*Saint Joan*, *Caesar and Cleopatra*, and *Cymbeline Refinished*—to prove the point) and that the Bard's true meaning lay not in his stagecraft, but in his honeyed phrases. This became the standard line of the aesthetes of the Bloomsbury group, and their hangers-on like T.S. Eliot and William Butler Yeats. Virginia Woolf wrote that, due to their distance from Western language, the Chinese understood Shakespeare better than English-speakers; Harley Granville-Barker, the leading producer-director of the period, said that he preferred to use French actors in Shakespearean roles since they saw only the "fine sound and poise" of a soliloquy—not the meaning. Granville-Barker called for the "creation of a new hieroglyphic language" of gorgeous scenery and high-flown declamation that would turn a Shakespeare play into a kind of Wagnerian opera made up of overwhelming sensory images.

On reading Taylor's account, I was struck with how influential this Bloomsbury aestheticism remains. Many readers probably share with me the experience of seeing a Shakespeare play turned into a sing-song abstraction by a director who did the play the way he imagined the Royal Shakespeare

Company would do it, and spent hardly a moment to determine what the words meant. The same afflicts our secondary educational system: Shakespeare, if taught at all, is taught like algebra—sure, it's incomprehensible, but it's good for you.

However, Taylor differs drastically from the other two cited authors in what he deduces from this historical material. He describes how the decision to revive Shakespeare in 1660 after the Cromwellian ban on plays, was made by circles around the Royal Society, a group of pro-monarchy scientists and scholars which was founded in the same year as the Restoration; the Royal Society selected those plays which fit their own political agenda, occasionally amending the text to better fit the purpose. "Shakespeare was back," says Taylor, "along with the monarchy, the House of Lords and the Anglican Church." This politicization, claims Taylor, has never stopped: "Some considerable proportion of Shakespeare's current international reputation is the fruit not of his genius but of the virility of British imperialism, which propagated the English language on every continent." Because of this, Taylor concludes his book, Shakespeare has become "a singularity . . . a black hole . . . a mathematical point in space, having no length, breadth or depth" which "no longer transmits visible light." The only hope for Shakespeare is a criticism which is full of "doubt . . . skeptical . . . suspicious of power."

Notwithstanding his incompetent definition of a singularity, Taylor utterly confuses the politics of the matter because he cannot see—as the Royal Society clearly did—the relationship between language and freedom. Take the example of William Davenant, the most important producer of the Restoration period, and the first to take great liberties with the originals. Taylor describes how Davenant changed Shakespeare's vocabulary in plays like *Hamlet* and *Macbeth*: For instance, where Shakespeare said "perpend," "bray out," and "affront," Davenant substituted "consider," "proclaim," and "meet." Taylor concludes: "All these expressions, which Davenant thought unintelligible to his audience, are considered unintelligible to readers by modern editors, and our editorial glosses sometimes unwittingly echo Davenant's revisions. What later editors and commentators will put in footnotes—paraphrases that explain Shakespeare's meaning—Davenant simply sticks into the dialogue itself. The gloss replaces the text."

Nonsense! Halliday, among others, goes into hilarious detail, documenting the depredations of Davenant and his Restoration colleagues. One short example should suffice. In the last act of *Macbeth*, the usurping murderer is receiving a series of disastrous battle reports; the last messenger arrives, and stands speechless before Macbeth, who turns and says

The devil damn thee black, thou cream-fac'd loon!  
Where gots't thou that goose look?

This, I contend, is perfectly understandable to both Restoration and modern audiences, and wonderfully suggests the psychological state of both Macbeth and the messenger. Davenant reads the line

Now Friend, what means thy change of Countenance?

Davenant wasn't changing vocabulary; he was changing meaning.

Shakespeare used the conscious interplay of poetry and stagecraft to make a dialogue with the minds of his audience. Like Dante and Cervantes, he was creating a language in order to communicate concepts. His own neologisms and novel usages fill a book; we still have the option of his shortened "lament," in place of the previous "lamentation," or his "import," rather than "importance," plus hundreds of other such. He used words as a musician, not in Shaw's Wagnerian sense, but lawfully changing the tone and rhythm to serve the play's concept; Don Armado may say "infamonize," for he is a pompous fool, while Hermia is "bedabbled [not 'dabbled'] with dew," because the forest in which she is trapped, is enchanted. Sometimes, certainly, Shakespeare's creation derives from a problem in scansion, but often it is pure genius, and it is one of the many reasons we can dip into a Shakespeare play again and again, and come away with fresh insight each time.

### Only half the story

Professor Taylor gives only half the story of the Royal Society's revival of Shakespeare. This self-styled "invisible college" was not simply a group of gentlemen scholars; they were conspirators who worked to make England safe for monarchism, by controlling not only all scientific investigation, but also by legislating the way in which Englishmen could think and speak. Within a few years, the Society became little more than an intellectual goon squad, enforcing the fraudulent theories of Sir Isaac Newton; the truest history of the institution is still to be found in Jonathan Swift's *Gulliver's Travels*. It was the Royal Society which first created the rules of English usage which readers still must memorize in school: the "proper" use of shall and will; the fact that sentences have subject, object, and predicate (borrowed from formal logic, in emulation of Aristotle). Shakespeare and his contemporaries used the double negative for emphasis; the Royal Society ruled that it should not be used, never.

Technically, it is true that the Royal Society was behind the revival of Shakespeare. But, they amended him to make him "politically correct" for Restoration Britain. Their ultimate end was to eliminate the creative freedom which Shakespeare demonstrated—nay, flaunted—in his use of language. The Royal Society invented the line that Shakespeare was his words, and, that those words were archaic and had to be modernized. That line has stuck; it is no coincidence that

the Bloomsbury Fabians, with their need to create a “new hieroglyphics” for Shakespeare, called themselves the “new invisible college.”

The same methodology, revamped with Marxist terminology, is the basis of efforts by modern, politically correct university instructors to “deconstruct” Shakespeare—efforts which Taylor would applaud as “skeptical . . . suspicious” criticism. For these modern theorists, even Shakespeare’s words are untrustworthy (bourgeois overreliance on words for rational discourse is called “logocentrism”), and must be analyzed as mere signposts for class oppression, racism, and phallogentrism. Here is the belief structure behind the current campaign on many campuses to end the student requirement to read “DEMs” (“Dead European Males”) like Homer, Chaucer, and Shakespeare. *The Merchant of Venice* and *Othello* are politically incorrect, and can be omitted, because they include stereotypic treatment of Jews and black-skinned people. The fraud in this, of course, is that if the principles of justice and leadership which Shakespeare intended in those plays were understood and universally applied today, then there would be no anti-Semitism, nor no genocide of darker-skinned peoples by the usurious International Monetary Fund.

Is Shakespeare, then, to be taught “translated” into modern English, or reduced to data that only confirm the student or instructor’s prejudice? Or, are students to be challenged to recreate the principles by which Shakespeare sought to freely communicate the concepts of love, justice, and leadership which make up the subject of his plays? All Renaissance thinkers, including Shakespeare, understood that language is not merely a plenum of usage; it lives and grows with the nation-state for which it is unifying factor. As a nation crumbles, so too its language. As Western civilization fell into the Dark Ages, and the majority of the population became illiterate peasants, local languages disappeared, replaced by a few hundred words of slang vocabulary—nothing more was needed to grunt one’s way through a short, brutal existence. When Europe began to restart technological and social progress, especially after 800 A.D., languages had to be completely rebuilt, borrowing heavily from Latin, which was kept artificially alive in the monasteries. This was commonly understood as late as 1847, when James Fenimore Cooper warned that the increasing use of slang by America’s newspapers threatened to overwhelm literate language, and was becoming “the great and most powerful foe of justice” in the United States.

Today, English dies by inches each day. Rather than reverse the process, we make a virtue out of horrible necessity, as in the case of “black English,” where a deformed and shrunken usage brought about by centuries of racist policies is blessed with academic legitimacy. If we believe, as a nation, that the most potent concept we expect our students to ever communicate is, “You like fries with that?” then we need not teach Shakespeare.

## Sacred art: What the West owes the East

by Nora Hamerman and  
Warren A.J. Hamerman

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### **Transfiguration: Introduction to the Contemplation of Icons**

by Maria Giovanna Muzj (translated by Kenneth D. Whitehead)

St. Paul Books and Media, Boston, 1991

179 pages, illus., hardbound, \$19.95

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The issue of religious imagery is one of the most heatedly debated in the history of Christianity, and indeed of all the “religions of the Book,” which include also Judaism and Islam, both of which rejected all representation of the human form in worship as idolatrous. This revolt was to erupt again in the Iconoclastic Controversy which swept through the Byzantine Empire in the 8th century, and in radical Protestantism in 16th-century Western Europe. Yet, the highest achievements of Western art grew directly or indirectly out of the “icon,” the notion of a sacred picture which is not to be worshipped in itself, but instead, is intended to provoke a contemplation of the invisible universe through the medium of the visible.

