

# EIR

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Brussels panel probes allied war crimes in Iraq  
Why the pope lauds Poland's 1791 Constitution  
Establishment wants fascist 'new order' in U.S.

**Malthusians seek even more  
deaths: the latest revelations**



# IN DEFENSE OF COMMON SENSE

by Lyndon H. LaRouche, Jr.

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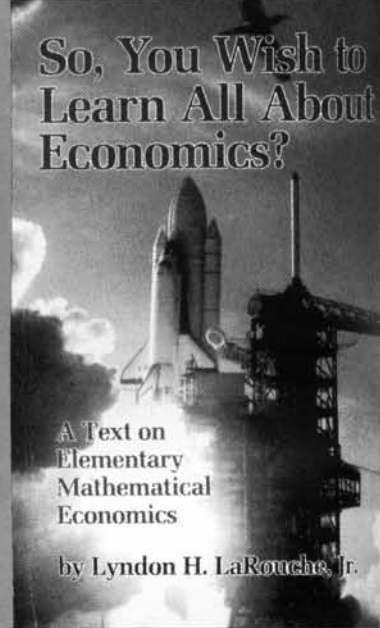
an autobiography by Lyndon H.  
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### So, You Wish to Learn All About Economics?

A Text on  
Elementary  
Mathematical  
Economics

by Lyndon H. LaRouche, Jr.



# WHY

## The British Establishment Fears Lyndon LaRouche

### Books authored by Lyndon LaRouche and associates

**In Defense of Common Sense**, by Lyndon H. LaRouche, Jr., Schiller Institute, 1989, 110 pages, \$5. Order number SIB 89-001.

**The Power of Reason: 1988**, an autobiography by Lyndon H. LaRouche Jr., *Executive Intelligence Review*, 1987, 331 pages, \$10. Order number EIB 87-001.

**So, You Wish to Learn All About Economics?** by Lyndon H. LaRouche, Jr., New Benjamin Franklin House, 1984, \$9.95. Order number BFB 84-003.

**How the Nation Was Won, America's Untold Story 1630-1754**, by H. Graham Lowry, *Executive Intelligence Review*, 1988, 497 pages. Order number EIB 88-001.

**Derivative Assassination, Who Killed Indira Gandhi?** by the editors of *Executive Intelligence Review*, New Benjamin Franklin House, 1985, 266 pages, \$4.95. Order number BFB 85-007.

## HOW THE NATION WAS WON

AMERICA'S UNTOLD STORY  
Volume I  
1630-1754

H. Graham Lowry

## Derivative Assassination



### Who Killed Indira Gandhi?

By the Editors of Executive Intelligence Review

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—Lyndon H. LaRouche, Jr.,

from "The Great Crisis of 1989-1992, The LaRouche Congressional Campaign Platform."

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## From the Editor

**H**elga Zepp-LaRouche, one of the key initiators of the Committee to Save the Children in Iraq whose Los Angeles rally appears on our cover, has just returned to Germany from a second major conference in Czechoslovakia. There, her husband's genial plan for a "European Productive Triangle" was put before a high level audience of policy-makers. The Schiller Institute, which is spearheading the drive for Lyndon LaRouche's "Triangle" concept, meanwhile opened its first public book table in a Polish city, and sent two speakers to a conference of the Rukh independence movement in Ukraine (see *Soviet Economy*).

These activities are crucial not only for saving the newly liberated parts of Europe from falling out of the "frying pan" of totalitarian communism into the "fire" of Adam Smith-modeled monetarist dictatorship. For reasons often explained in these pages, exploiting the enormous potential within and around a Paris-Berlin-Vienna triangle connected by a network of high-speed rail and other ultramodern transport links, is the only way to "bootstrap" the whole world economy out of the present spiraling breakdown.

In this issue we counterpose to that unique opportunity, the accumulating evidence of the conspiracy which has touched off a huge rebellion in many countries thanks to EIR's informational efforts: the Anglo-American oligarchy's plan to use disease, economic austerity, the denial of wealth-producing technology, and the forced imposition of sterilization and abortion to curb population growth especially in underdeveloped nations. Mrs. Zepp-LaRouche has a succinct way of putting the choice between the outlook represented by the Triangle, and that of the malthusians: "Do you agree with the Bible, or with the Nazis?" Our *Feature* provides further ammunition for the revolt against Nazism.

The recent war in Iraq, where the behavior of Desert Shield/Desert Storm forces is the subject of a war crimes inquiry (see *Investigation*), shows that the oligarchy has no qualms about using military means to effect its ends. Surely not to bring peace. Further war is a distinct possibility in the Middle East, and if U.S. and Soviet economic policies do not drastically change, the superpowers will be locked into a terrifying showdown, far sooner than most people think.

*Nora Hamerman*



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# AIDS 'apocalypse' subject of Florence conference

by EIR Reporters

Scientific and related papers presented to the Seventh International Conference on AIDS, in the city of Florence, Italy in mid-June, underline once again the criminality of the U.S. establishment in putting Lyndon LaRouche in jail, and the stupidity of the U.S. and other populations in not backing him and his associates in elections and other forums. LaRouche and his associates were vilified, particularly between 1984 and 1988, for the policy they proposed to deal with the AIDS epidemic—vilified by government agencies, the Anti-Defamation League of B'nai B'rith, and Hollywood celebrities enlisted in the effort.

Scientifically, evidence was presented at the Florence conference by a team from the Dana Farber Cancer Research Institute led by Dr. Michael Haseltine, which devastates the witchhunt-enforced, "politically correct" view of the transmission of the HIV virus imposed by the U.S. government Centers for Disease Control (CDC) in Atlanta, Georgia. The paper points to the role of special immune system cells in the mucous membrane, known as dendritic cells, as highly susceptible to "just a whisper of virus." The mouth is such a locus. Since 1984, LaRouche and his associates had advised that such routes of transmission be investigated. The CDC crowd insisted otherwise.

## AIDS reaching 'catastrophic proportions'

Politically, and economically, the central feature of the conference has been that the AIDS epidemic is about to dramatically decimate, and is already decimating, the large population centers of the Third World—Asia, Africa, and Ibero-America. Pleas are coming from African nations in particular, for the U.S. not to ignore the growing holocaust, which could reach an estimated 40 million people in the immediate years ahead. Again, from 1984, LaRouche and his associates insisted, against those who said AIDS was primarily what they called a "sexually" transmitted disease, that the cases of Africa and, in

the United States, of Belle Glade, Florida, proved otherwise. AIDS ought to be seen, LaRouche insisted, as a disease of poverty and deprivation. That was out of order, too.

Uganda's President Yoweri Museveni told the conference participants that much of Africa faces an "apocalypse" because of the spread of AIDS, with millions of people dying and whole economies and societies threatened with collapse. Museveni asserted that the AIDS epidemic "has reached catastrophic proportions" in Africa, and he called for a program of massive help from the outside for Africa, combined with a general return to traditional morality throughout the continent.

Officials of the World Health Organization presented new estimates of the spread of the disease, which double projections made only one year ago. Their projection now released is that 40 million will suffer from AIDS by the year 2000—one in every 250 people worldwide. According to the British newspaper the *Guardian*, the basis for the "drastic upward revision" was the situation in Asia. Dr. Ramalingaswami, AIDS adviser to Unicef, warned that in Asia, "We are just gently opening the door to a very major disaster." He said that if Asian governments continue to maintain a "false sense of security" about the spread of AIDS, the consequences could be "extremely dangerous."

## Epidemic like a 'nuclear explosion'

Dr. Michael Merson, head of the World Health Organization's AIDS program, told the French newspaper *Le Monde* that the effect of the international spread of AIDS is "like a nuclear explosion." He put special stress on the "very alarming" spread of AIDS in Asia, which is a relatively new phenomenon. In India, it is spreading very rapidly, with the rate of spread among prostitutes in cities like Madras and Bombay being on a par with certain African cities. Also, according to Merson, AIDS is spreading rapidly in the "Golden Triangle," comprising Burma, Thailand, parts of China, and Cambodia.

For Africa, Merson pointed to two trends. One is the relatively new spread of the disease into *West* Africa, whereas in the past it had mostly been in East and Central Africa. Countries like Ivory Coast, Togo, and Nigeria are badly hit. Also, in certain countries, like Uganda, Malawi, Tanzania, and Zambia, there are sections where 30% of the population tests sero-positive.

For Central and South America, Merson pointed to the traditional Caribbean flashpoint, but also stated that the authorities in much of South America are underestimating the degree of danger to populations there.

Those who opposed LaRouche when he pointed to the developing holocaust in Africa, did not want to deal with the disease, just as they insisted, ostensibly for “cost” reasons, on limiting research into the narrowest areas. The question is, why?

### **Death rate will double**

James Chin, chief of surveillance and AIDS forecasting for the World Health Organization, told the conference, “There can be no doubt that AIDS, in most developing countries, will become the leading cause of death among adults in their most productive years, and will also be one of the leading causes of infant and child mortality in many regions. He stressed that while, in the Western countries, the number of AIDS cases will “peak” over the next few years, in the Third World and particularly in Africa, the epidemic will continue to escalate, doubling the present death rate.

In this way the conference has brought into the open what the LaRouche movement alone as a political force has insisted upon: that AIDS is a pandemic spread by poverty and International Monetary Fund conditionalities, and only a massive financial and political commitment to making fundamental breakthroughs in the biological sciences, and saving every human life possible, can hope to prevent a holocaust for all mankind. LaRouche’s last presidential campaign, beginning in 1985, focused on this crisis. Several *EIR* Special Reports, “An Emergency War Plan to Fight AIDS and Other Pandemics,” published in 1986, and “AIDS Global Showdown: Mankind’s Total Victory or Total Defeat,” published in 1988 and updated in 1989, elaborated both his plan for victory against AIDS, and the growing holocaust in Africa.

LaRouche and his associates warned about the species-threatening communicable nature of AIDS. They called for an Apollo-style project in the life sciences, in what is called optical biophysics, to develop the scientific knowledge which could defeat the disease, while fighting against those who insisted that the 100% fatal AIDS virus ought to be treated as a civil rights issue. They were targeted by the political establishment. Had they been listened to, many lives would have been saved.

### **Focus on mucous membranes**

The Haseltine study indicates that the AIDS virus, even

in low concentrations, can infect the cells in mucous membranes, and that, once infected, they can produce large amounts of the virus. The largest concentration of mucous membranes is in the mouth. AIDS, therefore, can be transmitted through a wider range of sexual and non-sexual activities than was generally believed. Such avenues of research have been brutally suppressed by the CDC, with researchers fired and funding cut off, while the CDC and the budget-cutting establishment, who insisted “it costs too much,” have promoted a callous, murderous, genocidal policy. Their policy to cover up the truth of this deadly threat to mankind, is the biggest scandal of the Bush and Reagan administrations, bigger than the so-called “October Surprise” or Iran-Contra scandals. How many millions have died or will die because of this coverup?

LaRouche and his associates insisted that the financial institutions were acting to actually spread AIDS through their conditionalities policies—in line with their malthusian depopulation objectives. Recent documents uncovered from the Kissingerian foreign policy crowd in Washington underscore this point, with AIDS being cited as the only means on the horizon of reducing high rates of population growth in Africa.

In 1986, while LaRouche and his associates were backing a California ballot initiative to bring AIDS under the traditional public health guidelines mandated for communicable diseases, officials inside and outside the Reagan-Bush administration associated with Henry Kissinger were looking to the AIDS virus as a means of eliminating what they called “overpopulation.” As we document in our *Feature* this week, a still-classified section of a report on U.S. strategy was published in summary form in the spring 1989 issue of the Georgetown Center for Strategic and International Studies publication *Washington Quarterly* under the title “Global Demographic Trends to the Year 2010: Implications for U.S. Security.” The authors of the demographic section are Gregory Foster of the Defense Intelligence Agency’s National Defense University, and Ambassador Marshall Green, who in 1976 had been detailed by then-National Security Adviser Brent Scowcroft to run population control policy for the National Security Council as mandated in documents NSSM 200 and NSDD 314, which identified population growth as the largest threat to U.S. national security.

They wrote: “The World Health Organization estimates that 5-10 million people are infected with the virus worldwide, a count that could reach as high as 100 million by 1991. Some analysts argue that if 100 million people were infected, total deaths from AIDS in the 1990s could be 50 million. The number of infected then could double several more times after that and wipe out some countries in 10 to 20 years. If the number of infected increased to 20% of the world’s population, the delayed deaths could begin to cancel global population growth.” Compare this with the WHO’s estimates presented in Florence. Is this why LaRouche’s efforts against AIDS were suppressed?

# Mahathir steps up South-South diplomacy

by Lydia Cherry

If there is one relatively small country whose influence has grown considerably over the last decade and has become crucial in fighting for the developing sector, it is Malaysia under the government of Dr. Mahathir Mohamad. Here, the line between industrialized and developing countries is seen as not a fixed one, and the Mahathir government forecast, in releasing its next 10-year New Development Policy during June, that "Malaysia will become a fully developed nation by the year 2020." Greatly expanded South-South cooperation is regarded by the government as instrumental for Malaysia or any other country to make this jump, and putting into operation various alliances to enhance South-South cooperation appears to be the highest goal of the Mahathir administration.

Since the end of the Gulf war, the country's diplomatic activity has picked up steam. During the first week in June, Sudanese President Lt. Gen. Omar Hassan Ahmad al-Bashir arrived in Kuala Lumpur. During his three-day stay, the two sides mapped out plans and signed agreements to increase cooperation in the economic, scientific, technical, and cultural fields. Dr. Mahathir and General al-Bashir reportedly had several "fruitful discussions."

## Long-term planning assistance

Sudan right now needs all the help it can get. Because the country was pro-Iraq in the Persian Gulf war, it is now a U.S. target—one more problem for a country with severe economic problems and which is overrun with refugees from the neighboring Horn of Africa country Ethiopia. Of particular importance, it was agreed during the visit that Malaysia would assist Sudan in carrying out its long-term economic planning. The Sudanese leader told the Malaysian press that Sudan could gain from Malaysian experience in economic and industrial development. There was also discussion of Malaysian assistance in developing Sudan's oil industry, and Sudan will increase the number of military officers it sends to training establishments in Malaysia—tapping Malaysian experience in counter-insurgency warfare.

Beginning June 19, Dr. Mahathir will make a two-week official visit to Brazil, Argentina, and Chile. These visits, according to statements by the Foreign Ministry, are expected to focus around "consolidating bilateral and economic ties in the spirit of South-South cooperation." Matters to be raised

include international and regional issues such as Pacific cooperation, the rise of regional trade blocs, the General Agreement on Tariffs and Trade (GATT), and cooperation among developing nations.

## Democracy for developing nations

U.S. trade warriors, under the cover of the AFL-CIO, in early June unleashed a new war against Malaysia and its closely aligned neighbor, Thailand. The AFL-CIO and the International Labor Rights Education and Research Fund in Washington, have accused Malaysia of discouraging union activities in the electronics industry. The trade warriors' plans are to cut off the Generalized System of Preferences (GSP) which allow developing countries duty free imports into the United States on certain items.

However, if there is one area in which some Malaysian leaders have become truly adept, it is in recognizing and identifying what lies behind certain notions of "democracy." Human Resources Minister Lim Ah Lek discussed the matter at the 78th annual International Labor Organization (ILO) conference in Geneva June 7. The international community could truly help in developing countries' efforts to promote workers' well-being, he said, both by "recognizing the prevailing situation and needs of different countries" and "by providing technical assistance." But instead, he said, some sections of the international community were choosing to brand "policies and strategies of developing countries to become more industrial-based" as being discriminatory and against universal principles of human rights." This use of "human rights" and "democracy," he continued, was not only unfair to the governments but also to the people of developing countries.