It seems that it was in Constantinople, seat of the Eastern Roman Empire and the Orthodox Church, that the earliest canons of Christian art were developed, establishing whole classes of images called “icons.” This little book by Maria Muzj, who teaches at the Pontifical Gregorian University in Rome, reproduces and explores 32 of the most important surviving examples of icons, each representing a type of image. The series begins with images of Christ, God in human form, variously shown as the Almighty (Pantocrator), the Savior (Soter), the Master and Judge, and so forth; the Virgin Mary and Child, also in a series of set forms of which the “Virgin of Tenderness” is repeated over and over again in Greek, Italo-Byzantine, and Russian and Polish icons; the *Deësis*, or prayer, which consisted of the image of Christ seated on his throne with his Mother on his right and St. John the Baptist on his left, both in an attitude of supplication, which became an integral part of church architecture from the 7th century onward. Finally, Muzj introduces the major narrative themes of the New Testament and related stories, such as the Annunciation, Nativity, Baptism of Christ,



Rublejev's "Old Testament Trinity," the three angels who visited Abraham. Painted around 1420 by Russia's greatest icon artist, this may resemble panels that traveled to the Council of Florence with the delegation led by Isidor of Kiev.

Piero della Francesca, "Baptism of Christ," ca. 1442. This altarpiece painted shortly after the Council of Florence shows the direct influence of the Byzantine icons of the "Old Testament Trinity," translated into the language of the scientific Renaissance. The inclusion of three identical angels is totally unusual.

Transfiguration, the Last Supper, the Crucifixion, the Resurrection, Pentecost, and others.

Much can be learned from Muzj's approach, as she shows a deep understanding of how each form was woven into the contemplation of a central tenet of the faith. This certainly gives a better grasp of this unfamiliar art than merely formal analysis, and also helps to understand the background of the greatest Western artists, who came later.

For example, she relates that the Last Supper theme had two distinct traditions in art, the one "more common in the West, which depicted the apostles gathered around Jesus, pondering with intense emotion the tragic announcement of the betrayal." The second, preferred by Byzantine art, illustrated "the liturgical-sacramental act of the communion of the apostles." From her description it becomes clear that Leonardo da Vinci's immortal painting of the Last Supper combined *both* the Eastern and Western traditions in a single painting, which is simultaneously "narrative" and "sacramental." Thus, her discussion of the iconographic background deepens our appreciation for a Western work of art, as well as introducing an Eastern one we might not have known.

It is even possible, since the exemplar she reproduces comes from the 15th-century Russian school of Novgorod (now in the Kiev museum), that Leonardo might have seen similar icons in Florence. The delegation of 100 persons from Kiev that came to the Council of Florence in 1439-42 certainly brought such icons with them and may have left some behind.

### Imperial Byzantine icons

Miss Muzj is quite open about the degree to which the imperial Byzantine court, which was, after all, the continua-

tion of the Roman Empire with an overlay of Oriental despotism, influenced the form of these pictures, so that Christ was endowed with many of the traits of the autocratic emperor, and the Virgin Mary, the empress. The "classical" icons of Constantinople were distant and regal, and very unnaturalistic. Gold lines in the garments, remote derivations from the naturalistic highlights on draperies depicted by ancient Greek painters, are deliberately "not subordinate to any source of light." When these images were replicated in Italy, in the artistic revival of the 13th century, they became more human and natural, less "hieratic and spiritualized."

For similar reasons, the Byzantine artists deliberately rejected artificial perspective, the science of reproducing the illusion of three-dimensional space on the plane through applying what we would call projective geometry. This science may have been known to the ancient Greeks, but was famously rediscovered in the 15th-century Renaissance in Italy. The Christ Child in Byzantine icons is a miniature man, Who never was a human baby; He sometimes appears in a medallion within the body of the Virgin. All of these formal features, in Miss Muzj's view, make the icons more spiritual, but she does not elaborate on the fact that they have a political dimension, which exalts a society in which individual freedom here on earth is extremely limited.

Beginning with Giotto around 1300, and flowering in the 15th-century Renaissance, Italian artists translated the familiar icons into a more human form. They brought the deity closer to man and thus brought man closer to the deity. This exemplified the staunch Western belief in the *Filioque*, the clarifying phrase which was recited in the Latin Creed from the 9th century forward, and which emphasized the role of man in the ongoing work of God's creation by underlining

the co-equal role of Christ in the procession of the Holy Spirit. For long centuries this Western doctrine of the Trinity was a bone of contention between Rome and Byzantium, and it was only in 1439 at the Council of Florence, that the Byzantine hierarchy accepted a compromise ratifying the *Filioque* formulation.

Western art of the Renaissance from that time forward frequently returned to Byzantine examples and reshaped them from the standpoint of the *Filioque* concept.

### The 'Old Testament Trinity'

For example, the last illustration in Muzj's book is the most beautiful of all surviving Russian icons, the "Old Testament Trinity" by Rubleyev, an panel dated to 1422 showing the three angels who visited Abraham, a popular theme in Byzantine art. Similar panels must have circulated at the Council of Florence. Piero della Francesca, the great Florentine-trained artist and master of scientific perspective, who was working in Florence at the time of the council, just a few years later incorporated the motif of the three identical angels into the scene of his altarpiece of the Baptism of Christ—an unheard-of combination. Piero's painting was closely associated historically with the leading personalities of the council, and it would appear that Piero was demonstrating to the Byzantines how their culture could be improved by translat-

ing its traditional themes into a new visual language which applied the notions of perspective and proportion.

Piero's three angels, unlike Rubleyev's, which float in a flattened space, have an undeniable material architecture: They stand on legs which are as solid as the columns in a Brunelleschi church, and were probably inspired by them. Muzj says that Rubleyev's icon, which has always been revered in Russia, is fully spiritual and fully human at the same time, but we would say that Piero goes beyond the Russian master in making the human side concrete without ever losing the spiritual dimension. Unfortunately, we suspect Muzj would not agree.

This is not a minor side issue. Today, in the ecumenical efforts to bring the Eastern and Western Christian churches back together, there are many in the West who are quite willing to give up the *Filioque* which was precisely the Western resistance to an oligarchic form of state and to technological stagnation, and the celebration of the human individual's "divine spark" of potential creativity. Were this to occur, it would be a disaster for the whole world, because it would vitiate the thrust of the church's social teachings to bring development to all mankind as the basis for peace. It would be a bitter blow indeed to the resistance fighters of Eastern Europe, many of whom waged their fight as Christians above all.



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### 'Quo vadis,' Girolamo?

*The Mexican Papal Nuncio has backed NAFTA, while the country's Bishops Conference remains in doubt.*

On May 16, the official government daily *El Nacional* published an article under the provocative title "Church Blesses the Free Trade Pact with the U.S."

The headline is based on the statements of the Vatican's Papal Nuncio in Mexico, Msgr. Girolamo Prigione, who said that "Mexico should form an economic bloc [and] promote its interests, to achieve progress and to defend itself from other markets, such as that of Europe and the Pacific. That is why it must not remain an island, which would condemn it to sterility. . . . Mexico cannot be hung out to dry," the religious diplomat stated.

Prigione's statements were made at the opening of a conference organized by the Mexican Bishops' Conference, to commemorate the centennial of Pope Leo XIII's encyclical *Rerum Novarum*.

During his address to the press, Monsignor Prigione was asked by *EIR*'s correspondents to comment on the similarity of conditions in the Mexican economy today, under the George Bush and Carlos Salinas de Gortari governments' free market economic policies, to those denounced by Leo XIII's celebrated document. Wouldn't the North American Free Trade Agreement (NAFTA) then be just a magnification of this "savage capitalism," as Pope Leo XIII called it? they asked.

A visibly irritated Prigione responded: "And what would you have Mexico do, be isolated?" When told that there, in fact, existed a *third alternative* between the failure of Marxism and the genocide of liberal capitalism,

which is the "economic integration of Ibero-America," the Papal Nuncio interrupted with a cynical, "What Ibero-America?"

Certainly, the Mexican Catholic Church—which is not the same as the Papal Nuncio—has neither supported nor rejected NAFTA, and it has certainly not "blessed" it. The reason for this ambiguity is that it considers the acts of the Mexican government to be ineluctable, and since "the Church has no models to propose," current problems are viewed as a "historically given situation."

The Catholic Church's Bishops Conference President Msgr. Adolfo Suárez Rivera declared that NAFTA is "something that will definitely happen," but that the Church "will demand equality in this treaty, so that the big fish doesn't eat the smaller. . . . Unfortunately, the only thing Mexico can offer at this time is cheap labor power."

The Mexican Bishops Conference itself has drafted a document on NAFTA, in which all the bishops indicate that "the treaty is only legitimate if it contributes to the just and humane development of the countries involved, and of their neighbors; a social policy in favor of the weak . . . should be applied; the cooperatives, the small and medium-sized industries, and some state companies should be respected. . . . The *maquiladoras*, while a source of work for the population, have nonetheless generated human problems, above all along the northern border."

This is not the first time that the Vatican diplomat has come out with

a position at variance to that of the Mexican Catholic Church. Indeed, many analysts agree that the Mexican Church is split between Prigione on the one side, and the followers of Cardinal Ernesto Corripio Ahumada, on the other.

The most public disagreement within the Church is over Church-State relations, where the position of the Papal Nuncio has been consistently in favor of the Salinas government. Further, it has been noted that Monsignor Prigione displays a certain pleasure in making this factional situation public. In an exclusive interview with the magazine *Proceso* (No. 749, March 11, 1991), the Papal Nuncio asserted that all discussion with government officials over the formalization of Church-State relations was exhausted. "The decision of the President is all that remains. . . . We are awaiting it. . . . The Cardinal [Corripio] should not get involved. We have official channels for that."

Opposed to this rather lyric view of relations between the Catholic Church and the Mexican government are the statements of the recently named Cardinal Juan Jesús Posadas Ocampo: "The establishment of diplomatic relations with the Vatican without the juridical status of the Church being recognized inside Mexico is a fiction that cannot be sustained, and we will end up with continued *schizophrenia*." The most logical and natural thing would be to recognize the Church, and then establish relations with the Vatican, said the Cardinal.

Monsignor Prigione often speaks in the plural, as in his use of the phrase "we expect," or "we are prepared to . . ." It is clear that in his "we," the Mexican Catholic Church hierarchy is not included. What is not known is if his "we" is intended to include Pope John Paul II, or perhaps some faction within the Vatican's State Department.

## Good luck to Sid Ahmed Ghozali

*After the uprisings Algeria has a new government, and France is posed with a great positive challenge.*

In the political storm which has been unleashed in Algeria, the naming of Sid Ahmed Ghozali to head the government brings a glimmer of hope. We followed closely his efforts during the Gulf war and noted the courage and clarity of his language on the world dictatorship of the Bush administration. A person of integrity and determination finds himself at the helm of his country, a rare occurrence in today's world.

Frankly, we won't regret the departure of Mouloud Hamrouche. Too much given to compromise and playing by the rules of the international game, he contributed to Algeria's present crisis.

While free elections were, and still are, needed, it was insane to set out on the road to democracy while applying social austerity and financial deregulation policies. No wonder the International Monetary Fund's experts hailed the Algerian government's efforts to "de-bureaucratize" the economy. While avoiding formal passage into the IMF's clutches, the Hamrouche government independently submitted to its precepts: 70% devaluation of the dinar, dismantling of the state sector, slashing of living standards, promotion of the service sector.

In these conditions, a social base was created for the Islamic Salvation Front (FIS), the battalions of young unemployed and outcasts who made up the hard core of the protesters. Moreover, with the state under control of his National Liberation Front (FLN) party, Hamrouche allowed free

rein to the very religious fanatics whom his own austerity measures were riling up, and prevented the emergence of any other political force. Algerians have been faced with a frightful choice: FIS or FLN. In fact, after the FIS won municipal elections of June 1990, Hamrouche even mooted the idea of joint rule with the fundamentalists.

We hope that with Ghozali, the disastrous neo-liberalism, and the "sorcerer's apprentice" policy buried.

Algerians are fighters, and they are itching for a clear-cut fighting policy. They are set to unite behind a policy of social justice and resistance to the new financial, "free market" oppression, free of the weight of an incompetent, niggling bureaucracy which was so alien to the new generation's hopes.

Democracy must be the goal, but to do what? To strengthen—not to keep weak—an Algeria which is resuming its fighting role among the countries of the South for a new world economic order, opposed to Bush's new world order. France ought to support this kind of Algeria, which means helping it to recreate the conditions for economic success.

In the short term, this means French banks should back the new government. An official French spokesman should quickly disavow the proposal of Michel Bernard, the Algerian "risk analyst" at the big French bank Crédit Lyonnais, who asks that the French banks block a year-old project to renegotiate part of the Algerian debt "in this new context."

Over the medium term, France has to back, against Saudi Arabia and the Gulf petro-monarchies, which finance FIS and its free market co-thinkers, Algeria's decisions on a price of oil which will allow development. The much-touted Algerian debt is only \$27 billion, about 60% of the national wealth, and the most problematic payment deadlines over 1989-95 would only be a minor problem if the price of a barrel of oil were over \$23. Oil for development must be the tool of mutually beneficial technology transfer, North-South and South-South, not a spur to speculation.

For the longer term, France should get to work, with its European partners, notably Germany, on major infrastructure projects which could stimulate the entire Maghreb economy. The project of greening the Sahara Desert—or at least stopping its spread—must be resumed in a rational manner, with all the needed feasibility studies, along with a bold policy for exploiting land and raw materials.

These infrastructure projects will define the space within which free enterprise can really manifest itself, whereas today, in conditions of financial contraction, it is not free enterprise which is emerging, but short-term speculation.

This political vision will make it obvious that Algeria is underpopulated. Today's overpopulation is not an objective fact, but the result of non-development, especially of the interior, and the concentration of people in the coast areas.

Finally, France must help Algeria to recover its memory. The French government would do itself an honor by turning over to Mr. Ghozali's government the Algerian historical archives still held in France, so that Algeria can consciously integrate the French and Berber contributions in a work of common enrichment.



## What kind of post-communist Europe?

*Conservatives say they want a "Christian" design, but won't use the new papal encyclical 'Centesimus Annus.'*

This author and a colleague were invited to the annual meeting of the Weikersheimer Forum, a political initiative group that has worked, for the past decade, as a spiritual rallying point for those layers of the conservative constituency who are broadly opposed to the advance of liberalist views on the political scene in Germany.

One may not agree, as this author does not, with many of the views put forward, but the group's meetings are always informative. This gathering, on June 1-2 in the Württemberg town of Weikersheim, dealt with the "spiritual renewal" of Eastern Europe after the fall of communism.

Meetings of the group in earlier years featured leading representatives of the Eastern reform movement, like the Soviet Union's Vyacheslav Dashchichev or Poland's Wladislaw Bartoszewski. When they addressed the Weikersheim gatherings, a strictly communist regime was still in power in their countries.

This year, the scene was changed. Representatives of the first elected parliaments of Hungary, Czechoslovakia, Croatia, and the Russian Federated Republic were attending as speakers.

Speakers frequently called for Christian, or occidental European values, to provide the cornerstone for the post-communist societies of Eastern Europe. Yet there were only marginal references to the new papal encyclical on this very topic, *Centesimus Annus*. There were, on the other hand, frequent allusions to "market economy" or "social market economy" as the model for economic reform. Neither

the "Christian values" aspect, nor the "market economy" system were discussed enough at this meeting to allow a definite evaluation as to why the new encyclical was not made the fulcrum of the debate.

Seen against the background of strong opposition of many Catholics in Germany to the Vatican, and to this Pope specifically, one may say that there is still a spiritual deficit in the conservative spectrum of German politics. Less explicable is that even the East European representatives at Weikersheim did not refer to the Vatican, or the new encyclical, as important—and this at a time when Pope John Paul II was just beginning a tour of Poland. Nor was there any Polish representative at this conservative meeting.

On the first day, the Austrian ex-archduke, Otto Hapsburg, conservative member of the European Parliament, spoke on the reform of political and economic structures of the (western) European Community needed, he says, to open the door also for the Eastern Europeans. Hapsburg criticized the Brussels Commission as over-centralized, and proposed setting up a new body between the European Parliament and the Commission—a chamber of the European regions modeled on the British House of Lords. Hapsburg called for an end to the rotation, every six months, of the chairmanship among the 12 EC member governments, and the creation of a longer-term, continuous presidency.

It is no secret that Hapsburg is a proponent of constitutional monarchy. One may assume that his proposals for

reforming EC institutions aimed at something very close to the concept of an all-European constitutional monarchy.

This may sound absurd, but it has to be taken seriously. Given the intense campaign in post-communist Eastern European countries like Romania, Bulgaria, and Hungary, but also Yugoslavia, for a return of the respective monarchies after an exile of 45 or more years, Hapsburg's "trial balloon" is not entirely off the scene. The young democracies of post-communist Eastern Europe are not stable enough yet, to be safe against monarchist revivals. There are certain echoes of the post-Napoleonic Europe a century ago, when the British revived, or created anew, puppet monarchies all over Europe.

The other aspect of the Weikersheim event worth watching, is the controversy over what "Europe" actually is. Some refused to consider most of the Balkan states part of Europe; others would not view the three Baltic states as belonging to Eastern Europe, but rather listed them as part of "Nordic" Europe.

Some speakers even recommended that the Balkan states form an economic community of their own, distinct from Central Europe. The dividing line between Central Europe and the Balkans would run along the border between Croatia and Serbia. Where would Greece fit in this picture? Once the mother of European thought, would Greece be part of Europe today? This question was not answered at the Weikersheim meeting.

The three Baltic states should be dealt with, one speaker said, as part of Europe's Nordic zone, a problem not concerning Central Europe or the West in the first place, but rather, something to be discussed between Russia and the Scandinavians. Moscow, which is refusing to give up the countries it illegally annexed, would no doubt agree.



# International Intelligence

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## ***Arafat: Washington is the new Rome***

Palestine Liberation Organization chairman Yasser Arafat charged that the Bush administration's "new world order" is a replay of the policies of the Roman Empire, in an interview with the Jordanian newspaper *Sawt Al Shab* published on June 2.

"The Arab nation is now facing a new set of facts represented by the new world order," he said. "The United States leads the new world order like Rome had done in the past. However, they forget that Spartacus was a Palestinian, and that Christ and his disciples were also Palestinians."

Arafat added that "had it not been for the boundless U.S. support on the economic, political, diplomatic, financial and information level, Israel would not be able to defy the international community's consensus, continue with the occupation of the Palestinian and Arab lands, and with its crimes, massacres, and its human rights violations in the occupied territories, not to mention its recurrent aggression against southern Lebanon, and against the Palestinian camps and Lebanese villages."