Dr. Mahathir picked up on the democracy theme once again in replying to Vice President Dan Quayle's diplomatic gaffe in late May that any Asian grouping in which the U.S. was not included would automatically be "counterproductive." "There is such a thing as democracy between nations," Mahathir emphasized. Industrialized nations, such as the United States, if "they are truly champions of democracy, must not try to block international cooperation. Opposition to the [Mahathir-initiated] East Asia Economic Group (EAEG) is a good example of developed countries trying to block an effort initiated by a small country; where is international democracy then? They may criticize democracy in Malaysia but they must also respect democracy between nations!" Mahathir added, with a laugh, that if Quayle's premise was correct, it was really quite remarkable that the European Community has done as well as it has.

As a May 28 Soviet commentary on the bloc initiative noted, "What irritates the U.S. most of all is the fact it is not included, while Japan is automatically a member. As the Americans are ambitious about achieving supremacy in Asia and the Pacific, it is understandable why the U.S. administration cannot accept this plan."



# Financial crisis adds to India's turmoil

by Ramtanu Maitra and Susan B. Maitra

The assassination of former prime minister and Congress (I) Party president Rajiv Gandhi, which added to the increasing political violence in India centered around the tenth Lok Sabha (lower house of Parliament) elections, occurred at a time when the country's financial crisis, caused by a large foreign debt and a steadily rising domestic revenue deficit, had already made international bankers and financial institutions uneasy. The sale of 20 tons of gold by India in the last week of May in Zurich was, according to foreign sources, the result of the country's inability to attract foreign loans in the wake of the Gandhi assassination.

Whether or not that is strictly true, it is evident that India's foreign exchange crisis is growing by the day. Although the gold sale was actually a "gold swap," where India put up gold as collateral with the option of buying it back, there is no question that the move was a desperate step to avert default on debt repayments. Reportedly, the Reserve Bank of India (RBI), India's central bank, is considering various options to bolster foreign exchange reserves over the summer months, when India is expected to make close to \$3.5 billion in debt repayments.

The options being considered include requesting the Basel-based Bank for International Settlements (BIS) to intervene on behalf of India with foreign commercial banks; raising money by using Indian-owned real estate abroad as collateral, such as property in Tokyo, which can fetch \$500 million, and similar properties in New York, London, and other major cities; arranging for increased suppliers credit for oil purchases, which account for almost 40% of India's annual import payments in dollars; and requesting foreign airlines to defer remittances back to their respective countries.

## Non-investment credit rating

If executed with success, these measures will give India a little breathing space—maybe as much as two to three months. Meanwhile, Standard and Poor's, one of the two leading U.S. credit-rating agencies, has further downrated India's credit rating, placing the country on the highest speculative or non-investment grade. The downgrading was an-

nounced only a day before the gold sale. Two other credit rating agencies, Moody's of the United States and the Japanese Bond Research Institute, had already placed India in the last investment grade. There is speculation that following the gold sale, these agencies will also put India in the non-investment category.

The foreign exchange crisis, which has already driven India to seek the help of the International Monetary Fund (IMF), stems from fast-rising foreign debt and increasing problems with the balance of payments. India's foreign debt stood at \$18 billion in 1980. Today, according to the latest report of the World Bank, it exceeds \$70 billion—a fourfold increase over the decade. Debt service, which was estimated at 8% of export earnings in 1980-81, is now estimated at almost 30%. The steep rise in foreign debt occurred during the period that Rajiv Gandhi was the prime minister (1984-89).

Gandhi had opted for increased foreign borrowing to step up economic growth. India's very high credit rating during these years encouraged the government and the corporate sector (public and private) to borrow heavily both through multilateral and bilateral channels as well as the commercial market. The import liberalization policy, announced in 1985, gave this trend a boost. A recent study of the 1985-87 period by the RBI, shows that the success of the Seventh Plan (1985-89) was largely due to the large-scale borrowing by the government from both home and abroad. That policy "made the industrial boom of the period possible and initiated the journey into the debt trap, according to the RBI."

On the positive side, it is indisputable that the borrowed money did some good. The Indian economy, which has shown an average growth rate of 3-3.5% for decades, registered a 5% annual growth rate over the 1980s. The high growth rates reduced poverty all around and decreased unemployment, as has been documented in several surveys published in 1990.

## Debt crisis grows under National Front

Though the foreign exchange crisis had begun to surface in the last days of Rajiv Gandhi's prime ministership, it was made intractable by the National Front government that took over in November 1989. The V.P. Singh regime instituted a series of populist measures which grossly distorted the domestic financial situation, and virtually ignored the growing foreign exchange crisis and foreign economic affairs generally. The Gulf war made the situation worse. The additional cost of oil imports, decline in remittances from Indian workers based in the Persian Gulf, and the stagnation in exports added to the bleak situation.

To avert further erosion of foreign exchange reserves, the RBI announced a stringent import curb in mid-March of this year. The cuts, expected to last three to four months, imposed stiff cash margins to the tune of 133.33% on all raw materials imports. RBI has also made no allocation for capital

goods imports, which means a virtual ban on these crucial imports, at least until these measures are lifted.

The RBI measures, hailed as necessary and also criticized for their severity, have directly affected the manufacturers of computers, consumer electronics, passenger cars, light commercial vehicles, and petrochemical products. It has also brought to a virtual standstill all new projects because of the stiff cash margin imposed on raw materials and virtual ban on import of capital goods. It is quite likely that the industrial production for 1991-92 will be adversely affected and the overall economic growth rate will drop noticeably. Should the monsoon play truant, causing significant damage to agricultural crops, the overall economic situation could become unmanageable.

### Political stability key for the economy

At this writing the most important issue is whether the country will have a stable government following the general elections just completed. The IMF, which had provided India with a \$1.8 billion loan last January, has made it clear that the additional \$5 billion loan India is seeking is conditional on Delhi having a stable government. Finance Minister Yashwant Sinha has indicated that following his discussions with IMF Managing Director Michael Camdessus and World Bank President Barber Conable, India may be granted the loan by September.

Besides political stability, the IMF will certainly be demanding that India implement a series of measures before releasing the loans. In the latest edition of its "World Economic Outlook," the IMF charged India's policy implementation machinery with responsibility for the slowdown in economic growth. Among the conditions, the Fund is demanding that fiscal deficits be held to 6.5% of Gross Domestic Product by slashing subsidies, defense spending, and controlling money supply.

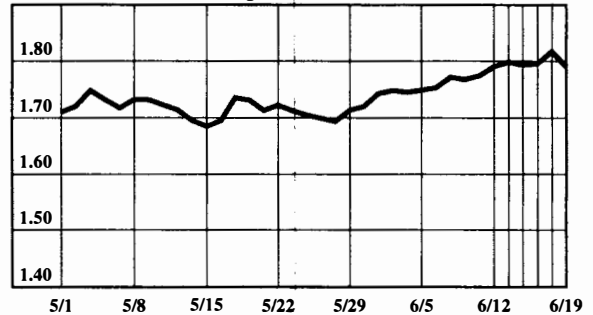
The recently leaked confidential report on India by the World Bank has given rise to apprehensions that the IMF will also demand reforms in the public sector and banking industry. The Bank has suggested a comprehensive macro-economic adjustment program consisting of measures to enhance revenues and restrain expenditures in order to restore fiscal equilibrium and limit domestic demand. The report also called for tariff reductions for capital and intermediate goods because these sectors enjoy "higher protection."

Though there is general awareness that the Bank report, and what the IMF may suggest, is drawn strictly from the "free market" lexicon, there is hardly any disagreement among the political parties that India should lean on the International Monetary Fund to deal with the crisis. Despite general recognition of the threat posed to Indian sovereignty—at least in economic policymaking—Indian policymakers see no alternative. It is also generally understood that the debt problem will not ease in the near future, and may, in fact, get worse.

## Currency Rates

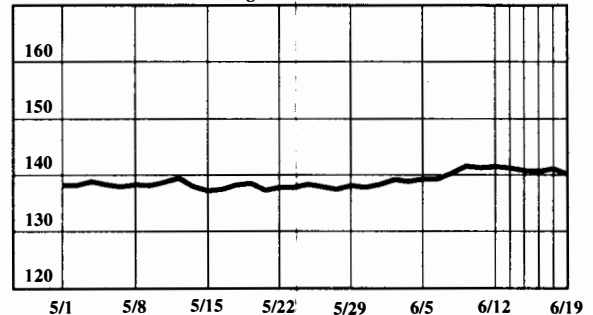
### The dollar in deutschemarks

New York late afternoon fixing



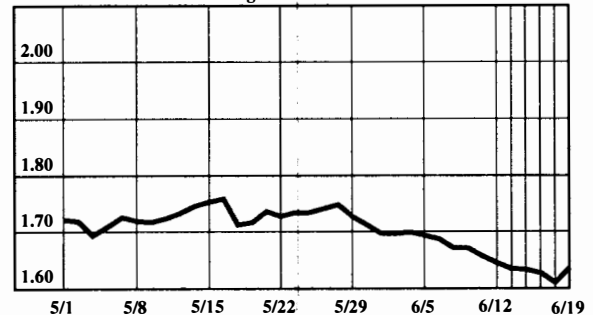
### The dollar in yen

New York late afternoon fixing



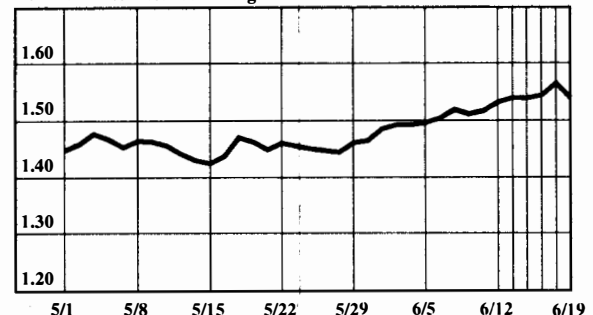
### The British pound in dollars

New York late afternoon fixing



### The dollar in Swiss francs

New York late afternoon fixing



# Privatization campaign sparks civil-military opposition in Brazil

by Silvia Palacios and Lorenzo Carrasco

President Fernando Collor de Mello's trip to the United States in the middle of June marks a watershed in the institutional life of Brazil. The drastic demands made by Washington and the docility displayed by Brasilia in accepting them, succeeded in creating, as a reaction, the embryo of an emerging national movement, based on an alliance of civilians and military men against the Anglo-American colonial "new order" led by George Bush. "The United States not only wants to conquer the country, but to rape it," a high-level official of the Superior War College, the doctrinal center of the Brazilian Armed Forces, commented to *EIR*, referring to the arrogant attitude of U.S. authorities toward a country whose territory is equal in size to the continental United States.

The newly emerging alignments were evident in the testimony June 5 of Air Force Minister Brig. Socrates Monteiro before the Defense Commission of the Chamber of Deputies, and what resulted from it. On that occasion, the minister made adamantly clear that the Brazilian Armed Forces are not interested in any new military accord with the United States, since what is intended by the accord is to place Brazil's scientific and technological development under U.S. tutelage. Therefore, under current conditions, the Brazilian Air Force prefers Soviet offers to launch Brazilian satellites, since the Soviets—unlike the U.S.—are willing to provide Brazil with technology it needs for future launches of its own, as well as make operational the launch platform at Alcantara, an exceptional site located in the extreme north of Brazil which, because of its proximity to the equator, is one of the best places to launch satellites in the world.

In concluding his congressional testimony, the minister also warned that "very powerful nations have focused their economic interests on that still unexplored region [the Amazon]—on the pretext of the ecology cause—seeking to internationalize that area through a hardline demonstration of the interventionism of earlier times."

The repercussions of the minister's testimony were evident in a June 6 article published in *Folha de São Paulo* signed by Carrion Junior, a federal deputy for the PDT party and member of the House's Defense Commission. Without mincing words, the congressman launched a harsh attack against the proposals to reestablish a military accord with

the United States. "The Pax Americana which they seek to impose over our continent would establish absolute subservience in the military realm, transforming our Armed Forces into mere repressive internal police forces, modeled on the state police forces, and which has as its backdrop a more ambitious population, cultural, technological and geographic project to limit all autonomous national development."

The article by Dep. Carrion Junior, continued: "Today, as has already happened in Argentina, our technology for combat vehicles will be exchanged for NATO scrap iron; our submarine project will be frozen; our dreams of autonomy in satellite launches, forgotten. Either we react as a nation, or we will be inexorably incorporated, beginning with the Amazon itself, as an insignificant and innocuous appendage of a new world order, a supplier of raw materials, cheap labor, and a geographic area for the expansion of interests of other nations. Brazil does not deserve this fate."

Even more categorically against a possible military accord with the United States, was the editorial of the newspaper *Ombro a Ombro*, which represents patriotic military sectors (see *Documentation*).

## The 'Mineiro' factor

Another crucial event which helped bring about a convergence of civilian and military interests, was the startup of the program to privatize state companies, under pressure of the International Monetary Fund and the creditor banks. The program was launched with the sale of the Usiminas steel company, which the government is offering at bargain basement prices. The privatization of Usiminas, the largest and most modern iron and steel plant in Ibero-America, is clearly detrimental to the national patrimony: They intend to sell it for somewhat less than \$1.5 billion, when it would cost \$8 billion to install a similar plant. This is made even worse by the fact that the government is willing to accept devalued foreign debt paper in exchange for it, as per the plan of Kissinger Associates.

This is viewed as a decision by the Collor government in Brasilia to deliberately insult the nationalist forces in Brazil who created and now support Usiminas, and similar state sector heavy industrial projects. It appears that Brasilia's

strategy is to be confrontational at the outset, and neutralize possible opposition from the powerful political group based in the state of Minas Gerais, where Usiminas is located, the idea being to make it that much easier to privatize oil, telecommunications, and electrical energy sectors down the line—as the man responsible for the privatization program, Eduardo Modiano, president of the National Bank for Economic and Social Development, confessed to *EIR* recently. The “Mineiro group” (based in the state of Minas Gerais) is a power bloc, composed of both civilians and military men, tied to the large state sector companies and projects which drove Brazil’s growth at rates of 10% annually during the 1970s. The attack on Usiminas, therefore, is consciously aimed at demolishing the spinal cord of nationalist resistance.

Questioned by the magazine *Terceiro Mundo* about the charges made by “the U.S. magazine *EIR*” that Kissinger Associates is behind the scheme to exchange devalued debt paper for stocks in state sector companies, the former Vice President of Brazil, Aureliano Chaves, one of the leaders of this Mineiro group, responded that if the “national project” presented by the Collor government is not a copy of these proposals, “this is very close to being true.”

The same “Mineiro factor” was evidence in recent statements by Vice President Itamar Franco, also of Minas Gerais, opposing the privatization of Usiminas, in open disagreement with President Collor. “I have my own ideas,” and the privatization “would harm the economy of my state,” he bluntly stated.

There are also signs of an emerging understanding between congressional opponents of Collor on the one hand, and the Brazilian military on the other. On June 12, the same day that Congress failed to support various projects whose approval President Collor planned to bring on his visit to Washington, the leaders of all the parties in Congress had a private dinner with the three military ministers. On the agenda at the dinner were the privatization program, the destruction of all protection for the computer industry, the question of military salaries, and Collor’s meeting with Bush. The congressmen emerged from the meeting enthusiastic about the response they received from the military men.