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## ***Seineldín: 'We will not take down our flags'***

Argentine nationalist leader Col. Mohamed Alí Seineldín declared, in an open letter to the nation issued from prison early in June, that "despite imprisonment and lies, we will not surrender and we will not take down our flags."

Colonel Seineldín wrote that the failure of the nationalist uprising of Dec. 3, 1990 against the Army high command has resulted "in the extension of the dependency that has emerged due to unemployment and starvation wages."

He continued: "Our national assets are being unscrupulously abused; we are once again becoming dependent on the multinational enterprises. There is a 50-year lag in labor and social legislation; and we are re-

turning to a merciless exploitation of the worker, a situation we thought had been overcome for good. . . .

"Regrettably, the leadership of our Armed Forces has suffered the same wear and tear as the country's leaders. . . . This is why every day, we see rich businessmen with bankrupt enterprises, rich labor leaders with workers who have descended to the subsistence level, and rich politicians with a majority of forgotten people. . . .

"We have seen many of our generals negotiate their small sinecures with the political branch, while the Armed Forces suffered the shrewdest attack in their history, with the goal of dismantling the military and finally making it disappear.

"We tried to prevent this on Dec. 3. . . . We wanted to restore the Army, to bring it alongside the people within a national and popular project of liberation."

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## ***Brits call for ousting the leaders of Africa***

The *Financial Times*, mouthpiece of the City of London, on June 7 spelled out in an editorial British colonial plans for Africa, including the ouster of the current leadership of the continent:

"The destiny of Africa is in your hands, Mr. Barber Conable, the World Bank president, told leaders attending this week's summit of the Organization of African Unity (OAU) in Abuja, Nigeria.

"Fortunately for Africa, he is wrong.

"The continent's destiny lies not in the hands of the long-discredited and unrepresentative leaders who have dominated OAU summits for nearly three decades. The future belongs to their successors: the opposition politicians, trade unionists, human rights activists, academics, lawyers, students, and other frustrated citizens who are at the forefront of the continent's search for democracy.

"Such is the tumult of change in Africa that their time may be coming. Old hands such as President Kenneth Kaunda of Zambia . . . will have looked around the Abuja

summit and noticed a sign of the turbulent era. No less than nine African leaders have lost office since last year's meeting in Addis Ababa—the highest turnover since the OAU's creation in 1963."

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## ***Norway charges Soviet buildup on Kola Peninsula***

The Norwegian government has charged that the Soviet Union is building up its military presence on the Kola Peninsula near the Norwegian and Finnish borders, reported the May 29 *Sovetskaya Rossiya*, a Russian daily.

On the eve of Mikhail Gorbachov's visit to Norway, Norwegian Defense Minister Jorgen Holst let it be known that Norway will not sign the treaty on Conventional Forces in Europe (CFE) unless something was done about the military buildup. Norway also wants amphibious assault force units to be negotiated within the CFE Treaty. Holst said Norwegian officials would discuss this with Gorbachov when he arrived. *Sovetskaya Rossiya* pointed out that after World War II, Norway had tried to build up anti-Soviet groupings in Finland.

The Soviets denied Holst's charges on Radio Moscow the next day, and said that the only military forces in that area were two tank battalions (171 tanks) in regions bordering Norway, as compared to 205 Norwegian tanks.

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## ***Harsh sentences given to Chinese activists***

The continuing crackdown on pro-democracy activists in the People's Republic of China has led to some of the harshest sentences seen in years, says an Amnesty International report released on June 3.

"It's not uncommon for people out of the spotlight—ordinary activists or those tried outside Beijing—to be jailed for 10 to 20 years, sometimes simply for making dissident speeches," the report said. It cited the example of Chen Lantao, sentenced in northern Shangdong province to 18 years in

prison for joining the 1989 protests. The report said that several hundred activists are believed to have been secretly executed shortly after 1989.

The report noted that torture of prisoners, usually to extract pretrial confessions, had increased, and that methods included severe beatings, shocks with electric batons, and the use of handcuffs, shackles, or ropes to inflict pain.

## ***Kuwaiti kangaroo courts issue death sentence***

An alleged Iraqi collaborator was sentenced to hang by the courts set up by the U.S.-backed oligarchy in Kuwait the first week in June. Mankh al-Shamiri, a radar technician with the Kuwaiti Air Force, was impressed into service by the Iraqi occupiers, and is now going to die as a result of a court proceeding in which there were no witnesses presented against him, and no evidence presented in the courtroom.

These proceedings and their sentences are under the direct authority of the martial law regime established by the U.S. occupation, and have been sanctioned by the U.S. ambassador.

The convicted man is a Bedouin, one of the 200,000 members of a stateless community descended from nomads who inhabited the area prior to the establishment of the Sabah family protectorate. Like others who are not part of the Sabah mafia, the Bedouins do not have citizenship papers in the kingdom which is passing judgment on them.

## ***Turkey and Iraq take steps to restore ties***

Upon arriving in the Turkish capital on June 12, Iraqi Deputy Prime Minister Tariq Aziz stated that there were historic ties of friendship between the two countries, and that Iraq wants to normalize and develop further its relations with Turkey.

Despite Turkey's enthusiastic participation in the war against Iraq, there are indica-

tions that the government there is open to such a restoration of relations. Turkish President Turgut Özal made it known, on the occasion of the Aziz visit, that he is against maintenance of sanctions. He told the Turkish press that sanctions do more harm than good, and "won't bring about a real change in Iraq's political situation." Turkey says that it has lost \$7 billion because of the sanctions against Iraq.

Turkish Foreign Minister Ahmet Kurtcebe Alptemecin welcomed Aziz, saying, "We would like to get first-hand information about the situation in Iraq." He said the information to be obtained from Aziz is "very significant" to Turkey. Aziz was later received by Prime Minister Yildirim Akbulut and President Özal.

En route to Turkey, Tariq Aziz made a 24-hour stopover in Amman, where he held talks with senior Jordanian officials.

## ***Soviets deny 'sphere of influence' deal***

The Soviet government newspaper *Izvestia* reported on June 6, that Foreign Ministry spokesman Vitaly Churkin denied that the United States and the Soviet Union had reached an agreement on a "redistribution of spheres of influence" whereby Hungary, Poland, and Czechoslovakia are in the U.S. sphere of influence, while Romania and Bulgaria are in the Soviet zone.

"We know about these foreign press reports," Churkin said. "A number of articles have said that a redistribution of spheres of influence in Europe between the Soviet Union and the U.S. took place even earlier—during the Soviet-U.S. Malta summit in early December 1989. I think that those familiar with the details and philosophy of the Soviet policy of new thinking do not need to be told that nothing of the sort could have happened at summits or other meetings anywhere between Soviet and U.S. officials. The question of a redistribution of spheres of influence was never raised by anyone nor discussed. That is why any articles on this score are either malicious fabrications or the result of a sick imagination."

● **POLISH PRESIDENT** Lech Walesa has refused to sign the Polish parliament's new electoral law, on the grounds that it is too confusing, hampers the organization of a normal political system based on parties, and discriminates against the Catholic Church. "I'm surprised," Walesa said, "that such magnificent people worked on, yet made such a mess of, the electoral regulations."

● **ISRAELI** Prime Minister Yitzhak Shamir seemed to indicate a willingness to negotiate over the Occupied Territories, in a statement quoted by Israeli Radio on June 5. "We agreed that sovereignty over Judea, Samaria, and Gaza will be subject to negotiations despite our belief with all our heart that these areas are an organized part of the land of Israel," he said.

● **SOUTH KOREAN** officials announced on June 8 that North Korea has agreed to sign an accord allowing international inspection of its nuclear facilities. A Foreign Ministry official said the announcement was made by North Korea's roving ambassador Jin Chung Guk, during a visit to the Vienna headquarters of the International Atomic Energy Association.

● **THE U.N. SANCTIONS** Committee has suspended its consideration of an Iraqi request for the lifting of sanctions, under enormous pressure from Britain, the United States, and France. Several countries on the Security Council support the lifting of sanctions as a way of bringing about Iraqi compliance with the cease-fire agreements, but their views have not prevailed.

● **ISRAELI** fighter planes staged "warning" bombing raids on Palestinian refugee camps over southern Lebanon on June 12, Reuters reports. A number of people were wounded in the shelling of agricultural areas east of the port of Sidon.

# Financial dictatorships spread over U.S. cities

by Graham Lowry and Steve Parsons

The current drive to impose financial dictatorships on bankrupt American cities and states underscores the crucial significance of the 1992 presidential election. Without a complete reversal of the economic and monetary policies of the past 25 years, there simply is no way to halt the downward spiral of collapse, most recently dramatized by the Connecticut city of Bridgeport's filing for bankruptcy June 6.

The handwriting on the wall has reached the dimensions of a giant billboard. During the span of one week, the city of Philadelphia was taken over by a financial control board; Chelsea, Massachusetts asked to be placed in receivership; and an austerity dictatorship overriding all legislative authority was proposed for the entire state of Massachusetts. In New York State, Gov. Mario Cuomo used his power of line-item veto June 10 to eliminate nearly \$1 billion from the budget already approved by the legislature. And across the nation, 15% of our municipalities have already sunk to the fiscal depths Bridgeport had reached when it declared bankruptcy, according to Moody's Investors Services. Those teetering on the brink include St. Louis, Detroit, and Yonkers, N.Y.