### **‘We are all Iraqis’**

The spirit which characterizes the civic-military rapprochement is seen in an article by veteran journalist H. Alves in the magazine *Excelencia*. “The national interests of Brazil,” wrote the former deputy who was exiled under the military governments of the late 1960s and early 1970s, “demands a definitive and rapid reconciliation between the military and civilians. . . . Today the harshest enemy the 1964-84 period begin to meet and to recognize that they have more cause for understanding than for discord. . . . In Brasilia, an active duty senior officer explained his sentiments to me: ‘The bottom line is that we are all Iraqis.’ That is, that the world of the rich . . . decided to put us in our proper place,

even if they have to take recourse to surgical military interventions to do so.”

Commenting on U.S. pressures on Brazil around President Collor’s trip to Washington, Alves reported that the U.S. is trying to get Brazil to “sign the Nuclear Non-Proliferation Treaty; end the Navy nuclear program; sign a military accord with the U.S.; transform the arms industry into a subsidiary of the Anglo-American armaments complex; and adopt a more comprehensive attitude as regards the Amazon, ecology, and population control. The Brazilian Armed Forces, it is said, rejects this policy. On this basis alone they deserve the general support of the citizenry, particularly of those who criticized them or confronted them throughout the years of the military dictatorship.”

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## Documentation

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*Extracts from the editorial of the magazine Ombro a Ombro of June 1991 entitled “Brazil and the New TIAR.”*

It should be said that the United States is not morally qualified to propose any military accord to us, since it was the pressures and the improper interference of the Jimmy Carter administration which, in 1977, led President Ernesto Geisel to revoke the then existing treaty. That decision favored the flourishing of the Brazilian defense industry and other advanced technology sectors, such as the autonomous nuclear program, sectors which owe little to their counterparts in the so-called First World and which, in the name of a supposed “modernity,” are now being considered as offerings before the altar of the “new world order.”

Nor is it fitting for Washington or its partners in the Socialist International to offer a new agreement on hemispheric security, since, in the same way, it was they who were the very ones who destroyed the schema of Inter-American Reciprocal Aid Treaty, or TIAR, during the Malvinas conflict of 1982, when they ostentatiously supported England in what was, in fact, the first demonstration of NATO out-of-area deployments, which they are today trying to institutionalize *de jure*, as was seen in the recent assembly of that body last May.

. . . Yes, we agree, with a new regional security order, but this should be linked to strict respect for the principles of national sovereignty, non-interference in the internal affairs of the different nations, and, above all, respect for human dignity, as was emphasized by his Holiness, Pope John Paul II, in the encyclical *Centesimus Annus*. . . . On the basis of such principles, a regional military agreement is perfectly compatible with an effective economic integration of the subcontinent, outside subservience to any power of the “new world order.”

## Schiller Institute speaks in Kiev

*Ukrainians get to hear about the difference between "American System" economics, and the phony Harvard brand.*

A Schiller Institute delegation, composed of Anno Hellenbroich and Michael Vitt from Germany, was invited as official speakers to the conference of the Ukrainian Rukh (Popular Front) in the capital city of Kiev which took place over the June 14-16 weekend. The theme of the conference was "The Economic Renaissance of the Republic of Ukraine." At the peak point of the weekend, about 250-300 people were in attendance.

Despite relative plenty of such items as cosmetics and some kinds of clothing in the stores, the fact that food rationing prevails in Kiev has made Ukrainians quite aware of the economic breakdown crisis.

Two very different conceptions of economics came into conflict, with the LaRouche view put forward by the two Schiller spokesmen presenting a sharp contrast to representatives of the "Harvard mafia" who were also speakers at the conference.

The keynote address was given by the head of the Rukh, who welcomed the victory of Boris Yeltsin in Russia and the decision to change the name of Leningrad back to St. Petersburg. He was followed by the president of the Polytechnical University in Kiev, who spoke on "the economic sovereignty of Ukraine," and the importance of a package of measures of denationalization, privatization, establishment of relations with foreign countries, and a reliance of Ukraine on its own currency and its own resources. He gave an interesting overview of Ukraine's potentials, comparing it in size to France, and noting that it is as big as Poland and Czechoslova-

kia together, with vast agricultural and mineral resources, plus a potential for an ambitious energy grid.

Then came a certain Professor Schreiber from the Harvard Center for International Management Education, who couldn't refrain from "letting it all hang out." After some words about the need to obtain Western business skills, he cynically commented that "Western capital does not need the Ukraine," and that capital is not motivated by "sentiments and emotions." He said "the free market" means that one is free to either succeed or fail, and told a story (allegedly based on a 12th-century Ukrainian tale), about how it is perfectly all right to sell a person into slavery if that person doesn't pay his debts, since that is a way of protecting the foreign merchant!

Schreiber and his colleagues were trying to play upon the proclivity of many Ukrainians who have lived for decades under the communist system, to uncritically support "free market" ideology as the apparent opposite of what they know and hate.

In this context, the presentations of Hellenbroich and Vitt tapped into an enthusiasm for Lyndon H. LaRouche's proposal for a Berlin-Paris-Vienna "Productive Triangle" as the locomotive for a global industrial rebirth, and for economic progress and sovereignty more generally.

Anno Hellenbroich exposed "the failure of radical liberal economics, of British, Adam Smith utopianism." He contrasted this with the papal encyclical *Centesimus Annus*, and stressed the importance of the sovereign indi-

vidual's labor and production. He said that "the radical shock therapy of Jeffrey Sachs has failed, as expressed by the policies of the International Monetary Fund." He contrasted to this the views of LaRouche on physical economy: the tradition of Gottfried Leibniz, Friedrich List, Alexander Hamilton, and Henry Carey.

Drawing attention to the Berlin Declaration issued in March, where 100 Eastern and Western economists demanded implementation of the LaRouche Triangle, he showed some slides of proposed examples of infrastructural projects in transportation and water management, including the TransRapid railway.

Michael Vitt spoke on the activities and history of the Schiller Institute, and its work in some 50 countries around the world. He stressed that Europeans must think in terms of solutions for the entire world economy. He drew attention to the holocaust in Africa, to the cholera in Ibero-America caused by a lack of health and other infrastructure, and the bankruptcy of financial systems which follow IMF policies. He pointed to the fact that the United States is a net capital importer, and to the growing foreign debt of Eastern and Central European countries. Vitt quoted from LaRouche's policy paper on the reconstruction of Eastern Europe (see *EIR* of May 10, 1991), on the difference between the "Lombard System" and a productive investment system.

The Schiller Institute presentations were warmly applauded. People's Deputies from both Moscow and Ukraine, and citizens from different parts of Ukraine, expressed interest in the Triangle program. One participant shouted out, when Hellenbroich showed maps of the proposed Productive Triangle, "What about Odesa?"—the Ukrainian port.



## 'Reforms' ravage Soviet farm sector

*Experts survey the damage after two months of free market austerity policies.*

On May 24, the Agrarian Commission of the Soviet Communist Party held a meeting which included party officials from all levels, as well as agricultural experts. The topic was the devastating effect that "free market" economics is already having on the Soviet agricultural sector, after only two months. Prices were liberalized on April 1, forcing Soviet collectives and the new class of leaseholder farmers to purchase everything from equipment to seeds at prices 200-300% higher than before the price "reform."

The price increases couldn't have come at a worse time. Since March, the Soviet official press has been exhorting the collective farms to move quickly and efficiently in sowing spring crops, to head off a projected serious shortfall at harvest. But weather conditions (too much rain in European Russia, a dry spell in the southern agricultural regions) were creating a growing season which, *Izvestia* wrote May 31, "is reminiscent of similar seasons in the drought years of 1963, 1974, and 1981."

Such conditions, combined with the effects of the price reform, led the Agrarian Commission to complain that "the agro-industrial complex . . . has always been let down. But probably never before as blatantly as today. First they increased purchase prices. . . . Then they increased the cost of . . . raw materials and machinery several times over." For example: A tractor which used to cost 15-20,000 rubles, will now cost 70,000. "That's

parity for you," commented *Pravda*.

Due to the rise in prices, it is projected that "the economy of 60% of the farms" in Belorussia alone will be in jeopardy. "At best," warned the Commission, "many of the country's farms will end this year at what they call 'breakeven' point." In short, warned V. Chernoiwanov, U.S.S.R. Minister of Agriculture and Food, unless the situation is changed, this year the agro-industrial complex will sustain losses amounting to tens of billions of rubles—with no bumper crop to compensate for the price rises.

Under these conditions, the Soviets are banking on the new class of leaseholder farmers—farmers who have been permitted to lease land from collective and state farms—to make up the difference. The Soviet press has printed glowing reports of the successes of leaseholders who have combined forces and "made millions." Soviet President Mikhail Gorbachov, during a visit May 29-June 1 to the largely agricultural republic of Kazakhstan, began by meeting with several leaseholders. The Soviet President was shown on Moscow television asking about economic conditions:

"Gorbachov: What sort of income did you earn last year?"

"Farmer: Seventy-four thousand.

"Gorbachov: Seventy-four thousand? . . . Overall?"

"Farmer: Overall.

"Gorbachov: But what if everything is reckoned up, so much is paid to the state farm, so much for the fuel, what is left for the wages?"

"Farmer: We are left with 2,000 each.

"Gorbachov: And per month. How much do you reckon you get, taking into account the advance and the final sum?"

"Farmer: Two hundred plus, each.

"Gorbachov: . . . That's not much."

The TV announcer explained: "Prices for equipment, fuel, and building materials have jumped four to five times, but purchase prices for food have no more than doubled. So it turns out that no matter how hard you work, the expenditure on production is not covered."

That situation, according to the Agrarian Commission, is common in the agricultural districts. The price increases, it says, "are more like the axe, for the countryside. The path to ruin for *kolkhozes* and *sovkhoses*. As for private farming, it will simply be stifled at birth by such prices."

Such a dramatic warning did not prevent Gorbachov from holding up the industry of the Kazakhs as a model. In a speech in Alma-Ata in June, he praised the prevailing optimism among the leaseholders: "The leaseholders' team and his comrades, unambiguously advocating leasing, are starting to think about how to buy means of production in order to ensure that they become 'really ours,' 'mine,' the property of the entire collective. They are also thinking about . . . how to renew capital in order to achieve new results and acquire new technologies—that is, their thinking is of statewide importance."

If the U.S.S.R. decides fully to accept "free market" policies and International Monetary Fund conditionalities in exchange for an overall financial aid package, however, the Commission's warning that private initiatives will be stifled at birth will be fulfilled, and then some.

## **Labor initiatives in eastern Germany**

*The free market invasion forces labor to develop a genuine industrial strategy, adopt an international perspective.*

**T**he economic situation of the five eastern German states is absurd. Of 6 million industrial workers and 4 million public and service sector workers, 2 million are jobless and another 1.8 million on short-work. About 70-75% of eastern Germany's exports to Eastern Europe and the Soviet Union have collapsed in the past 12 months. At best, exports to the Soviet Union this year may reach 30% of 1989 levels.

No industrial region can survive a collapse of that scope. And indeed, East Germany did not survive it, but merged with West Germany on Oct. 3, 1990. Most of the collapse occurred after unification, but cannot entirely be blamed on the market economy of western Germany wiping out uncompetitive eastern German firms.

To a great extent, the collapse was pre-programmed in the early 1980s, when a severe economic crisis hit communist-run East Germany, followed by the crisis of 1987-88, which led to the stream of 340,000 refugees into West Germany in the summer and autumn of 1989. This is just to note that the economy of East Germany would have collapsed in any case sometime in 1990-91, along with the collapse of the Soviet Union and East European economies.

It is the social services net of the west German system that has prevented some of the worst effects for eastern Germans. Were the west German economy not in such relatively good shape, as compared to most other Western industrial nations, the 16 million eastern Germans would be faced with austerity as brutal as the East Eu-

ropeans and Soviets are now facing.

But Germany is faced with a fierce Anglo-American trade war, and Bonn is pursuing a muddling-through policy of compromise and dissent with Washington and London.

Expected to lose about 30% of its export markets in machine-tools and industrial products in the West in 1991, western German industry is trying to "export internally" to the eastern states. At the same time, Bonn is observing the restrictive production quotas of the European Commission on steel and farm products. This means that most of the production in eastern Germany is seen as "superfluous for the time being."

There are new investments being made in the eastern states, but they are developing slowly, with 3-400,000 new jobs expected to be created while 3-4 million will be abolished by year end. This "market economy" is meeting resistance from eastern German labor.

This author attended a June 8 meeting organized by the Schiller Institute in Wolfen, at the heart of the "chemical triangle" that covers a large part of the state of Saxe-Anhalt. Factory councilors were at the meeting, among them workers of the two biggest chemical production sites—Bitterfeld and Schkopau—of the Brandenburg steel plant, and the heavy machine plants of Magdeburg (SKET) and Leipzig (Takraf).

Discussion was sparked by a keynote speech by Schiller Institute chairman Helga Zepp-LaRouche, and by Jonathan Tennenbaum of the Institute's task force that is working on

Lyndon LaRouche's concept of the "Productive Triangle."

It turned out that eastern Germans are less scared about nuclear power than western Germans. They endorsed the building of new nuclear power plants.

The "chemical triangle" of eastern Germany is the last one in Europe to still produce aluminum. Before, it operated on an outmoded lignite-based energy cycle that was state-subsidized by the communist regime. With nuclear energy, large-scale production of aluminum, which is otherwise "migrating" to the Mideast, will be feasible. This is one of the proposals worked out by a committee of factory councilors and researchers in the region.

Modern infrastructure development is another initiative of the committee, which has planted the idea in the minds of politicians for a magnetically levitated railway link from west- to eastern Germany.

The fact that none of these labor initiatives has received a positive response in western Germany has led to bitter disappointment and radicalization. The lesson to be learned—painfully, as was visible at this Wolfen meeting—is that even the best ideas of the labor movement can't win if they are not made part of a broader spectrum of activities. Labor in Germany has to fight the free market economy in an alliance with labor in other countries. Labor's perspective must be broadened to cope with the political reality which is international in scope.

It was resolved at the Wolfen meeting that "open letters to labor" be printed and distributed. These letters will report and comment on key labor issues such as the debate on the new papal encyclical against free market ideology, or updates on the labor struggles in the Americas against George Bush's North American Free Trade Agreement.

## Gonzalez: Fed runs 'backdoor bailout'

*U.S. taxpayer dollars are keeping brain-dead banks on their feet—but just barely.*

The Federal Reserve has been engaged in a systematic "backdoor bailout" of the U.S. banking system, according to an analysis of Fed discount window loans recently prepared by the House Banking Committee.

The study examined data on all insured depository institutions which borrowed money from the Fed's discount window between Jan. 1, 1985, and May 10, 1991.

House Banking Committee chairman Henry B. Gonzalez (D-Tex.) requested the data in a May 9 letter to Fed chairman Alan Greenspan. "The Committee will mark up legislation very soon which could affect the lending activities of the Federal Reserve," the letter said.

Gonzalez was particularly interested in loans to institutions which borrowed from the Fed within three years of their failure, and banks which had a "CAMEL" (Capital adequacy, Asset quality, Management Earnings, and Liquidity) rating of 5—a rating reserved for institutions with an extremely high probability of failure, immediately or in the near term.

On June 11, the House Banking Committee released the study, "Analysis of Federal Reserve Discount Window Loans to Failed Institutions." Analyzing the 530 institutions which got Fed discount window loans within three years of their failure, the study found:

- Ninety percent of all institutions which received "extended" credit from the Fed subsequently failed;
- The Fed routinely extends credit to banks with a CAMEL 5 rating;
- A CAMEL 5-rated institution

which borrowed from the discount window remained open for an average period of 10-12 months thereafter;

- Borrowing from the discount window increases dramatically as an institution's financial condition deteriorates;

- The Fed takes as collateral the highest-quality assets of the institution in an amount substantially in excess of the loan.

The study found that "the extended credit offered by the Federal Reserve appears to operate in practice as a form of open assistance or forbearance."

The study also found that 60% of the failed banks were borrowing money from the Fed at the time of their failure, and had over \$8.3 billion in such loans outstanding at the time of collapse. Nearly \$8 billion of this money had been loaned to institutions while they had CAMEL 5 ratings.

When these banks fail, the Fed turns to the Federal Deposit Insurance Corp. for repayment.

"This is a massive form of forbearance—granted in secret by the Federal Reserve—at a huge cost to the insurance funds and the taxpayers," Gonzalez said. "We hear many complaints about the ills of money brokers who move money into failing institutions, but their operations pale beside the mega-buck operations of the Federal Reserve."

He added, "The Federal Reserve's loans have kept brain-dead institutions open for extended periods, increasing losses for the FDIC."

Controls must be placed on the Fed's discount window operations if

the Congress is "serious about limiting losses to the insurance fund, ending the too-big-to-fail policies, and halting the costly practice of extended forbearance for poorly run banks," warned Gonzalez, who supports legislation to limit discount window borrowing for any given bank to five consecutive days in any three-month period.

Among the banks selected as case studies were First Republic Bank Dallas and the Bank of New England.

First Republic Bank Dallas, with assets of \$16.4 billion, was the largest of the failed banks. The study showed that the Fed loaned the bank \$2.6 billion in extended credit on March 15, 1988, continuing the lending until the bank failed on June 29, 1988. Peak borrowing during the period was \$3.3 billion.

As *EIR* reported at the time, the bank was insolvent for several months prior to the initial loan, but action was delayed until after the March 8 Texas primary, to avoid embarrassment to the state's "favorite son," George Bush.

Lending at the Bank of New England peaked at \$2.3 billion. BNE also received over \$1 billion in Treasury deposits, and received substantial loans arranged through its sister Connecticut Bank & Trust.

Gonzalez is also investigating whether the Fed, directly or through surrogates like J.P. Morgan and Bankers Trust, bailed out Chase Manhattan Bank, reported Christopher Whalen in the June 17 *Barron's*. "Evidence in the public domain supports the contention that a bailout of some big money-center bank did indeed take place," he wrote, and noted that on Dec. 26, 1990, discount window loans to banks from the New York Fed totaled \$3.5 billion; such loans hit \$2.4 billion on Jan. 23, 1991, and also topped \$2 billion on March 6.

## Maquiladora factories seen up close

*A Mexican congressional candidate works at one, to get an inside look.*

**W**ith work card number 22108, the federal congressional candidate for Sonora's III District, Cecilia Soto de Estévez, spent one week as an employee of the Maquilas Tetakawi auto-parts assembly plant, located in Empalme, Sonora, in northern Mexico. At the end of the week, she emerged to give a June 12 press conference offering the first eyewitness account by a congressional candidate of these controversial factories, known as *maquiladoras*.

Soto told the press that "wages here are 50 cents an hour, while in Nogales they pay \$1.40 and in Hermosillo, one dollar." This plant pays "the lowest *maquiladora* wages in the country, and perhaps in the world," she concluded.

*Maquiladoras* are the "in-bond" assembly plants that have sprung up across the Mexico-U.S. border region, notorious for their labor-intensive, low-wage production methods. They have been described as everything from "concentration camps" to "the solution to all of Mexico's economic ills," and have become a major source of controversy in light of George Bush's North American Free Trade Agreement (NAFTA), which would extend them—in the name of free trade—throughout all of Mexico.

Particularly in the northern border state of Sonora, now in the heat of an electoral campaign for governor and federal Congress which ends Aug. 18, the debate revolves around whether the *maquiladora* is an economic alternative, or whether instead, a serious effort to develop the region technolog-

ically should be undertaken.

Surrounded by the 14- and 15-year-old girls who worked alongside her in the plant, Soto revealed that a condition of her employment was to sign up with the National Workers Confederation (CTM), and also to sign her own letter of resignation, with which the firm could fire her at any time, without having to pay severance or any other benefits.

A former Sonora state congresswoman from the Authentic Party of the Mexican Revolution (PARM), candidate Soto observed that during the week she spent at Maquila Tetakawi, it was evident that the quality-control methods used by the firm were so rudimentary that they precluded any possibility of being able to compete with Japanese or Korean products. Further, she noted, the low wages and miserable working conditions meant that workers left for other jobs at the first opportunity, guaranteeing that "the plant condemns itself to never achieving high productivity."

"The *maquiladora* is neither hell nor paradise . . . but we mustn't allow ourselves to enter the Free Trade pact under these conditions, where not even competitiveness is guaranteed," she said.

On April 28, the PARM candidate for governor, Patricio Estévez, had also come out against the *maquiladora* strategy and NAFTA, denouncing them as having a negative impact on the economy of the state, and of the country as a whole.

According to the Sonora daily *El Imparcial* June 2, even the ruling PRI

party gubernatorial candidate, Manlio Fabio Beltrones, had to admit that "all is not sweetness" with the *maquiladoras*, and that "it is time to take another look. . . . It is not a matter of eliminating them . . . but we must stop viewing them as benefactors in their current conditions, and we must reconsider their participation in the state's development."

The technology issue is up front in the electoral campaign in Sonora. Gubernatorial candidates from the PARM and PRI parties have come out proposing implementation of the Northwest Water System (SHINO), and the installation of nuclear plants as energy sources in the state. Since the candidates of the other parties have come out against nuclear energy, and have had nothing to say about SHINO, most voters consider the real battle to be between Estévez and Beltrones.

A former federal congressman, Estévez told the state media and national television April 28 that a nuclear energy program is essential for desalinating sea water and for creating "nuplexes," agroindustrial complexes centered around nuclear plants.

On April 29, the daily *El Imparcial* quoted Beltrones following suit: "Energy sources other than those we have today in Sonora must be sought. . . . I have also said that we must keep an open mind, without reservations, on whether nuclear energy can be the solution . . . but it would be a question of discussing it with the people of Sonora, and seeking what we all want, which is the cheapest energy form. . . . [This] is as possible and as feasible as our decision to undertake these alternatives."

Candidate Soto, a physicist by training and a specialist in nuclear energy, declared that, from the standpoint of "energy flux density," nuclear is by far "the cheapest, cleanest, and most efficient" energy form.

# Business Briefs

## Real Estate

### 10% of nation's home builders will go bust

Ten percent of the nation's home builders will go bankrupt during the current "recession," the National Association of Home Builders reported at a mid-June conference. This will take down 10,000 of the 100,000 building companies, and severely affect 150,000 subcontractors. "Home builders are an endangered species," said one panelist.

One investment bank analyst projected "an unprecedented housing boom in the 1990s because the U.S. homeownership rate has dropped to its lowest level in 20 years," which means "enormous pent-up demand . . . with prices again leaping." The 1990s will be "glory years, not gloomy years."

But most home builders thought otherwise. It's "an era of total instability," said one. "Nobody knows what to do" because neither banks nor potential buyers have money.

## World Trade

### Cuba being starved, driven back to Stone Age

Soviet officials announced June 14 that the first shipments in 1991 of any Soviet foodstuffs other than grains, were expected to arrive in Cuba by the end of June. Despite trade commitments listed in the 1991 economic accord between the two nations, for the first six months of the year, the Soviets shipped only limited amounts of wheat, wood, and oil to Cuba.

The Soviet announcement that the freeze on trade is at least momentarily broken may be a signal to Washington to not write the Soviet Union entirely out of U.S. considerations on Cuba. On June 14, new Soviet Ambassador to the U.S. Viktor Komplektov stated that there will be no radical change in Moscow's relationship with Cuba, despite U.S. warnings that financial assistance to the Soviet Union may be linked to a Soviet cut-off of Cuba. "You don't like Cuba. . . . So what?" he barked.

But, since trade with the newly freed Eastern European nations is now non-existent, the cuts in Soviet shipments of food, medicines, and raw materials have produced dramatic shortages in the Cuban economy. Until 1990, about 80% of Cuba's trade was with the Soviet Union and the former East bloc nations. Cuba imported some 30,000 tons of powdered milk from the socialist countries—equivalent to nearly 1 million liters of milk a day. New suppliers have not been found. Some 20,000 tons of butter a year used to be imported—no butter is made in Cuba—but no butter had been imported in 1991 by June 1.

Neither does Cuba produce any oleaginous products except for small amounts of pork lard, relying on imports of 120,000 tons of fat a year. In the first five months of 1991, they received less than one ton. Some 170,000 of the 600,000 tons of flour consumed a year have been imported, but not one ton has been imported in 1991.

Refugees fleeing Cuba by raft and boat in record numbers speak of eating no meat for three months; that in some provinces there is no soap, and clothes are not available.

## Ecological Holocaust

### Bush willing to let cholera spread

The Bush administration appears firmly committed to letting Ibero-Americans die of cholera rather than violate its free market dogmas. The *Wall Street Journal* reported June 10 that the administration "is leaning on lending institutions to channel loans to the private sector, where most of the money wouldn't be used to repair Latin America's infrastructure." The U.S. Treasury has held up funds for the International Finance Corp., the World Bank's affiliate, to "prod the bank to increase its private sector lending."

Even the voice of Wall Street recognized that the administration "may be prescribing the wrong medicine for what ails the region," reminding its readers that cholera is transmitted through contaminated water supplies and inadequate sewage treatment facilities. "But instead of encouraging international lenders to

help rebuild Latin America's deficient public facilities, the administration is pressing banks to focus on loans to business to 'privatize' the region's economies."

Jerome Levinson, former general counsel of the Inter-America Development Bank, reminded the *Journal* that until decaying infrastructure is repaired—which requires public funding—"the region won't be fertile ground for new private investment despite the administration's efforts."

The Bush administration itself plans to provide only \$10 million over two years to fight cholera.

## Health

### AIDS impact on U.S. cities called 'dramatic'

A national study released June 14 by the U.S. Conference of Mayors indicates that the impact of AIDS on U.S. cities will overwhelm their health care systems. From 50-66% of those with AIDS in these cities are on Medicaid or eligible for it, while another 21% are covered by other public health insurance.

The study indicated that the 26 cities will be unable to meet the demands of AIDS care in the next decade. None of the cities said that local resources could meet the projected demand. Many of the hardest hit cities are already depending on emergency federal funds to pay for care.

"The nation's cities have yet to recover from the recession that began soon after the start of the AIDS epidemic," wrote J. Thomas Cochran, the conference's executive director. "Numerous studies have shown that federal funding for cities throughout the 1980s was reduced by 60-70%."

The 26 cities are Anaheim, Atlanta, Baltimore, Boston, Chicago, Cleveland, Dallas, Denver, Fort Lauderdale, Houston, Indianapolis, Jersey City, Kansas City, Los Angeles, Minneapolis, New Haven, New Orleans, New York, Newark, Philadelphia, Phoenix, San Diego, San Francisco, San Juan, Seattle, and Tampa.



## Soviet Union

### Chevron 'joint venture' now in big trouble

A joint venture involving the Chevron oil multinational's exploration and development of the giant Tenghiz oil reserves in Kazakhstan, is now in big trouble. According to the June 9 London *Observer*, the liberal-reformist *Moscow News* is now calling the Chevron-Tenghiz plan a "dirty deal," while a radical Soviet newspaper is charging that Chevron stands to gain unreasonably large profits, amounting to about \$30 billion.

Supreme Soviet speaker Anatoly Lukyanov has suggested to Western reporters that a Soviet parliamentary investigation into the Tenghiz deal might soon be opened. Yet another Soviet publication, *Business World*, is raising a different objection, claiming that the whole project is environmentally dangerous.

As the *Observer* notes, Mikhail Gorbachov himself had characterized the joint venture with Chevron as a "breakthrough," when he spoke to the Soviet parliament about his summit meetings with George Bush in Washington.

## Vatican

### New encyclical favors Japan's concept of profit

The Pope's latest encyclical favors the "community enterprise" approach over U.S.-style capitalism, Angelo Caloia, president of the Vatican Bank's management council, told the June 4 Italian daily *Corriere della Sera*.

An Italian professor of economics and a specialist in development policy, he says that the encyclical suggests that a business should seek profit not only to pay higher dividends to shareholders or better position itself in the stock market. It should "cultivate" profit carefully because it "contains the resources for the business's continuity."

"Our conception of a business enterprise is closer to the Japanese model than the Amer-

ican one," said Caloia. "It is the idea of a community enterprise that can produce goods while strengthening the consensus of all those involved in production."

## Infrastructure

### Big transport projects planned in Europe

The European Parliament has passed a resolution in favor of major rail and highway transportation development between Germany, Hungary, and Czechoslovakia, forecasting a huge increase of transport volume on the main east-west routes by the year 2000. The resolution calls for priority development of the transport axis between Nuremberg, Prague, and Budapest.

A study prepared at the German Transportation Ministry says that transport volumes of commercial goods will increase by 1000% in the next nine years.

A German member of the European Parliament, Heinz Koehler, a Social Democrat, referenced the study and the parliament resolution, calling for priority development of rail transport capacities between the three nations.

Meanwhile, at a Berlin press conference June 12, Hermann Becker, chairman of the Association of German Construction Industry, said that the immense amount of work that has to be done to reconstruct eastern Germany required a "long-term approach in project funding," and proposed a 10-year program, totaling DM 200 billion. The program should be a concerted effort between government and industry focusing on railroad and highway development, telecommunications, water and waste processing, and home-building, Becker recommended. He also called for private-initiative projects to complement projects launched by the state in eastern Germany.

Becker said that DM 56 billion would be required to build railroads and highways, another DM 57 billion for telecommunications, and DM 159 billion for water and waste processing. Home-building requirements would be in the range of several hundred billion deutschemarks.

● **JAPAN'S** Construction Ministry has announced plans to invest \$3.2 trillion in infrastructure projects over the next decade, a 73% increase over such spending in the 1980s, according to the *Journal of Commerce*. Recent agreements opened up bidding on such projects to U.S. firms.

● **AN ITALIAN** engineering team representing the country's four largest engineering firms has made a proposal for a rail tunnel and two highway tunnels under the Straits of Messina, connecting southern Italy and Sicily. The firm said the rail tunnel could be built in five years at a cost of \$9-10 billion.

● **CHINA'S** Hebei Province, suffering from flooding of the Yangtze River, needs water control and irrigation projects based on construction of a huge dam and a grid of canals, according to its governor. Such a dam project was first planned by Dr. Sun Yat-sen in the early part of this century.

● **JACQUES ATTALI**, chairman of the London-based European Bank for Reconstruction and Development, is reported to have told Mikhail Gorbachov in Moscow June 15 that there will be no future jumbo loans to the Soviet Union, but there will be loans for concretely defined projects.

● **FLORIDA'S** governor has given the go-ahead for a 22-kilometer magnetic levitation rail link between Orlando Airport and Disneyworld, at construction costs of about \$500 million, to be completed in 1996 using German maglev technology.

● **THE SWEDISH** parliament has voted in favor of building the Oresund Bridge to connect the industrial regions of Malmoe and Copenhagen, Denmark by rail and road. The Danish parliament is to take a final vote on the project in August.