## **Panic over Bridgeport's action**

Once a thriving, modern industrial center, Bridgeport, population 142,000, is the largest municipality to file for bankruptcy since the Depression of the 1930s. The action set off a wave of panic in banking circles internationally, and even prompted a five-minute segment on the BBC's World News program June 8. Moody's quickly dropped the city's credit rating to the junk-bond level; major banks stopped cashing the city's payroll checks; and the state of Connecticut imposed its own budget on the city June 7, covering its \$12 million deficit through an 18% increase in property taxes. One of the BBC's analysts declared, "What Bridgeport has

done, has started a new and dicey ballgame. One can't feel easy about cities declaring bankruptcy."

The push by Wall Street bankers and bond raters for financial control boards has only worsened matters; for their intent is not to put cities or states on a working footing again, but simply to extract payment on ever growing mountains of debt. Bridgeport is a case in point. Since 1988, its budget and finances have been overseen by the Bridgeport Financial Review Board, run by state fiscal monitors, resulting in the elimination of 30% of its work force and the virtual dysfunction of city services. The city is convulsed with violent crime and one of the nation's worst infant mortality rates, amid skyrocketing unemployment and poverty.

At a press conference June 7, Mayor Mary Moran summed up the legacy of austerity. "Street cleaning is gone. Snow removal eliminated. The recreation department also gone. Libraries reduced by 50%, and parks closed across the city. Still, we are nowhere near finding the money we need." When Moran first mooted bankruptcy for Bridgeport in January, the city faced a \$7.5 million deficit in its \$279 million FY 90 budget. Since then the fiscal situation has deteriorated; now Bridgeport has a \$12 million deficit in its \$304 million FY 91 budget. The Financial Control Board's "solution" was to demand the 18% property tax hike, laying off police officers, and *eliminating* garbage collection. At that point, the mayor filed for bankruptcy protection in federal court, which the state has declared is illegal!

## **Massachusetts government to be abolished?**

The trend toward outright dictatorship to impose brutal austerity is nowhere clearer than in Massachusetts, currently groaning under the governorship of William Weld, the blueblood bankers' boy who is shutting down or selling off as many state services and vital functions as he can.

Now Weld is on the verge of unilateral rule by decree, with powers to override the legislature and laws of Massachusetts in any way he sees fit, to maintain debt payments to the banks. Legislative passage is expected for a bill, S.1992, establishing an Emergency Control Board placing so-called "budget-buster" state programs "in temporary receivership." The bill declares that current levels of funding for Medicaid, state employee health insurance, pensions, workmen's compensation, mass transit, public safety, local aid, public education, and "programs for the elderly, the needy, and the disabled" are *too high*, and thus constitute "a public emergency"!

The duties of the Emergency Control Board, the legislation reads, "will include restructuring the management of the budget buster programs, capping their expenditures, reducing eligibility standards, eliminating or altering benefit levels, establishing co-payments and reducing payments to vendors providing services. Through the board, *the governor will be authorized to suspend temporarily all state laws relative to these accounts.*" The three-member board, to be appointed by the governor and to serve "at [his] pleasure," would assume its powers July 1, for a term of one year. But like Adolf Hitler's in the last depression, such temporary emergency powers have a way of becoming permanent.

Another section of the bill also declares that the existing system of county government is not "efficient or cost-effective," and orders "the immediate abolition of county government . . . and the establishment of new regional cooperatives . . . [to] prevent the waste of limited tax resources, eliminate patronage abuse, reduce debt, and contribute to efficiency and cost effectiveness at each level of government."

### **The coronation of 'King William'**

The Emergency Control Board planned for Massachusetts is the most thorough financial dictatorship yet to emerge at the state level. Even the *Boston Globe*, the paper of choice among Bay State bluebloods, could not resist a sardonic attack on the legislature, in a June 10 editorial entitled "King William." Noting that House Democrats had refused to offer massive tax increases to offset the budget cuts, because Weld had threatened to veto them, the *Globe* accused the Senate Democrats of agreeing to the fiscal control board to avoid making "tough" decisions themselves. "If all this comes to pass," the editorial concludes, "the Democratic Legislature will have refused to consider taxes because the governor is too strong and ceded authority to the governor because it is too weak. In the state where the Revolutionary War began, it seems the Legislature would be happy to return to monarchy."

Weld is already acting in a post-coronation mode. The mayor of bankrupt Chelsea, unable to meet payrolls for the city's teachers, firemen, and policemen, asked Governor Weld June 10 to put the city under "state receivership." Within 24 hours, Weld advanced the city \$960,000 from an emer-

gency fund for "distressed cities," to cover two weeks' salary for the unpaid employees. There was no money left for the next biweekly checks due the teachers on June 21. Chelsea has been under limited state financial control since 1986, by a board with veto power over the mayor and aldermen on budgetary matters.

In granting the aid, Weld extracted in return Chelsea's agreement to allow "state financial experts" to "restructure" the city's finances. "We don't want to save the state and have the countryside dotted with municipal bankruptcies in the wake of saving the state," Weld said. "On the other hand, we don't want to give away the store anytime someone gets in difficulty, so we are trying to strike a proper balance there." That night, the Boston University management team which oversees Chelsea's school system unanimously voted to lay off *all* of the city's teachers, effective June 15, and hire some of them back before the fall term begins.

### **Philadelphia under bankers' rule**

The city of Philadelphia, already reeling from massive budget cuts, fell under bankers' rule June 5, when a state bill was signed into law establishing the Pennsylvania Intergovernmental Cooperation Authority. While the legislation apparently does not include the outright union-busting and budget-slashing measures demanded by the Wharton School, the agency will still have effective dictatorial powers over the city's budget and finances. They include the issuance of bonds to raise funds for the city, to be guaranteed by city revenues dedicated solely to repayment of principal and interest on the debt.

The agency is also empowered to withhold bond revenues and some state funds from Philadelphia, if the city does not set up and adhere to a brutal five-year fiscal plan that balances the budget each year. Like New York's Financial Control Board, the authority will have five members appointed by the governor and legislative leaders. It will immediately float about \$400 million in bonds to prevent a city default on its debt by July 1.

The legislation creating this debt-service machine, passed as House Bill No. 209, shows scant regard for the constitutional order of government. Though the agency's powers are to be exercised in a manner "consistent with the rights of citizens to home rule and self government," the clause following this in the original bill—"maintaining a system pursuant to which the principal responsibility for conducting the governmental affairs of a municipality remains with its local elected officials"—was *deleted* from the final version.

Language defining how the General Assembly is to exercise its powers was also amended, substituting "an appropriate" for "a cooperative" manner in dealing with local elected officials, and striking entirely "as contemplated by the Constitution of Pennsylvania." Though Philadelphia is the initial target, the legislation applies to any of the state's large municipalities defined as "cities of the first class."

# Effort launched in U.S. to save Iraqi children

by Anita Gallagher

On June 12, the U.S. branch of the Committee to Save the Children in Iraq formally announced the beginning of a campaign to have the U.S. Congress lift the economic sanctions imposed by the Bush administration against the population of Iraq, 60% of whom are children.

The lives of 3.3 million children under age five are threatened in the immediate weeks ahead by starvation and disease unless the embargo is lifted, said committee head Nancy Spannaus, the chairman of the U.S. Club of Life.

Other American leaders who spoke at the press conference at the National Press Club in Washington, D.C. included civil rights leader Amelia Boynton-Robinson of Selma, Alabama, the recipient of the Martin Luther King Freedom Medal in 1990, and William J. McCartney, a Catholic activist currently serving as District Deputy of the Knights of Columbus, District 67, north of Pittsburgh, Pennsylvania.

The committee was initiated by Helga Zepp-LaRouche of the Schiller Institute, His Beatitude Raphael I Bidawid, Patriarch of the Chaldean (Catholic) Church in Baghdad, Dr. Reza Sabri-Tabrizi of Edinburgh, Scotland, and others.

Only 24 hours before the press conference, the U.N. Security Council voted to maintain economic sanctions on Iraq. Because the United Nations cannot lift the sanctions until the United States—because of its veto as one of the five permanent members of the Security Council—agrees, changing the U.S. policy is the special task of the U.S. branch of the committee, Spannaus said.

Also on June 11, a “U.S. national intelligence estimate” and information from an Iraqi “defector” were published in the *Washington Times* warning that Iraq was continuing to build a nuclear weapon. This disinformation is intended to retard the shift in American public opinion which is occurring against the genocidal sanctions.

## Iraq doesn't need charity

Iraq's impossible economic situation was depicted when Spannaus presented a statement from Father Philip Najim, the general secretary of Patriarch Bidawid, who had just returned from Iraq: “Humanitarian relief efforts, though welcome and important, will never be able to sustain the population. No matter how much aid is delivered, even if tens of thousands of tons, it would never be enough to sustain a population of 18 million. And the Iraqi people do not want

or need charity; what they require is the human right to be able to produce and engage in normal trade, so as to be able to purchase the food and medical supplies which they so sorely need. This means that the sanctions against Iraq must be lifted.” Echoing the May 1, 1991 encyclical of Pope John Paul II, *Centesimus Annus*, Father Najim's statement concluded, “The sanctions against Iraq must be lifted, to allow the country to sell its oil, to allow the population to return to work and to rebuild a normal life. This is a fundamental human right.”