## Malthusians want even more deaths in the Third World

by Kathleen Klenetsky

Over the last two months, partisans of the brave new world of zero population growth have opened a new offensive to force a rapid, massive reduction in global population levels. Since April, a swarm of new demands and proposals for dealing with the alleged threat of "overpopulation" has come pouring forth from a wide variety of private and public groups, all insisting that, unless drastic steps are taken to curb fertility rates, mankind is doomed.

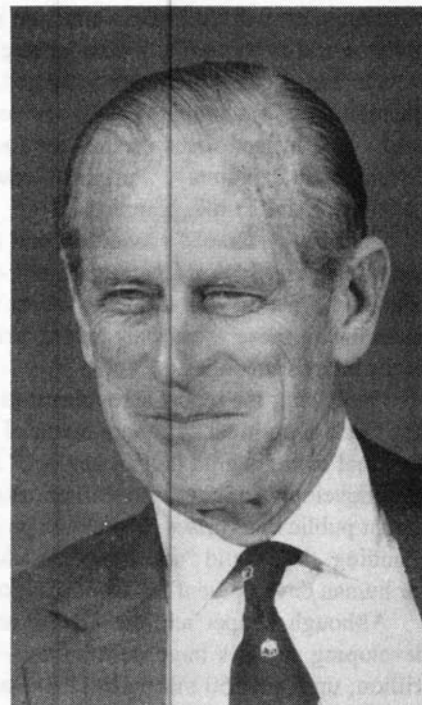
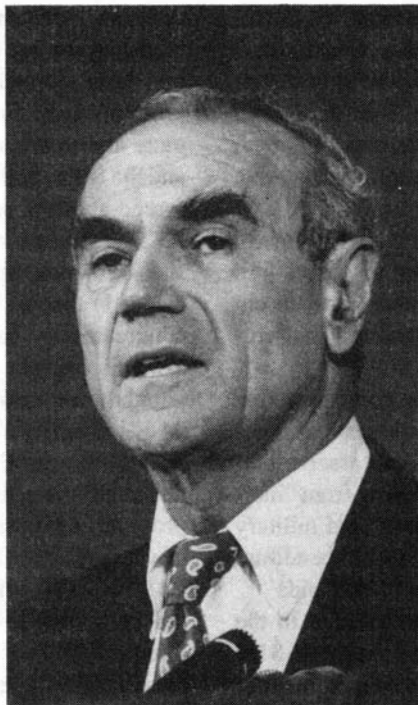
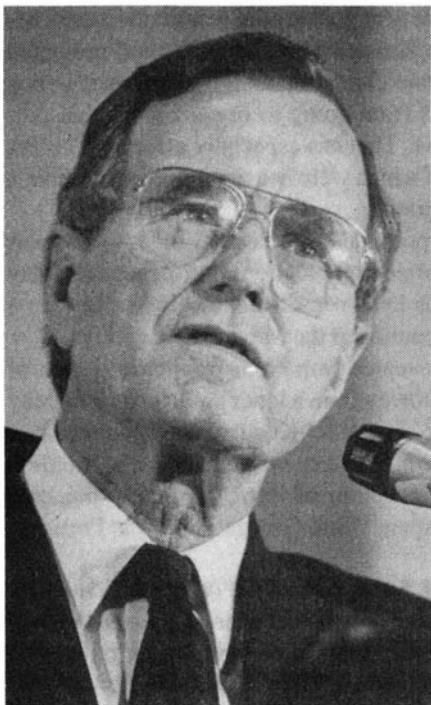
One of the factors prompting this new drive is that a relatively large number of people in the Third World are just now reaching child-bearing age. Nearly all of the latest zero-growth manifestos cite this as a key reason why a crackdown on reproduction is necessary at this time.

These "blueprints for extinction" represent the next phase of the genocidal drive laid out in a series of secret National Security Council documents, drafted by Henry Kissinger and Brent Scowcroft, with input from then-CIA head George Bush, in 1974-76 (see *EIR*, May 3, 1991).

The anti-population drive detailed in these documents has been spectacularly successful in driving down fertility rates. Statistics compiled by the United Nations show that every part of the developing sector has experienced a sharp decline in population growth, thanks to the efforts of such agencies of depopulation as the U.S. State Department's Agency for International Development (AID), the United Nations Population Fund (UNFPA), and a slew of so-called non-governmental organizations, most notably the International Planned Parenthood Federation (IPPF).

In East Asia, for example, births per woman declined from 6.1 in 1960-65 to 2.7 in 1985-90. In Latin America, there were 5.9 births per woman in 1960-65; by 1985-90, that figure had dropped to 3.6. For the developing sector as a whole, births per woman declined from 6.1 in 1960-65 to 3.9 in 1985-90 (see the graphs in the accompanying *Documentation* section).

Yet, this extraordinary level of genocide has not come anywhere close to satisfying the neo-malthusians. They continue to maintain that, at the very least,



*Top dogs of the zero population growth movement (left to right): George "Rubbers" Bush, William Draper III, and Britain's Prince Philip.*

the world must rapidly achieve "replacement level" fertility rates—in other words, zero growth—and that no obstacles should be allowed to interfere with this objective.

### **U.N.'s brave new world order**

Taking the lead in this latest assault on the human species is the U.N., which has been tapped by George Bush to play a central role in his new world disorder. Both the United Nations Development Program and UNFPA issued reports this spring insisting that population growth in the developing sector is still way too high, and that bringing it under control must be a priority.

The UNFPA report is especially telling. Noting that population growth in many industrialized countries has declined to below replacement levels, the study laments that "nearly all (95%)" of projected global population for the foreseeable future "will be in developing countries." The report references the huge problems plaguing the industrialized sector because there are too few young people to support the growing number of elderly—yet blithely orders the Third World to follow suit.

Instead of proposing economic development policies that would make it possible to accommodate these increased numbers of human beings, the UNFPA report calls for "sustainable development"—a euphemism for zero economic growth—and says that such sustainable development requires a sharp decline in fertility. Specifically, it calls for bringing down developing-sector fertility from the present

3.8 births per woman to 3.3 by the year 2000.

This will mean "profound implications for programs and policies," says the report. To achieve this drop in fertility will require a 50% increase in the number of Third World couples—over 1 billion people—who use birth control (currently, nearly 800 million do so, according to UNFPA statistics). And it will also require a huge investment of money—money that could be spent on debt relief, or infrastructure investment, instead of killing people. UNFPA estimates that spending on population control will have to double, to \$9 billion annually, to reach these targets.

### **Sterilization, not steel mills**

Although the UNDP report deals with a broader range of issues than demographics alone, the overweening concern about reducing population levels in the Third World keeps on creeping in. Entitled the "Human Development Report 1991," the document was unveiled at a Washington press conference by UNDP administrator William Draper III. Draper is a close friend of President Bush; his father, William Draper, Jr., was not only a leading zero-growth fanatic in the 1950s and 1960s, but also endorsed the Nazi eugenics movement, and led the Population Crisis Committee—one of the most influential population-control groups—during the 1960s and 1970s. Earlier this year, Draper III, who also held a leadership post in the PCC, publicly stated that population control would be central to Bush's new world order.

At his May 22 press conference, Draper claimed that

population growth has led to a situation in which “the developing world is becoming a powder keg ready to explode.” Developing-sector governments, he said, should stop spending money on “extravagant prestige projects” (like the Aswan Dam), and instead focus on the “the foundations of human development,” namely, “primary education, preventive health care, and family planning.”

Contrary to Draper’s assertion that the UNDP wants to encourage Third World nations to put more resources into education, health, and food, its report stresses how to cut spending in these areas, suggesting privatization and cutbacks in food subsidies.

Describing the report’s key thrust as the contention that it is “lack of political will—not financial resources” which is the “real cause behind human neglect,” Draper asserts that, were developing countries to shift priorities away from “inefficient public enterprises,” “prestige projects,” and military spending, they could “accommodate additional expenditure for human development” without additional foreign aid.

Although Draper and the UNDP report alluded to the developing sector’s huge debt burden—it now totals \$1.2 trillion, up from \$50 billion in 1970—as an impediment to progress, nowhere did they offer any real solution, aside from suggesting an inconsequential amount of debt forgiveness. Yet, it is this mountain of debt—not “prestige projects,” or population expansion, or necessary defense spending—which accounts for the Third World’s crisis.

### **The anti-human coalition**

The private zero-growth apparatus is enthusiastically following the U.N.’s lead. The day Draper released the UNDP report, a coalition of environmentalist, animal rights, feminist, and zero population growth fanatics convened in Washington to, as they put it, “launch one of the most ambitious cooperative efforts ever undertaken to bring public attention to the devastating impacts of overpopulation.”

More than 60 signers, including Paul “Population Bomb” Ehrlich, Linus Pauling, the Fund for the Feminist Majority, “Earth Day” founder Denis Hayes, Prince Philip’s World Wildlife Fund, People for the Ethical Treatment of Animals, and Zero Population Growth, endorsed a “Priority Statement on Population” which claimed that “the increase in population and in resource consumption are basic causes of human suffering and environmental degradation and must become major priorities for national and international action.”

One signer of the “Priority Statement,” the Draper family’s Population Crisis Committee, issued its own report in April, with a critique of AID’s population control programs. AID has done a wonderful job in bringing down population growth in the Third World, says the report; it just hasn’t gone far enough.

The PCC study seconds UNFPA’s demand for a big jump in funding for population reduction, and calls explicitly for overturning the so-called Mexico City policy. This has be-

come an important tactical goal for the neo-malthusians. Established during the Reagan administration, and prompted by China’s brutal “one-child-per-family” diktat, the policy prohibits U.S. funds from going to organizations that promote abortion abroad. This has especially affected UNFPA and the IPPF, both of which were heavily involved in China’s forced-abortion program.

For reasons of political expediency, Bush—who was such a staunch supporter of population control (see *EIR*, May 3, 1991) that he was known as “Rubbers” when he was a congressman—has continued the Mexico City policy.

This has not prevented him from promoting forms of population control, however. In a letter published in the May 24 *Washington Post*, James R. Kunder, deputy director of AID’s Office of External Affairs, wrote: “Of the \$4.1 billion allocated since the inception of the U.S. family planning program, 65% was spent while George Bush was President or vice president.”

The ZPG crowd wants to get rid of the Mexico City policy, so that U.S. tax dollars can once again start flowing into the coffers of the two most important population-control agencies now operating in the Third World, UNFPA and the IPPF.

On June 12, the U.S. House of Representatives voted up an amendment to the foreign aid bill which would effectively eliminate the aid restrictions. Although President Bush says he will veto the bill, several sources believe he may well then reverse his support for the Mexico City policy, citing, as his reason, the “new evidence” of the “population threat” so conveniently provided by Draper, the PCC, and others.

### **Coercion and the ‘final solution’**

While UNFPA and the rest of the zero-growth mob try to downplay this fact, coercion will play an integral role in reaching these targets, as it has throughout the history of population control. Rhetorical flourishes about “voluntary” family planning, and protecting human rights, are sheer hypocrisy.

Take the UNFPA and the PCC. Both have been consistent and vigorous promoters of China’s draconian population-control measures, even after the horror stories about infanticide, forced abortion in the ninth month of pregnancy, and other brutalities had been well established. In a 1989 television interview, UNFPA Executive Director Nafis Sadik insisted that “the implementation of the [birth control] policy [in China] and the acceptance of the policy is purely voluntary.”

In their recent reports, both UNFPA and the PCC cite China as a model to which all other Third World countries should aspire. Furthermore, the UNFPA study is ecstatic about the inroads sterilization has made in the Third World, especially in Panama and Puerto Rico, where 80% of child-bearing women could be sterilized in the near future. As *EIR*’s recent exposé of sterilization in Brazil shows, very few such operations performed in the Third World can truly be called voluntary.

## Zero growth lobby demands more genocide

*We excerpt here some of the most important recent statements from the zero population growthers.*

### To protect the environment, curb population

*From the "Priority Statement on Population." This call for a "new commitment" to population control, issued May 22 at a Washington press conference, was endorsed by over 100 groups and individuals, among them: Zero Population Growth, People for the Ethical Treatment of Animals, Environmental Defense Fund, Molly Yard of the National Organization for Women, former Energy Secretary John Sawhill, the World Wildlife Fund of Britain's Prince Philip, and Dr. Edward Wilson.*

Among the most important issues affecting the world's future is the rapid growth of human population. Together, the increase in population and in resource consumption are basic causes of human suffering and environmental degradation and must become major priorities for national and international action.

Because of its pervasive and detrimental impact on global ecological systems, population growth threatens to overwhelm any possible gains made in improving human conditions. Failure to curb the rate of world population growth will magnify the deterioration of the Earth's environment and natural resources and undermine economic and social progress. A humane, sustainable future depends on recognizing the common ground between population and the environment.

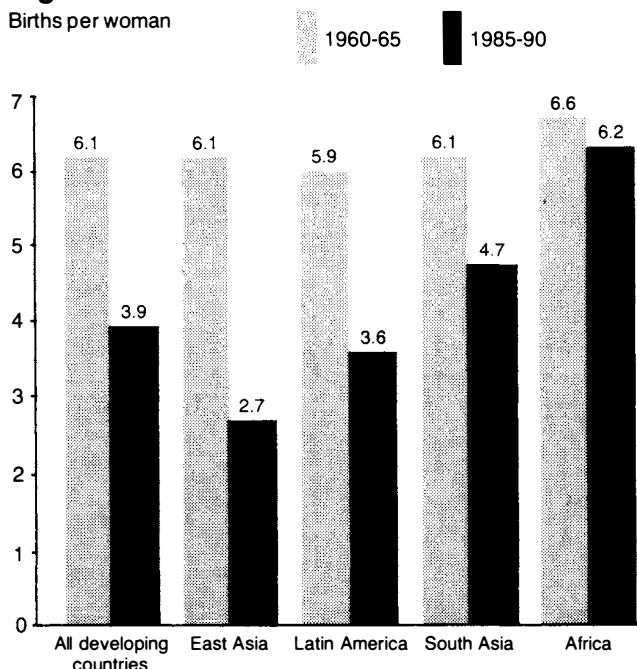
Current national and international efforts to address the world's rapidly expanding population are not sufficient. A new commitment to population programs . . . is urgently needed. The United States and all nations of the world must make an effective response to the issue of population growth a leading priority for this decade.

### Fertility declines, sterilization increases

*The following section is excerpted from "The State of World Population: 1991," which was issued by the United Nations Fund for Population Activities (UNFPA) in April.*

Targets in fertility and family planning for the next decade are

FIGURE 1  
Fertility trends in the developing world, by region



Source: UNFPA, United Nations 1990.