Amelia Boynton-Robinson related that in her experience in fighting for civil rights for black sharecroppers and their children in Alabama, she had seen children die from starvation and lack of simple medical care. “When we destroy children, we destroy the world,” she said. She called for an emergency “sense of the Congress” resolution to lift the sanctions to save the children, pointing out that “our representatives in Congress are there because we sent them there,” and if they fail to act, they will not be reelected.

Simultaneous press conferences occurred on the West Coast. In San Diego, California, committee spokesmen David Kilber of the Schiller Institute, and Kamil Salem, council secretary for St. Peter's Chaldean Catholic Church, called for the lifting of sanctions. The June 13 daily *San Diego Union* reported that the committee, fearing “a tragedy of apocalyptic proportions among the civilian population of Iraq,” has been formed “to mobilize the political will of the country in order to allow Iraq to sell its oil.”

In Los Angeles, a press conference was held by Most Rev. Juergen Bless of the German Evangelical Lutheran Church for Southern California, Imam Nisar Hai of San Gabriel, California, and representatives of Pax Christi and the Schiller Institute. Imam Nisar Hai, president of United Muslims for Peace, described the efforts of his organization, along with the Fellowship of Reconciliation, to send two ships filled with relief supplies to Iraq. The ships never got to Iraq because they were stopped by the U.S.-led coalition's naval units, unloaded, and the supplies dispersed. The Fellowship of Reconciliation is planning a press conference to disclose this incident fully in Los Angeles, the Imam announced. Food and medicine were supposed to have been exempt from the embargo, which has been in effect since Aug. 2, 1990.

The committee's press conference was covered by the Los Angeles ABC television affiliate, and KFWB all-news radio. KFI-radio, the Los Angeles talk show station, also interviewed Spannaus.

The committee has been endorsed by more than 180 American political leaders and elected officials, professors, medical professionals, and religious leaders of all denominations. It has also been endorsed by union officers from all over the country, and the International Longshoremen's and Warehousemen's Union passed a resolution supporting the efforts of the committee at its national convention this spring.

# Thornburgh Senate bid upset by court ruling

by Jeffrey Steinberg

Attorney General Richard Thornburgh's plans to advance his political career by winning the U.S. Senate seat of the late John Heinz (R-Pa.) in a special election in November, suffered a severe setback on June 10, when U.S. District Court Judge Edward Cahn ruled that the 1964 Pennsylvania law establishing the interim election is unconstitutional. The Senate seat was left vacant when Heinz died in an airplane crash on April 4.

Judge Cahn's ruling came as the result of a civil suit filed against the Commonwealth of Pennsylvania by a maverick Republican Party activist, John S. "Jack" Trinsey, Jr. of Montgomery County. Describing himself in *pro se* legal papers as an "American Freedom Fighter," Trinsey charged that the state law allowing the Republican and Democratic Party central committees to select their nominees for the special election was a violation of the Seventeenth Amendment to the U.S. Constitution. The amendment, providing for the direct election of U.S. senators, was ratified on April 8, 1913. It specifies that in the event of vacancies, the state executive would be entitled to "make a temporary appointment until the people fill the vacancies by election."

In court papers filed June 7, Trinsey argued: "The mandate of the Seventeenth Amendment is that the power to elect a Senator of the United States in any type election shall be placed in the hands of the People of Pennsylvania, not a second hand choice after a few party committee members make the actual power of choice for the People of Pennsylvania, limiting that choice to two major party candidates, effectively eliminating all other candidates by tightening the standards for all other parties so as to be denied access to said Ballot and then making conditions so arduous for any other person to access the Ballot as to make it impossible for Trinsey or any other person to access said Ballot."

Under the existing Pennsylvania law, Trinsey would have been required to gather over 40,000 signatures from registered voters to have his name placed on the ballot in November.

It was on the basis of that de facto exclusionary feature of the law that Judge Cahn ruled that the procedure was unconstitutional.

## Thornburgh's bind

Judge Cahn's ruling came a week after Attorney General Thornburgh's long-delayed decision to resign from the Bush administration to pursue the Senate post. Thornburgh immediately drew heat from congressional Democrats, who protested his announced plans to stay on at the Justice Department until late August—ostensibly to help pass the administration's new crime bill.

Pennsylvania sources told *EIR* that Thornburgh's real motive for hanging on as attorney general was to put further distance between himself and the continuing drug scandal implicating at least two of his top aides.

Now, the whole issue may be moot.

At the least, barring an emergency effort to have the U.S. Court of Appeals overturn the Cahn ruling, the Pennsylvania legislature will have to draft a new electoral law providing for a primary election process or for an open ballot. That would minimally delay the election of a U.S. senator until spring 1992, giving interim Sen. Harris Wofford, a former aide to President John F. Kennedy, an opportunity to establish his credentials in Washington. If Pennsylvania Democrats, who control the state House of Representatives, decide to block the new legislation, Wofford could, by default, serve out the remaining three years of Heinz's term.

Trinsey says that if Wofford gets the permanent seat by default, he will be back in court demanding that his appointment by Gov. Robert P. Casey be overturned. "Judge Cahn has blocked the party bosses from getting in the front door and depriving the voters of Pennsylvania of their constitutional rights," he said. "I don't want to see the Democrats sneak in the back door by turning what the Seventeenth Amendment specifies as an interim appointment into a permanent seat in the Senate."

## Trinsey's campaign

In an interview with *EIR* on June 12, Trinsey stated that he believes he can win against Thornburgh and Wofford, and that he will campaign hard to expose Thornburgh's corruption. "I know some scandals about Thornburgh that have not yet been surfaced publicly," he claimed.

A sample of the kind of "throw the rascals out" campaign that he would run is contained in his court papers. Referring to Thornburgh and Wofford, Trinsey wrote:

"These two candidates are two lawyers, two members of the least respected profession not only in Pennsylvania, but in the entire United States, two lawyers who are 'looking the other way' while the legal profession and the Resolution Trust Corporation are bilking the taxpayers from Pennsylvania to every other State in the Union in one of the biggest shams ever perpetrated on the American public, with no end in sight unless 'New Blood American Freedom Fighter Patriots,' like Jack Trinsey, get to Washington to expose the scheme and pose solutions to arrest said bilking of the taxpayers, and recover thereafter."

## Civil Rights bill passes, lacks veto-proof majority

The House passed on June 5 by a vote of 273-158 House Res. 1, to amend the Civil Rights Act of 1964. The vote is short of the two-thirds majority needed to override a certain veto by President Bush.

The bill, a Democratic proposal which purports to reverse Supreme Court decisions which have undone civil rights legislation passed during the 1960s, has been a target of Bush. Labeling the bill a quota bill, Bush has played up his opposition as a defense of "impartiality" in job rights. But the administration is again playing upon racial tensions for the upcoming 1992 political election campaigns.

The deepening depression has created resentment among displaced white workers against any legislation which would even appear to give a disproportionate hiring advantage to minorities.

## Thornburgh attacked for retaining DoJ post

The decision by U.S. Attorney General Richard Thornburgh to remain in office while seeking the seat left vacant by the death of Sen. John Heinz (R-Pa.) until he is nominated by Pennsylvania Republicans in August, has prompted demands by Democrats for his resignation. Thornburgh said he intends to stay in order to assist President Bush in passing key legislation, in particular, an administration version of an alleged civil rights bill and a new crime bill.

"I think it's very unwise for someone to continue in a law enforcement position while he's an announced candidate for public office," said Senate Majority Leader George Mitchell (D-Me.) on June 5. Mitchell said he felt

that Thornburgh should observe the "appearance as well as reality of total impartiality" as attorney general, "free of any political involvement."

Rep. Charles Schumer (D-N.Y.), chairman of the House Judiciary Subcommittee on Criminal Justice, said Thornburgh "cannot be a candidate for political office and an appointed public servant at the same time."

The Pennsylvania Senate seat is now held by Harris Wofford, a former aide to President Kennedy, who was appointed in May by Gov. Robert Casey (D) for the interim. Wofford will be running for the post on the Democratic ticket during the special election to be held in November.

## Democrats grope for health care reform

Key Senate Democrats, including Senate Majority Leader George Mitchell (D-Me.), Sen. Edward Kennedy (D-Mass.), and Sen. Jay Rockefeller (D-W. Va.), introduced on June 5 a bill for a comprehensive health insurance plan which they claim will guarantee that every citizen has health care insurance coverage. The costs would be borne by employers.

While the goal is laudable in a country where 37 million of its citizens lack any form of health insurance and where millions more have insurance coverage which is inadequate to protect them against the costs of serious illness, the proposal is hampered by the U.S. economic breakdown. None of these same Democratic senators has a workable solution to the depression, and therefore they lack the means to guarantee adequate medical care to the entire population. The cost of hospital care has grown to an annual rate of 12.5% of the GNP.

The bill would require employers to provide a health plan for their employees or pay into a state insurance fund in a form of "play or pay" procedure. Businesses with 25-100 employees would be required to "play or pay" after four years of the bill's enactment if fewer than 75% of employees in small businesses not previously insured are not covered. The requirement also applies to firms with fewer than 25 employees after five years.