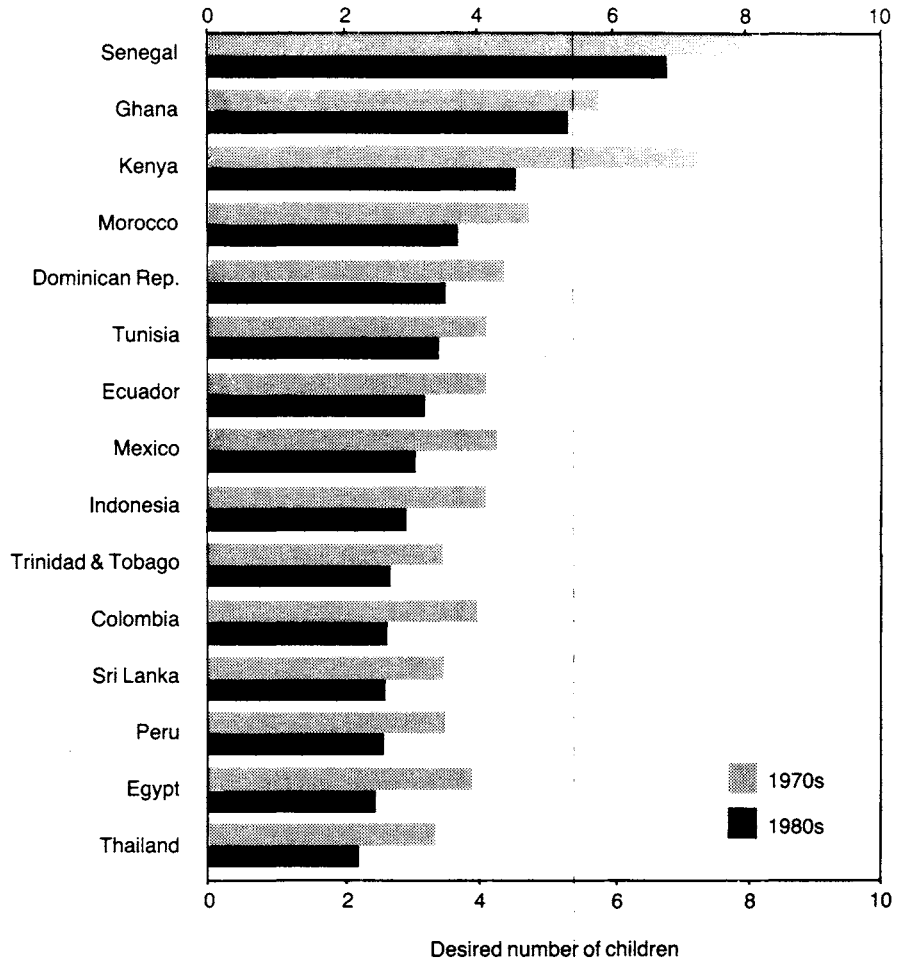
for the first time part of international development strategies. Reaching them will be critical. . . .

New population projections from the United Nations underscore the need for action. The "most likely" estimate for 2025 has been revised upwards by 38 million to 8.504 billion, a small but significant increase. . . . The world may well reach 10 billion by about 2050, and significant growth will continue for another hundred years after that. . . . For the foreseeable future, nearly all (95%) of this growth will be in developing countries. . . . Meanwhile, North American and European countries . . . have growth rates of less than 1%, and many are below 0.5%. . . .

The targets [for population reduction] for the year 2000 are realistic. They can be reached but only if modern, voluntary family planning services can be extended to about 1.5 billion people in developing countries in the next ten years. Success implies that more than 2 billion people will start planning their families or switch to more effective family planning methods during that time. In percentage terms, the target is modest—a move from 51% "contraceptive prevalence" today to 59% by the end of the century. Overall, however, the target implies that the number of couples using family planning will rise by 50%, from 381 million in 1991 to 567 million at the end of the century. It has profound implications for programs and policies in a decade of political



**FIGURE 2**  
**Desired family size is declining**



Source: UNFPA, Demographic and Health Surveys.

uncertainty and continued economic austerity in developing countries.

The overall cost of meeting the targets . . . will be about \$9 billion a year by the end of the century; double today's expenditures but far smaller than the cost of failure. The cost of providing education and health care from infancy to adulthood for a child in a developing country is much lower than in an industrialized country, but it is still significant: about \$7,000 in India. By that measure, averting 106 million births since 1979, as India's official calculations show, represents a savings of \$742 billion. The uncounted costs—to the environment, to development prospects generally—are much higher. . . .

There are signs of hope. . . . Overall, the voluntary use of contraception in developing countries has grown from 10% of couples in the 1960s to 51% today. . . .

It is estimated that enabling couples to make perfect choices in planning their families might make a difference of 2.2 billion in the population size of the developing world by the year 2100. The difference between effective family planning programs and no programs at all could be 4.6 billion people.

The most recent evidence shows that for the first time, fertility is declining in all major regions of the world. Even in high-fertility, low-contraceptive-prevalence areas such as South Asia and Africa, today's women are having fewer children compared with 1960-65 [Figures 1-3]. . . .

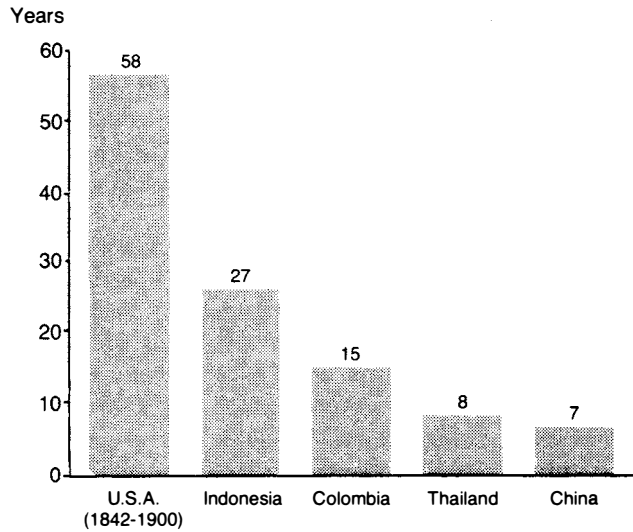
Family planning programs can claim much of the credit. Without them the 1990 population of the developing world would have been bigger by 412 million. China and India respectively claim 200 and 160 million "births averted." . . .

[But] several of the world's largest countries present the greatest challenges. For example, success in India has been limited despite long-standing programs. States such as Kerala and Tamil Nadu have achieved contraceptive prevalence rates of over 60%; but in the four large northern states of the country, where approximately 40% of the total population lives, progress has been much slower. If targets are to be reached, rates in these areas will have to increase from under 30% today to 40% by the year 2000. Another country with a long-standing program, Pakistan, currently has a contraceptive prevalence rate of only 10%. . . .

More couples [who use fertility controls] rely on sterilization than on any other method, not because it is necessarily

FIGURE 3

**Comparative speed of fertility decline**



Time taken (years) for fertility to decline from 6.5 to 3.5 in different countries. Source: UNFPA, Population Crisis Committee 1989.

the most popular, but because numbers have accumulated over many years.

The largest number of sterilization users—152 million—are in Asia and the Pacific. The method is also popular in Latin America and the Caribbean, where 35% of contraceptive users are sterilized. The proportion is expected to increase; a recent estimate is that on present trends, 80% of women in Puerto Rico and Panama will be sterilized before reaching the end of their reproductive years.

In Africa . . . sterilization is expected to be more widely used as the method becomes more widely available. A recently introduced program in Kenya has attracted women in numbers sufficient to review current assumptions.

It is expected that by the year 2000, the number of couples relying on sterilization will have increased to 254 million over the course of the decade; 151 million additional couples overall taking into account the couples presently covered who will have aged beyond their reproductive years or died or ceased to live together by the year 2000. . . .

Other methods thought likely to grow in importance during the decade include injectables and some of the more recently introduced methods. The demand for injectable contraceptives, though presently small, is growing rapidly and expected to increase by 71% to a total of 21 million users by the year 2000.

Although contraceptive implants [e.g., Norplant] are presently used by only a million women at the present time, the numbers are expected to increase to over 17 million over

the period as they become better known and available in more areas of the world. . . .

The media of mass communication—radio, television, video, films, newspapers, magazines, billboard and poster advertising—can all present family planning information and education effectively. . . . In Ibadan, Nigeria, almost one in four new clients at family planning clinics cited TV shows that broadcast clinic addresses as their source of referral. In Manila, 25% of 600 people, aged between 15 and 25, said that they had sought family planning information after seeing two music videos, produced as part of a campaign to promote sexual responsibility among adolescents in the Manila area.

Perhaps part of the reason for the greater impact of the mass media is that the reach of TV and video is expanding fast. There is now one TV for every 12 people in the developing world. . . .

A number of studies on the use of television in family planning communications campaigns have shown that under the right circumstances, mass media communication can influence behavior as well as providing information and raising awareness.

Research at the Pro-Pater male health clinics in three Brazilian cities, to establish the impact on services of a mass media vasectomy campaign, revealed:

- an 80% increase in the average number of vasectomies performed monthly;
- a 97% increase in the number of new clients visiting the clinics;
- a 174% increase in the number of telephone inquiries about vasectomy.

**Target: Africa**

*On May 22, United Nations Development Program Administrator William Draper III unveiled a new UNDP study entitled the "Human Development Report 1991." The following excerpts are taken from the speech Draper gave to Washington's National Press Club describing the new report's principal points:*

I am pleased and proud this afternoon to present what I feel is an important contribution to the development debate and to the very future of our global society: the 1991 edition of the Human Development Report. . . .

Every day, a quarter of a million people are added to the planet. Over 90% are born in the developing countries. Between now and the year 2000, world population is expected to grow by more than a billion people—the size of present-day China. Yet the world cannot adequately care for those who are here today. . . . The developing world is becoming a powder keg ready to explode.

The problem . . . is most acute in Africa. While the incomes of the majority of the world's poor rose in the 1980s, they fell by nearly 20% in Africa. Social services have stag-

nated or declined. Only one in five children born in Africa today receives adequate nutrition to lead a healthy, productive life. Yet by the time that child is 23, Africa's population will have doubled. By the time he or she is 45, the population will have quadrupled. Poverty, says the economic commission for Africa, will reach "unimaginable dimensions."

Can something be done? The "Human Development Report" says that it can. The thrust of the report is that the lack of political will—not financial resources—is the real cause behind human neglect. If priorities were shifted—in both the developed and the developing world—the money to provide basic services for all could be found.

What is also needed is a total rethinking of the way we define and measure progress. Income is not the sum total of the human experience. It is a means by which people can widen their range of choices. Economic growth is necessary for human development. But it is a means, not an end in itself.

The crux of the "Human Development Report" is the Human Development Index. The new index replaces the traditional yardstick of per capita GNP as a measure of national progress. The index gives as much weight to life expectancy and to education as it does to basic purchasing power. . . .

We have also taken a long, hard look at the spending patterns of countries around the world. In Angola, Chad, Pakistan, Peru, Syria, Uganda, and Zaire, for example, spending on arms is at least double the amount spent on health and education together. In Iraq, military spending is seven times greater than the amount spent on health and education.

Over the last 30 years, in fact, military expenditures in the developing countries have grown by 7.5% per year—jumping from \$24 billion in 1960 to around \$200 billion today.

The report points out that a mere freeze in defense spending by the developing countries could free at least \$15 billion a year for the most urgent human needs. Another \$35 billion could be saved by mustering the political will to sell off inefficient public enterprises, halt extravagant prestige projects, and crack down on rampant corruption.

Currently, spending on priority human needs accounts for less than one-tenth of the total public spending in the developing countries. This means that only 10% of government budgets go toward basic education and primary health care, clean water, family planning, food subsidies and social security.

As the report points out, government priorities vary substantially from country to country. . . . Brazil has twice the per capita income of Jamaica, but a Brazilian child's chances of dying before the age of five are four times greater. . . .

A lot depends on where governments choose to direct their efforts. It is my contention that governments should focus on those areas where they can do the most good. Areas like primary education, preventive health care, and family planning—the foundations of human development. This is

where government is most productive. Not in mining, shipping, and building steel mills and cement factories. This should be left to the private sector. . . .

We will need a shift in thinking—about how we want to progress, and where we, as a planet, are headed.

You will recall that in the first days after the start of the war with Iraq, President Bush referred to the decisive action taken by the United Nations as "an opportunity to forge for ourselves and for future generations a 'new world order,' a world where rule of law, not the law of the jungle, governs the conduct of nations."

What I would like to propose here today is that this "new world order" embrace not only international law, but a global commitment to building more caring societies. Societies in which the alleviation of poverty and disease is given greater priority than the buildup of arms. Societies in which the preservation of nature is regarded with as much urgency as the preservation of accustomed lifestyles. Because, over the long term, it is human deprivation and environmental neglect that will undermine any efforts toward a better world.

As initial targets, I propose that we aim for universal primary education and health care, access to family planning, safe water for all and the elimination of malnutrition. . . .

### **AID's approach called 'too narrow'**

*The Population Crisis Committee, one of the premier population control organizations, issued a critique of the U.S. Agency for International Development (AID) in April 1991 under the title "U.S. Population Assistance: Issues for the 1990s." The excerpts below come from the report's executive summary:*

Over the years, AID has provided over \$4 billion in population aid and has developed a large, sophisticated, and highly successful population assistance program. From about one-third to one-half of AID's population assistance has been provided directly to about 40 developing countries for projects managed by AID field missions. . . . The results of combined efforts by national governments, AID and other donors over the past 25 years are impressive; family planning programs are now institutionalized in the developing world outside of China use modern contraception, and average family size is falling rapidly in many countries.

Despite the unprecedented, rapid decline in fertility over the past 25 years, the 1990s pose new demographic challenges to the global community. The coming decade represents the last opportunity to avoid another doubling of the world's population before its projected stabilization at the end of the twenty-first century or early in the twenty-second century. The number of couples who need family planning will increase by about 75% over the next decade. Concerted action on the part of both the industrialized and developing countries and a massive infusion of resources will be re-

quired to address the magnitude of these needs. . . .

Meeting this demand and avoiding another doubling of the world's population will require that annual expenditures on family planning in developing countries rise from the current \$3-\$4 billion to over \$10 billion by the year 2000.

Renewed and vigorous leadership by the President and Congress is required immediately on the population issue. . . . The population program needs a substantially increased budget, combined with a more demographically appropriate allocation of resources. . . . Funding should be substantially increased for virtually all of AID's country level population programs. . . . Greatly increased resources are needed to expand assistance to demographically important countries, such as India, to help significantly a much larger number of countries, and to finance proven innovative approaches on a scale sufficient for rapid demographic change.

A high priority should be to resume adequate financial support to the United Nations Population Fund and the International Planned Parenthood Federation. . . .

AID's focus on family planning services has been both appropriate and effective. But the approach has been too narrow. For largely political reasons, AID has backed away from supporting injectable contraceptives, safe abortion . . . and adolescent and sexuality educational programs, all of which are important elements of a comprehensive approach to fertility control. . . .

AID should also support a broader spectrum of fertility control methods and programs, including safe abortion services and related research and training. However, before AID can adopt a more rational policy vis-à-vis abortion, Congress must repeal the Helms Amendment and overturn the Mexico City Policy; at a very minimum, the U.S. government should not penalize other donor countries, developing country governments or private groups for support to abortion activities.

### **Call for more funding for population control**

*The following excerpt is taken from "Partnership for Sustainable Development: A New U.S. Agenda and Environmental Security." Published in May 1991, this report is the handiwork of a Task Force on International Development and Environmental Security sponsored by the Environmental and Energy Study Institute. The ESSI describes itself as the "only independent organization established by congressional leaders to produce better informed congressional debate and credible, innovative policies for environmentally sustainable development."*

*The task force which produced this report was chaired by James Gustave Speth, chairman of the Council on Environmental Quality in the Carter administration and now president of the World Resources Institute.*

America's future is linked inextricably with the future of the developing countries. With nearly four-fifths of the world's

people and one-sixth of the world's economic output, the developing world has a major impact on our economy, our environment, and our security. . . .

Action in the 1990s could determine whether the world will eventually face a human population that has doubled or one that has tripled. . . .