In the present state of the economy, however, the proposal in the bill for an 8% payroll tax (the price an employer must pay if an employer does not provide an insurance plan for his employees), could place a serious burden on small businesses, sending many into bankruptcy.

## GAO report calls thrift cleanup slipshod

The General Accounting Office issued a report on June 10 calling the \$500 billion savings and loan cleanup administered by the Resolution Trust Corporation, slipshod. The GAO report noted that the RTC was unable to keep track of the money it was supposed to be recovering for taxpayers while it sloppily deals out contracts.

House Banking Committee Chairman Henry Gonzalez (D-Tex.) called the RTC "an unguided missile headed for certain disaster," and remarked that the GAO report "makes it clear that the RTC lacks even the most basic controls that would allow it to track and properly value the billions of dollars of assets it holds for the taxpayers."

Senate Banking Committee Chairman Donald Riegle (D-Mich.) added that the GAO finding was "one



of the most serious signs yet that reform is needed at the RTC." "Accurate record-keeping is a key indicator of management ability," said Riegle. "To discover that the RTC's own records cannot pass this simple test is trouble."

Among the instances of slipshod management, in one case the RTC had awarded a contract to manage \$7.4 million in real estate that the agency had already sold. The RTC has also apparently violated its own rules and awarded contracts to companies that have not met requirements to register with the government.

GAO Comptroller Charles Bowsher was scheduled to testify about the RTC on June 11. Bowsher feels that the RTC's inability to measure how much it should be receiving for the assets it is selling could transform potential assets into losses for the agency.

## **Burton suspects AIDS spread by aerosols**

Rep. Dan Burton (R-Ind.), one of the few congressmen who has expressed concern over the spreading AIDS pandemic, noted that there is still no clarity as to how many ways the deadly virus may be transmitted. In statements on the House floor on June 5, Burton mooted the possibility of the disease being spread by aerosols.

Burton referred to the recent case of a dentist in Florida, Dr. Acer, who had infected at least three of his patients during a medical procedure. The infection occurred in spite of the fact that the virus was not spread in the three accepted modes of transmission, sexually, through using contaminated needles, or through blood transfusion.

"The federal [Atlanta] Centers for

Disease Control is funding a study right now to determine whether the virus can be transmitted in an infected aerosol form," said Burton. "That dentist down in Florida may have given the AIDS virus to other people because of the aerosol transmission of it. We do not know."

The possibility of aerosol transmission was first raised publicly by Lyndon LaRouche during the 1984 and 1988 presidential campaigns. LaRouche was viciously attacked by the mass media at the time for exaggerating the danger of the AIDS pandemic.

Burton is calling for a comprehensive routine testing program for the entire population, contact tracing, and constraint for those who continue to knowingly spread the virus.

## **Bush demands Dems pass legislation in 100 days**

President Bush, criticized for lacking a domestic agenda, has lashed out against Congress, blaming them for not passing his crime and highway bills within 100 days of their introduction. Bush had put this challenge to Congress on March 6 when he addressed Congress at the conclusion of his Persian Gulf war.

Bush is to give a speech on June 12 in which he is expected to kick off a campaign against Congress for having "sabotaged" his domestic program. A preview of the Bush message was given when House GOPers held a press conference on Capitol Hill on June 11, all wearing buttons which said "100 days," and attacked Democrats for delaying legislation.

The crime bill, which calls for an expansion of the death penalty and includes an exclusionary rule which would allow the use of testimony in

court which was gained in what was otherwise an illegal search and seizure, is presently stuck in committee. House Minority Leader Robert Michel (R-Ill.) demanded that Democrats allow mark-up to begin on the bill, in preparation for it being brought to the House floor.

Senate Majority Leader George Mitchell (D-Me.) called the Bush "100 day" campaign "cynical ethics to make a political point." House Speaker Thomas Foley (D-Wash.) said he thought this development meant that the White House was "beginning the next campaign early."

## **House votes to restore space station funding**

The House voted 363-39 on June 6 to restore funding to Space Station Freedom at a level somewhat below the administration request. Overall NASA funding for FY 92 was frozen at the FY 91 level of \$13.8 billion.

The restoration of funding followed sudden actions to cut space station funding by the House Appropriations subcommittee responsible for NASA on May 15, and then by the full committee. This was even more surprising since the NASA funding had been authorized by the House already on May 2.

The bipartisan nature of the mobilization in support of the space station was underlined when Reps. Jim Chapman (D-Tex.), Bill Lowery (R-Cal.), and Mary Rose Oakar (D-Ohio) circulated a letter on the day of the vote encouraging members to reverse the May 15 subcommittee decision.

Rep. Harold Volkmer (D-Mo.) characterized the spirit of the vote when he commented that the decision to stop funding Space Station Freedom "would be the beginning of the end of the manned [space] program."

# National News

## DoJ 'polled' jury pool in trial of black judge

Department of Justice (DoJ) officials conducted a telephone poll of 400 potential jurors in the trial of New Orleans U.S. District Judge Robert F. Collins, in an effort to determine public opinion as to whether the prosecution of Collins, a black federal judge who was the target of a federal sting operation, is racially motivated. People who received the calls contacted defense attorneys, who disclosed the scheme in court, the *National Law Journal* reported.

Defense attorneys immediately pointed to the DoJ activity as further proof of their contention that the prosecution was racial targeting from beginning to end.

Judge Joseph Young of Baltimore, the trial judge, reacted with outrage to the revelation. "I condemn the procedure, I think it's outrageous," he said, and ruled that no one contacted by the DoJ could serve on the jury.

Young, at least in this case, has not adopted the Supreme Court's views about jury prejudice elaborated in *Mu'Min v. Virginia*. In that case, the Court gave the green light to seating juries which are prejudiced by inflammatory publicity. Young told prosecutors that determining the bias of the jury is his business, and "I don't want anyone else doing that."

## FBI's 'darling' ousted as Aurora police chief

Robert Wadman, close to the FBI in Nebraska where he is accused of pedophile crimes, has submitted his resignation as chief of police of Aurora, Illinois, effective the end of August, Aurora Alderman Bob Cutter announced June 4. "He was never accepted here," Cutter said. The resignation, the press reported, stemmed from a lack of support for Wadman by rank and file officers.

Wadman, who is the former Omaha police chief, testified in May in the Nebraska perjury trial of pedophile victim-witness

Alisha Owen, now 22, that she was telling "disgusting lies" about him, and that he had never seen her before. Wadman has been named by all the victim-witnesses in the sexual child abuse scandals in Nebraska. He is charged in a suit by Paul Bonacci as being instrumental in "brutal intimidation" of victim-witnesses to cover up for the pedophile ring, as well as having obscenely penetrated then-adolescent Alisha Owen with the barrel of his gun, and, according to eyewitnesses, engaging in sex with young boys, and other criminal acts.

In an attempt to extricate himself from the escalating citizens' fight against the FBI-protected pedophile ring, Wadman has filed suit against the state of Nebraska, charging that the investigation of him by the Senate Franklin Committee and its chief investigator, Gary Caradori, damaged his reputation. Caradori and his eight-year-old son were killed in a suspicious plane crash in July of 1990 outside Aurora just as he was finishing his investigation.

## Methodist, Catholic bishops criticize Israel

Bishop Thomas B. Stockton, head of the Virginia conference of the United Methodist Church, has joined Episcopal Bishop C. Charles Vaché in criticizing Israel's treatment of Palestinians. Also criticizing Israel, in agreement with Vaché and Stockton, were Episcopal Bishop W. Heath Light of the 13,000-member diocese of Southwestern Virginia, and "in qualified ways," according to the June 4 *Richmond Times-Dispatch*, Catholic Bishop Walter F. Sullivan of Richmond, and Peter J. Lee of the 78,000-member Episcopal Diocese of Virginia.

Stockton issued a public letter June 3 denouncing "massive human rights violations that are experienced by the Palestinians at the hands of the Israelis."

The bishops are quoted strongly criticizing settlements on the West Bank that have displaced Palestinians, while conceding that Israel is a close ally of the U.S., and should have secure borders.

Vaché, after coming under intense attack from the Anti-Defamation League,

signed a statement saying he was wrong to compare the treatment of Palestinians to Jews in pre-war Germany, after a closed breakfast meeting with representatives of various Jewish organizations, the June 8 *Richmond Times-Dispatch* reported. Tommy Baer, vice president of B'nai B'rith International, said, however, that Bishop Vaché "firmly believes that there are human rights violations in Israel. We did not get into that."

## LaRouche prosecution unfair, says publisher

Morton A. Kaplan, professor of political science at the University of Chicago and editor and publisher of the monthly *The World and I*, attacked the U.S. government prosecution of Lyndon LaRouche in a four-page editorial in the June edition. "The World and I" is a Reverend Moon-linked monthly.

Entitled "Selective Prosecution versus Selective Exculpation," Kaplan said because of how the case has been handled procedurally by the courts, "it has become the equivalent of selective prosecution. In fact, one federal court held that the Justice Department and another court had acted improperly to destroy one of his businesses. Their animus toward LaRouche has apparently affected every phase of the case."

Kaplan notes that "former Attorney General Edward Levi once said that anyone could be found guilty of a crime if sufficient resources were devoted to the matter. . . . Prosecution is selective if it is directed toward the punishment of the offender because of who he is and not because of the crime that was committed . . . and legitimate considerations for inhibition of criminal activity."