Recent studies indicate that, if quality family planning services were available, about 75% of reproductive-age couples in most countries would use them, compared to about 50% today. . . . Increases in adolescent pregnancy and the spread of sexually transmitted diseases compound the need to meet demand for contraceptive information and services.

Widespread access to family planning services is essential to achieving a two-child family average, or "replacement-level fertility," and population stabilization. . . . Achieving replacement-level fertility by 2015 would result in the stabilization of the world population at about 9.3 billion in about 2095. . . .

Huge numbers of couples are now entering reproductive age, and the need for family planning services to accommodate them will increase.

Congress took an important step toward restoring AID's capacity to support developing country family planning needs by appropriating \$250 million for the population account in FY 1991, along with \$80 million for population in AID's fund for Africa. Even so, these increases are not keeping pace with the increased demand for family planning. . . .

The United Nations Fund for Population Activities (UNFPA) estimates that getting family planning to 75% of all people in developing countries in the year 2000 would cost between \$9 billion and \$11 billion annually. Developing country consumers and their governments can be expected to meet about half of these expanded costs, but the remainder will have to be met through development assistance.

Using increased funding and other means, the United States should support the goal of stabilizing world population in the next century through meeting the worldwide demand for family planning services. This should be accomplished by expanding the availability of quality family planning and reproductive health services and extending these services to countries not now reached by U.S. support.

The United States should plan now to increase its AID funding for global population and family planning to approximately \$1.2 billion annually by the end of the decade. This level represents the U.S. share of the estimated funding needed to reach the year 2000 goal of getting family planning services to 75% of developing world families. The U.S. contribution is based on the U.S. share of total industrial country GNP. To ensure the achievement of this goal, U.S. spending on population and family planning should increase from its current level of \$330 million to at least \$500 million annually within the next two years.

# The racist demographics behind Bush's new world order

by Hassan Ahmed and Joseph Brewda

In 1988, the Reagan-Bush administration released a military strategy document which defines Third World population growth as a threat to U.S. national security and expresses the hope that the spread of AIDS may be a possible remedy. "If the number of infected increased to 20% of the world's population," the document states, "the delayed deaths could begin to cancel global population growth."

Although the section of the document which deals with this supposed demographic threat is still classified, a summary of its contents appeared in the spring 1989 issue of the *Washington Quarterly*, the organ of the Washington, D.C.-based Center for Strategic and International Studies (CSIS), under the title "Global Demographic Trends to the Year 2010: Implications for U.S. Security."

The authors of the overall study, entitled "Discriminate Deterrence," are former Reagan-Bush officials Fred Iklé and Albert Wohlstetter. Both are followers of the Kissinger school of diplomacy, which guided the second Reagan administration in particular, and still guides the Bush regime. The demographic arguments of the document, not surprisingly, originate in a series of National Security Council (NSC) memoranda authored by Henry Kissinger and Brent Scowcroft in 1974-77, which demand that "draconian measures" be taken to stop Third World population growth.

The special working group which drafted the demographic section of the report was led by Gregory D. Foster, a professor of sociology at the U.S. Defense Intelligence Agency's National Defense University, and Ambassador Marshall Green, who ran NSC population policy under Kissinger and Scowcroft. Another member of the group, Abdel R. Omran of Johns Hopkins University, received a grant from the State Department's Agency for International Development (AID) in 1989 to write an Islamic religious primer which claimed that, contrary to the general belief among Muslims, Islam is doctrinally bound to advocate birth control and abortion. This special working group was attached to the Pentagon.

## Defending the 'Great White Race'

In their CSIS summary, authors Foster et al. report that they had found that, despite population control measures,

"the absolute size of the world's population will continue to grow dramatically." Their security concern, the authors state, is that "93% of the growth between now [1989] and then [2010] will be in the less developed countries." Whereas LDCs represent slightly less than 76% of current world population (9% higher than in 1950), the authors find, "fully 81% of the population two decades from now will reside in the Third World. . . . Generally speaking, demographic developments promise to have a material effect on the general complexion of the world over the next two decades."

In his 1974 memorandum, "Implications of Worldwide Population Growth for U.S. Security and Overseas Interests," Kissinger listed 13 Third World countries which required special U.S. targeting because of such concerns. These countries—India, Bangladesh, Pakistan, Nigeria, Mexico, Indonesia, Brazil, the Philippines, Thailand, Egypt, Turkey, Ethiopia, and Colombia—have continued as top targets of the Reagan and Bush administrations.

The Philippines, for example, which more than doubled its population in the last 25 years, reaching 61.5 million in 1988, "is projected to be almost 107 million by 2010." Indonesia "will add 100 million people between 1988 and 2020."

Mexico and Brazil are still increasing their populations, Foster et al. find, despite the fact that the U.S. AID sterilized 44% of Brazil's women since the 1960s. "By the end of the century," the report laments, "Brazil's population should approach 180 million; Mexico's 110 million." "Whereas in 1950," the report adds, "the U.S. population almost equaled that of all of Latin America . . . by the end of the century Latin America will have twice as many people as the United States."

The report expresses particular concern about Nigeria. "By 2035," it states, "Nigeria is expected to surpass both the United States and the Soviet Union to become the third largest country in the world."

For the authors, the rise of population in the Third World has immediate military implications. "One of the most important issues in the years ahead will be the extent to which demographic developments are likely to affect the size and composition of military establishments around the world."

Further, “declining fertility rates will make it increasingly difficult for the United States and its NATO allies and the Soviet Union and its Warsaw Pact allies alike to maintain military forces at current levels.” This, the authors note, is in contrast to the non-white populations of the world, where “exceptionally high birth rates . . . could lead to expanded military establishments in affected countries.”

The authors worry that Third World “military establishments may have a built-in momentum to capitalize on unused manpower for purposes of both internal and external security.” They warn that this might “produce shifts in the international balance of power.”

### **Advanced sector decline seems irreversible**

This perceived problem is exacerbated by the relative decline in population of the countries of the northern hemisphere. “Today the United States is the fourth most populous country in the world.” This cannot last. The U.S. population, as a percentage of the total world population, has “declined from 6% in 1950 to 5% in 1988 and will drop to 4% by 2010.”

Although immigration might “account for one fifth or more of U.S. population growth in future years,” the study notes, these immigrants will increasingly be non-white. Moreover, these non-white immigrants, like indigenous racial minorities, will outbreed white Americans.

“Hispanic persons could account for between 20 to 54% of U.S. population growth over the next 25 years,” through such immigration, the authors report. “In 1985 persons of Spanish origin represented about 7% of the [U.S.] population,” and “this figure is likely to increase to 11% by 2010.” But that is not the only concern of the authors: Blacks and Asian Americans are also rapidly increasing as percentage of the U.S. population. “By 2010, white non-Hispanic persons will represent 68-73% of the population, compared with 78% in 1985.”

The authors report that the Soviet Union faces similar demographic “problems.” Whereas the Soviet Union had accounted for 7.2% of the world’s population in 1950, it will only account for 4.8% by 2010. And, as in the United States, there will be a relatively greater increase in non-white nationals.

“By 2010 the U.S.S.R. will be a completely different country due to ethnic reconfiguration,” the study finds. “Although Russians will remain the dominant nationality, low fertility and a relatively high death rate will reduce their share of total population from 52% in 1979 to a projected 47% in 2000 to a mere 32% in 2050.” Among these “ominous” demographic trends, the authors claim, is that “in 1970, 19% of potential draftees came from Muslim republics; by 2000 their share is projected to be 33%.” This will “strain the Soviet system increasingly.”

Within Western Europe, a similar process holds. “By 2025 four important Western European states now among

the 16 most populous nations in the world—West Germany, Italy, the United Kingdom, and France—will plummet in ranking,” the study finds. “France is expected to rank 25th by that time; the others will rank yet lower.”

Yet as white Europe declines, brown Europe—that is Turkey—a member of NATO—will increase its population, and consequently its relative military weight. By 2025, the report states, Turkey’s population will have increased by 54%. The white German population, by contrast, will absolutely decline in the same period. The authors state that “NATO authorities” will have to face the troublesome question as to whether an expanded role for Turkish troops within NATO is “feasible” or “viable.”

### **The ‘solution’: AIDS**

Like Lord Bertrand Russell, who looked to epidemics as a means to keep the “colored” races down, the authors of the report look to disease, particularly AIDS, as a remedy. “AIDS, which is so prevalent in East and Central Africa, is the greatest unknown that could invalidate any population projections for the region,” and for the Third World as a whole.

In the concluding section of the study, entitled “Confronting the Challenge” the authors state: “The World Health Organization estimates that 5-10 million people are infected with the virus worldwide, a count that could reach as high as 100 million by 1991. Some analysts argue that if 100 million people were infected, total deaths from AIDS in the 1990s could be 50 million. The number of infected then could double several more times after that and wipe out some countries in 10 to 20 years. If the number of infected increased to 20% of the world’s population, the delayed deaths could begin to cancel global population growth.”

### **‘More bang for the buck’**

“Already,” the study adds, “the United States has embarked on an era of constrained resources. It thus becomes more important than ever to do those things that will provide more bang for every buck spent on national security. To claim that decreased defense spending must lead to strategic debilitation is fatuous. Rather, policymakers must anticipate events and conditions before they occur. They must employ all the instruments of statecraft at their disposal, development assistance and population planning every bit as much as new weapons systems.”

In an interview with *EIR* in February 1990, Fred Iklé confirmed that the military strategy report’s findings had been adopted by the Bush administration. When asked whether the December 1989 invasion of Panama was the sort of war that the report had envisioned, Iklé responded: “Yes. The question of the need to prepare for war in the Third World was elaborated in follow-on reports to ‘Discriminate Deterrence’ that were prepared by the same team. Panama is an example of what we were talking about.”



# U.N., World Bank used Maoist China as genocide model

by Michael O. Billington

Nations throughout the world have responded with anger at the revelations contained in the recently declassified 1974-77 documents revealing that U.S. policy was to impose “draconian measures” to reduce Third World populations, and that population growth among these nations was viewed as a threat to U.S. national security. Formal government investigations are under way in Brazil into the role of Kissinger and then CIA chief George Bush in the mass sterilization of Brazilians as part of this policy.

The description of the “model program” proposed in those documents would appear to the average reader to demand a police state beyond even the scope of Nazi Germany. In fact, however, the model they were referring to was a current one, and had been tested and found to be exactly what was wanted for worldwide imposition. That model was Communist China, then undergoing the last murderous phase of the dark-age madness known as the Great Proletarian Cultural Revolution. I shall demonstrate here the explicit, conscious nature of the implementation of this policy by the U.S.-dominated United Nations and World Bank, and describe in their own words the economic and moral outlook of these advocates of genocide.

First, I quote the section of the NSC documents that describes the ideal program for a targeted nation (from the First Annual Report on U.S. International Population Policy, prepared by the National Security Council under Henry Kissinger, May 1976): “1) strong direction from the top; 2) developing community or ‘peer’ pressures from below, and 3) providing adequate low-cost health-family planning services to get to the people. With regard to 1), population programs have been particularly successful where leaders have made their positions clear, unequivocal, and public, while maintaining discipline down the line from national to village levels, marshaling government workers (including police and military), doctors, and motivators to see that population policies are well administered and executed. Such direction is the *sine qua non* of an effective program. In some cases, strong direction has involved incentives such as payments to acceptors for sterilizations, or disincentives such as

giving low priorities in the allocation of housing and schooling to larger families.”

## The China population policy

This gruesome description, with images of police and “blockwatchers” forcing sterilizations and depriving families of homes and schooling for the “crime” of having children, was a virtual textbook copy of the Chinese program under Mao Zedong. In 1969, as the Red Guards were wreaking havoc across the land, the government enacted a birth limitation policy that was to be “carried out firmly.” Family size was limited to two children, with strict penalties in housing, food rations, job access, etc. for families that refused to comply. The infamous “barefoot doctors” were created to enforce the policy. While the romantic image of the barefoot doctor was the selfless cadre taking health care to the impoverished countryside, in fact these youth were given a brief course on first aid and instructions on abortions and sterilization, loaded up with birth control devices, and sent out. About 1.5 million youths, averaging 19 years old, many of them working people or students whose factories and schools had been shut down in the chaos of the Cultural Revolution, were assigned to this project.

The 1977 Report of the Draper World Population Fund (one of the leading organizations in creating the later U.N. and World Bank policies) describes how the barefoot doctors and Communist Party cadre used “the psychological mechanism of group dynamics” to “unfreeze many traditional norms.” The world is now replete with documentation on how these “group dynamic” brainwashing techniques were used during the Cultural Revolution to extract confessions, abortions, sterilizations, condemnations of one’s parents, and anything else desired by the demented regime. The Draper Report points to the “success” of the commune system and the associated food policy: Each commune was allotted food according to the prescribed number of people. Births over the limit were simply not counted in the food rationing. Says the Draper Report: “In the context where the rural villages have been denied the option of rural-to-urban migration as a way of siphoning off surplus manpower, this economic consideration tends to impel the rural community leadership to internalize the cost of excessive, or unplanned, population growth.”

The Kissinger team at the NSC that created the U.S. policy documents was well briefed on these aspects of Chinese policy. Kissinger had “opened up” China in 1971, and Bush was U.S. ambassador to the U.N. and one of the first U.S. envoys to China before taking over at CIA in 1975.

## The United Nations and World Bank take over

The crucial aspect of the China policy as viewed by the Anglo-American elite was not cutting the population growth rate per se, but achieving this *without raising the standard of living above that of a poor Third World nation*. The prob-

lem that faced the West's financial oligarchy was expressed in the 1984 World Development Report of the World Bank, in reviewing the population policies of the 1970s: "It was once assumed that reducing fertility in developing countries would require a typical sequence of economic advances: urbanization, industrialization, a shift in production in the household to factory production, and incomes rising to the level enjoyed by today's developed countries." This view, the report goes on, was "confirmed by fertility declines in the 1960s, which were largely confined to the industrializing economies of Korea, Singapore, and Hong Kong." But to the World Bank's glee, China's policy and others modeled on it in the 1970s showed that population growth rate declines could be decoupled from GNP per capita.

This in turn meant that the entire concept of developing the Third World could be scrapped—all that was needed was to impose Maoist policies! In the words of Stanley P. Johnson, a leading figure in both U.N. and U.S. population programs, entrusted with the writing of their history in his 1987 book *World Population and the United Nations*: "The Chinese case seemed to illustrate that the 'uncoupling' of fertility and income was possible. . . . The lesson to be learned was, not that it was unnecessary to pursue development at the same time as population planning; rather it was that *certain kinds of development* would have a bigger impact on fertility control than other kinds."

He then quotes Cornell professor Norman Uphoff from 1977: Reduced fertility has now been achieved "at per capita income levels of \$150, \$200, or \$300 (per year) in conjunction with strategies of development that stressed not so much the expansion of a modern industrial sector starting out with advanced technology, but rather the development of agriculture in the rural areas, using throughout most of the economy production techniques that are appropriate to the existing factor endowments, particularly their abundant labor." This concept of "appropriate technology" became the common slogan of those whose intent was to stop the emergence of strong modern nations in the Third World, justifying their forced containment in the backwardness of the colonial past.

This notion of "appropriate technology" has now progressed to the concept of "technological apartheid," as the Bush new world order demands that Third World access to modern technology be forcibly prevented under the racist argument that non-white nations cannot be trusted with such technologies.

### Do it Mao's way

Bush family friend William Draper, Jr. in 1971 said: "Eventually, the whole earth and its resources being finite, the human race *must* limit its growth to zero, and adopt for the whole world Chairman Mao's concept for China of a stable replacement-only population." This notion of finite resources presupposes that there will be no technological transformations, since such transformations (like the devel-

opment of fusion power) redefine and vastly expand what we call "resources." It is a *commitment to zero technological growth* that is at the root of this desire to impose Maoism worldwide.