Kaplan contrasts the "selective exculpation" of draft card burners with the "selective prosecution" of Reverend Moon, which "began when Sen. [Robert] Dole [R-Kan.] wrote to the Justice Department to suggest that it open an investigation to see if it could get Rev. Moon on a tax charge."

Kaplan says that his views on LaRouche's prosecution are not based on

sympathy. "I have strong personal reasons to dislike Lyndon LaRouche," he said.

"The handling of these cases was a far more serious threat to the American system of law than the activities of a Lyndon LaRouche. . . . One of the most important touchstones of a system of justice is how the unpopular are treated."

## EPA financing creation of eco-fascist SDS

The Environmental Protection Agency is funneling tax funds into a movement on college campuses that is trying to replicate the success of the Students for a Democratic Society (SDS) of the 1960s, but geared toward environmentalism. The group is called the Students' Environmental Action Coalition (SEAC), according to an exposé in the June 10 issue of *Forbes* magazine.

According to *Forbes*, members of SEAC believe that mainstream environmental groups have sold out to the corporations and are not radical enough. The movement is now present on 1,100 campuses.

Last October, more than 8,000 students from schools in all 50 states and 11 foreign countries gathered on the campus of the University of Illinois in Champaign-Urbana for SEAC's second national conference. The keynote speaker was Robert Redford, Hollywood's darling eco-fascist. Others speaking made up a Who's Who of environmental radicals, including eco-terrorist David Foreman, founder of Earth First!, United Farm Workers President Cesar Chavez, Jesse Jackson and Ralph Nader.

## Law journal warns of emerging police state

Stuart Taylor, a senior writer with the *American Lawyer Magazine*, warned in a commentary in *Legal Times*, a Washington, D.C.-based legal weekly, that the recent Supreme Court decisions are a foreboding of an emerging police state in the United States.

Entitled "High Court in a Police State of Mind," Taylor reviews recent restrictions imposed on Fourth Amendment protections by U.S. Supreme Court decisions. "The erosion of important rights proceeds, restrained neither by adherence to precedent nor by deference to the law-making role of the Congress." The problem, he says, is that these "three decisions, and others in which the Court has recently extended its two-decade constriction of Fourth Amendment rights, are too technical to come across as blockbusters on the evening news. . . . But the pattern suggests an ominous shift in fundamental values at the top of our legal system, a shift that will have little impact on crime while leaving us all less free."

## Gallo admits his lab used Pasteur AIDS virus

Dr. Robert Gallo, chief of tumor cell biology at the National Cancer Institute of the U.S. National Institutes of Health, finally acknowledged the truth of the charge that his "discovery" of the AIDS virus was based on a culture sent him by the Pasteur Institute, according to the May 31 *Washington Times*. In 1984, Gallo had challenged the claim of Luc Montagnier and the Pasteur Institute to have been the first to isolate the virus. Gallo made the admission in a briefletter to *Nature* magazine.

Gallo's letter came in response to a report by Montagnier in *Science* magazine in mid-May, in which he stated that the AIDS culture sent to Gallo had been accidentally contaminated with a different, virulent strain of the virus from a patient identified as Lai, and that this mixed culture had somehow been allowed to contaminate one of Gallo's own cultures.

In an interview with *Le Monde*, Montagnier said, "Professor Gallo has not told the truth, notably in 1984 and 1985," because of "the manifest will to hide the fact that he'd made a mistake."

Gallo developed an AIDS test based upon his claimed discovery, for which patent royalties have so far been split 50-50 between France and the U.S. because of the disputed priority.

● **L. DOUGLAS WILDER** toured Britain, Belgium, Germany, and Poland over June 2-12, and attended the oligarchic Bilderberg Society meeting in Baden-Baden, Germany, the *Richmond Times-Dispatch* reported. Henry Kissinger and Arkansas Gov. Bill Clinton also planned to attend.

● **MILTON FRIEDMAN** proposed the legalization of drugs in Colombia, in an interview on Colombian television June 5. The present situation, "with drugs being illegal but without the power to enforce the law, creates a criminal environment," responsible for the last seven years of assassinations and terrorism, he said.

● **SATELLITE** real-time intelligence access has now been granted to Israel for the first time, and was arranged during Defense Secretary Cheney's trip there in late May, according to the June 2 *Jerusalem Post*.

● **DONALD GREGG**, the former national security adviser to Vice President Bush and present U.S. ambassador to South Korea will be indicted soon by Independent Counsel Lawrence Walsh for perjury, according to rumors among aficionados of the Iran-Contra scandal.

● **MANUEL NORIEGA'S** defense team says George Bush targeted him for refusing to invade Nicaragua. The defense has demanded U.S. government documents about federal agencies using drug dealing to finance the Contras in the 1980s, that would show that Noriega was ordered to invade Nicaragua through Costa Rica.

● **THE WEDTECH** convictions of E. Bob Wallach, the attorney of Edwin Meese, and two others were reversed by the Second U.S. Circuit Court of Appeals in New York May 31 because one of the witnesses later admitted he had perjured himself, even though the testimony was unrelated to the charge.

## Man in space

July 20, 2019 will mark 50 years from the day when the first man stepped upon the Moon.

Had the Paine Commission report of 1986 been implemented, we would now be on our way toward fulfilling the goal of a manned settlement on Mars within ten years of that anniversary—by 2029. Unfortunately, as with the Strategic Defense Initiative, the U.S. administration's commitment to a space program modeled upon the vision of the John F. Kennedy's Apollo program, was largely rhetorical.

Now Vice President Quayle's space council has come up with a new set of scaled-down proposals, which would place men on the Moon and have missions to Mars by the 50th anniversary of the first Apollo Moon landing. Since the report does not deal with the question of the cost of the program, and relegates implementation to somewhere "down the road," we are entitled to assume that this plan is intended more as a political distraction from the disaster of the unraveling domestic economic scene, than as a genuine vision of a new American scientific frontier in space.

Indeed one of the key elements in any serious project to colonize the Moon and Mars is the building of a space station, as a station in what is sometimes called a railroad in the sky. Yet this modest part of the infrastructure of space travel has been scaled down and redesigned almost into oblivion.

Space Station Freedom was announced by President Reagan in 1984. Since then it has been redesigned eight times in order to cut costs, and still has not *gotten off the ground*. It was originally planned to be operational by 1994, but we will now be lucky if it is permanently manned by the end of the century. These delays have added hundreds of millions of dollars to its cost, without any benefit whatsoever accruing.

In fact it was recently in danger of being canceled altogether. Only last-minute threats by the Japanese and Canadians (who have already invested heavily in the space station and are picking up half the tab for it) to take retaliatory action if the United States were to cancel the station, as Congress had wished, was appar-

ently sufficient to mobilize the administration to get it put back into next year's budget.

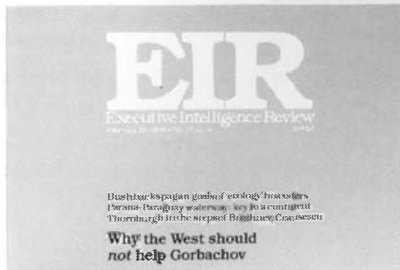
It is a bizarre feature of the budget process that funding for the space program is juxtaposed to expenditures for Housing and Urban Development and for the Veterans Administration. Clearly the kind of choices implied by this are unacceptable. The United States—indeed the world—needs a future in space if our culture is to survive. It was for this reason that Lyndon LaRouche made colonization of Mars a central feature of his 1988 presidential campaign.

The kinds of problems which are posed by placing a human colony on Mars are precisely the problems which must be faced here on Earth if we are going to undertake our God-given responsibility to provide a fruitful human existence for all men and women, and their children. Crucial in this is achieving controlled fusion energy so that we can increase the per capita energy available by a thousandfold.

If we do this, we can easily resolve any problems of apparent resource shortage—including water shortage—here on Earth, and we can replicate the biosphere in space.

A frontier in space is precisely the opposite of an empire here on Earth. It implies not the hoarding of technology for the privileged while the masses of people in the world are reduced to virtual slave status, but instead the outflow of a cornucopia of new technologies for everybody. It means—as we seek to stretch toward the vast reaches of space—that it will quickly become obvious that mankind's most precious resource is every man, woman, and potential child. It means not George Bush's new world order, but the kind of Christian world order envisaged by Lyndon LaRouche and Pope John Paul II.

In his recent trip to Poland, the Pope attacked the idea that there is a cultural dividing line between *eastern* and *western* Europe. Indeed, Poland gave us the great astronomer Copernicus, and for years Prague was host to Johannes Kepler, court astronomer to the Austro-Hungarian empire. Let us build a city on Mars in their honor.



February 16, 1990



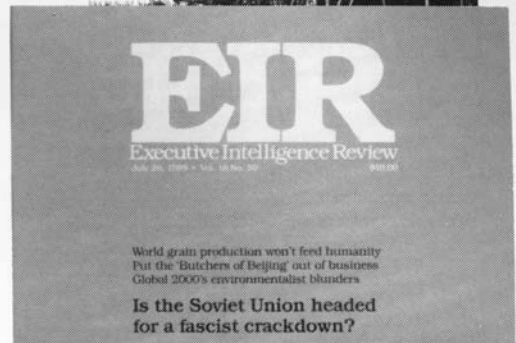
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