Another area in which the genocide merchants of the West agree with the Maoists is their hatred of the Vatican. Maintaining ties to the Vatican is outlawed in the People's Republic of China, and many are now in jail for this crime. Stanley Johnson, after Pope Paul VI's 1968 encyclical *Humanae Vitae* upholding the sanctity of life against the population controllers, raved in his book *Life Without Birth*: "If any single human being is to be brought to the bar of history for crimes against humanity in this last third of the twentieth century, it must be Pope Paul VI—for he has consigned countless millions to misery and anguish, mental and material."

A Draper report from 1975 goes further, describing a Philippine program ("where Catholic influence reigns supreme") which used these words of Christ from the Bible: "For behold! The days are coming when they will say, 'Blessed are the barren, and the wombs that never bore, and the breasts that never gave suck!'" (Luke 23:29) This verse "echoed throughout the chapels" in the Philippines in support of a mass sterilization project funded by U.S. and U.N. agencies which carried out thousands of sterilizations across the Philippines Islands. It is unquestionable that those responsible knew that the verse is not a blessing from Christ, but a warning to those who wept as He was led to the Crucifixion, to combat the emerging satanic evil: "Daughters of Jerusalem, weep not for me, but weep for yourselves, and for your children. For behold! The days are coming when they will say, 'Blessed are the barren, and the wombs that never bore, and the breasts that never gave suck! . . . For if they do these things in a green tree, what shall be done in the dry?'"

The development of a population policy in China based on the hatred of human beings, both the born and the yet to be born, can be traced back at least to the influence of Bertrand Russell, who spent time in China in the 1920s during the formative years of the Communist Party. Russell argued that war had been "disappointing" in reducing world population, but that "if a Black Death could spread throughout the world once in every generation, survivors could procreate freely without making the world too full. The state of affairs might be unpleasant, but what of it?" The British aristocracy's programs have varied over time, but policy outlook is the same. Stanley Johnson, the British population expert quoted above, was incensed that China's forced abortion and sterilization policies were under attack from various quarters, and insisted that the U.N. must keep support for the Chinese program even though China had "determined to implement certain population policies which another member state found to be distasteful. . . . The Chinese way of birth control might not be to everyone's liking, but that is neither here nor there."

# Helmut Kohl warns of new Mideast wars

by Joseph Brewda

German Chancellor Helmut Kohl used unprecedentedly harsh words criticizing the present Israeli policy in a background briefing to a session of the Christian Democratic parliamentary group on foreign policy in Bonn, on June 14.

According to the *Frankfurter Allgemeine Zeitung* of June 15, Kohl said that Israel is expecting 1 million immigrants from the Soviet Union and Eastern Europe in the next three years, and that the Israeli government sent him a letter with a request for German aid. Kohl declared that he is not willing to give aid to an area where a war is definitely pre-programmed. He'd rather support a "mini-Marshall Plan" for Israel, but this needs the premise of peace. So far, however, Israel has always prevented a European initiative in the Middle East. This, Kohl said, he considers to be a political folly.

An Israeli invasion of Lebanon to wipe out the Palestine Liberation Organization (PLO) is an option being seriously considered in Washington and London these days as the next phase of "Operation Desert Storm." Ever since they created Israel following World War II, the U.S. and British governments have dominated the Mideast through keeping it in a state of near-war, or at war.

In mid-June, the United States, according to accounts in the U.S. press, directly threatened Lebanon that it had until the end of June to disarm the PLO militias. The targeting of Palestinians is also evident in Kuwait, which is, after all, under U.S. military occupation: Palestinians are being railroaded to cruel punishments in daily show-trials, for alleged collaboration with the Iraqis.

## Setting up an Israeli-Syrian conflict

Since the Feb. 28 cease-fire with Iraq, the U.S., British, and Israeli media began condemning their erstwhile ally, Syrian President Hafez Assad, as the "new Hitler" of the region, with accompanying attacks on Syria's military build-

up. This was the same technique used against Saddam Hussein and Iraq, in order to prepare for the Gulf war, a year before. The propaganda escalated following the signing of a Syrian-Lebanese friendship treaty in May, which all but formalized Syria's annexation of Lebanon. U.S. support for the annexation was one of Syria's conditions for joining with the Anglo-Americans in the Gulf war.

On June 4 and 5, Israeli jets bombed at least three Palestinian camps in southern Lebanon, killing at least 20 people. These events, and the massing of Israeli troops on the border, led PLO chairman Yasser Arafat to warn, in an interview with *AlHayah* newspaper published the next day, that a large-scale Israeli military operation into Lebanon might soon be at hand. "It is possible that the Israelis intend to reach the al-Awwali river," Arafat said, "in order to undermine the talks and efforts for peace in the region," and also in response to the recent treaty.

Speaking to the Israeli Knesset, or parliament, on June 5, Israeli Defense Minister Moshe Arens commented on the raids, and, in allusion to the Lebanese-Syrian treaty, said, "We believe it is important that Lebanon should again be a free and sovereign state . . . we hope that the process of Syria's takeover of Lebanon will eventually be halted."

A June 6 article in the Israeli daily *Hadashot* elaborated on Arens's statements. "An aerial bombardment is one of the acceptable languages in Lebanon," the paper said, and the bombardment was a "clear signal" to Syria. Syria has only three options to respond, it said.

The first option is "to make a lot of noise at the U.N. and in Arab capitals," which would not do much. The second option is to ask Lebanese President Elias al Hrawi (a Syrian puppet) to invite the Syrian army into southern Lebanon on the basis of the recently signed treaty. "Such a step could lead to direct military friction between Syria and Israel in Lebanon," the paper threatened. The third option is for Syria

to “implement the clause in the treaty with Lebanon calling for the disarmament of the PLO militias concentrated in southern Lebanon.”

From the point of view of the U.S. and British governments, an Israeli invasion of Lebanon, possibly as early as this July, could serve the following functions. It could wipe out the PLO militias in Lebanon, caught in the crossfire of the two hostile armies of Syria and Israel. These PLO militias are the only regular PLO military units remaining in the region.

The war could also serve as an alibi for the failure of the Bush administration’s supposedly sincere effort to achieve an Arab-Israeli peace. Despite four trips to the region since the Gulf war by U.S. Secretary of State James Baker, the U.S. has no desire to secure a resolution of the Palestinian issue, and U.S. posturing on the issue is largely intended to lull the Arabs, who increasingly realize that the Gulf war was hardly to their advantage. Since there is a widespread delusion among Arabs that the U.S. cannot control Israel, and even that the Zionist lobby controls the U.S., a Lebanese adventure by a “defiant” Israel, destroying the possibility of any near-term settlement, would let Bush off the hook.

A limited Syrian-Israeli war is another option. If the Anglo-Americans want to strengthen the Israeli-Syrian axis—the two countries have secretly collaborated for years—a limited war would first be necessary to give Assad the cover he needs in the Arab world to negotiate a comprehensive peace settlement with his secret allies.

### **A new Iran-Iraq war?**

One indication that the Anglo-Americans are preparing a new division of the region is their insistence that U.N. sanctions against Iraq continue, despite the widely reported onset of epidemics of cholera and typhoid fever, in addition to famine. This genocide will tend to shatter the Iraqi state, allowing Iran’s reemergence as a dominant power in the Arabian peninsula for the first time in centuries. Although the U.N. sanctions committee voted to let member countries unfreeze Iraqi funds to buy food if they wished, the U.S. and Britain, which hold most of these assets, have refused to do so. As long as the U.N. sanctions continue, especially the restrictions on the export of food and medicine, millions of Iraqi lives are at risk.

Even before the U.S.-led land war started with Iraq, the Iranian government infiltrated thousands of its cadre into Iraq, in coordination with the U.S. and Israel. The resulting “civil war,” led by these Iranian units against the Iraqi military, ensured the increased destruction of Iraq. Since then, U.S. and Iranian propaganda outlets have repeatedly denounced the Iraqi government’s supposed repression of the Shiite-dominated population of the south.

This propaganda was revived in the middle of June when the Iranian government issued a diplomatic note to the U.N. Security Council calling for “immediate measures” to protect

hundreds of thousands of southern Iraqi Shiites supposedly threatened with an Iraqi military offensive. Tehran claimed that some 100,000 Iraqi troops were readying an offensive, and that some bombing of the region has already begun. U.N. Secretary General Javier Pérez de Cuellar told the press in Geneva on June 12 that he was studying the Iranian note, and was “worried.”

The German foreign ministry reported on June 12 that it had also been provided reports of “unimaginable cruelty” against Iraqi Shiites. The reports came from an Iranian-based Iraqi Shiite delegation that met with German officials earlier that week. German Foreign Minister Hans-Dietrich Genscher had earlier sponsored the European Community resolution that called for putting Saddam Hussein before a war-crimes tribunal, as a favor to the Anglo-Americans.

Also on June 12, Austrian President Kurt Waldheim gave a joint press conference with Iranian President Rafsanjani in Tehran, on the first visit by a Western head of state since the 1979 revolution. Rafsanjani ranted that the Iraqis were planning to “massacre the people,” and called for the U.N. to intervene. According to the Iranian news agency, Waldheim, a former U.N. secretary general, stated that “it is the duty of the international community and the Security Council to solve the issue.”

According to one scenario put out in Europe, a limited Iran-Iraq war, triggered by the suppression, would be followed by U.N. Security Council sponsorship of an Iranian-dominated “Shiite enclave” in southern Iraq similar to that created in northern Iraq allegedly to protect the Kurds. This scenario is intended to lead to the destruction of Iraq as a functioning nation, and its de facto division into the northern, central, and southern regions that existed prior to Iraq’s existence, when the Ottoman Turkish empire maintained sovereignty over the Arabian peninsula.

To prepare this scenario, or in any case to keep the pressure up against Iraq, U.S. and British government media outlets have begun to talk again about Iraq’s nuclear bomb. According to the tale, an Iraqi nuclear scientist defected to the U.S. in June, and announced that Iraq is hiding enriched uranium in secret bunkers in northern Iraq that were untouched by the war. Actually, over recent weeks, U.S. forces have fanned out over practically every square inch of the region where that material is supposedly hidden.

The charges first emerged publicly on June 11, in a front-page article in the *Washington Times*, a paper frequently used as a CIA mouthpiece. Two days later, the charges were repeated in the London *Financial Times*, which serves the same function for British intelligence.

In an interview with the *Financial Times* on June 14, Sen. John McCain (R-Az.) said that the report raised “very serious concerns. We already know that the Iraqis have cheated on inspections, and we now must insist on a new and thorough inspection. If this is not possible we will have to explore other options, including military options.”

# The Colombian government illegally dissolves Congress

On June 8, 1991, the Colombian National Congress was illegally dissolved by a joint act of President César Gaviria Trujillo, former President and power-broker Alfonso López Michelsen, and the three co-presidents of the narco-terrorist-dominated National Constituent Assembly. The act was in blatant violation of Colombia's *magna carta*, constituting a coup d'état against the national institutions of that country. The de facto assumption of full legislative powers by President Gaviria and a coterie of "advisers" from the Constituent Assembly, has effectively swept aside the old political elite of Colombia, and established in its place a new one composed of guerrillas, drug-runners, and their political allies from within the "old guard," such as ex-President López Michelsen.

The irony of this illegal coup is that it has been carried out in the name of "democracy," and on behalf of "democratic reforms" demanded and promoted by the Bush administration, for Colombia and all of Ibero-America. Under the banner of democracy, Bush is insisting on the destruction of all of the institutions standing in the way of his new world order, especially the armed forces, the Catholic Church, and the national congresses across Ibero-America. Bush's "democracy" campaign has thus initiated a process which, if unchecked, will lead to the establishment of narco-terrorist dictatorships across Ibero-America, and eventual civil wars. Such developments, and the Bush policy behind them, constitute a security threat to the entire Western Hemisphere.

The direct roots of the illegal dissolution of the Congress in Colombia go back to 1984. On April 30 of that year, Colombia's Medellín-based cocaine cartel ordered the assassination of its leading foe, Justice Minister Rodrigo Lara Bonilla, who was dedicated to the capture and extradition of the cartel leaders and to the dismantling of their political power base in the country. One week later, on May 6, 1984, former President Alfonso López Michelsen secretly met with the leaders of the cartel in Panama, where he discussed the possibility of their political amnesty. When the fact of the meeting was revealed, López went public in a July 29 interview with a full-scale attack on the very concept of morality in politics, and called for a thorough "reform" of Colombian society, including the rewriting of its century-old Constitution.

Asked to comment on the moral implications of his meet-

ing with the cartel even before the murdered corpse of its victim had grown cold, López told the daily *El Tiempo* that the traffickers had not yet been indicted for the murder at the time of the meeting. Insisting on a separation between morality and law, López argued that "liberal thought's greatest conquest, five centuries ago, was to establish *positive law* as a rule of coexistence for citizens, where each judge or each citizen cannot say, "This is so, but morally it's otherwise."

Seven years later, the same López Michelsen expressed his "satisfaction" with the illegal dissolution of the Congress, as executed by President Gaviria and the outlaw Constituent Assembly.

In the chronology that follows, we document each of the principal steps taken—and their incontrovertible illegality—in the formation of the Constituent Assembly and the dissolution of the legitimate Congress.

## May 27, 1990

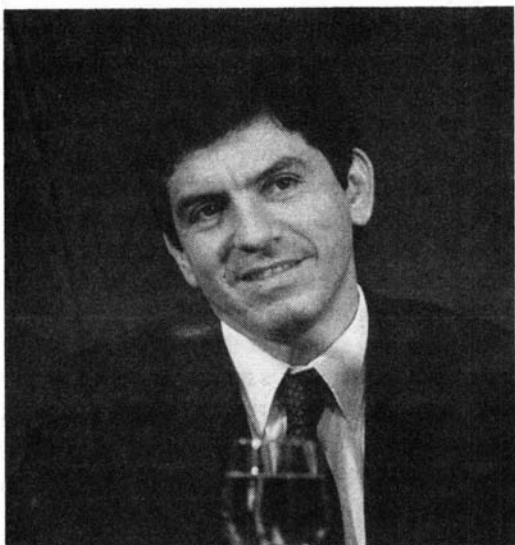
On the initiative of a "student movement" backed by presidential candidate César Gaviria Trujillo, the Colombian electorate is illegally offered a "yes/no" vote alongside the presidential ballot, on the need for constitutional reform. The yes/no vote is in strict violation of the Constitution, which reserves to Congress alone the right to reform the Constitution, by two successive majority votes of Congress. The decision to violate the Constitution and go ahead with the illegal yes/no plebiscite vote is universally viewed as part of a deal that had been struck between Gaviria and the amnestied M-19 narco-terrorists, as one of their conditions for "reincorporation into civil life."

Disgusted with years of weak government and a corrupt political elite, the voters overwhelmingly choose "yes." They also overwhelmingly elect Gaviria, successor to the assassinated anti-drug candidate Luis Carlos Galán and the only candidate who had *not endorsed* the legalization of drugs as a solution to Colombia's problems.

The national Congress had been elected two months earlier, in March 1990, with a voter turnout of nearly 8 million Colombians.

## Aug. 2, 1990

In the week preceding President-elect Gaviria's inauguration, a pact is signed between his Liberal Party and three



Stuart Lewis



El Espectador

President Gaviria (left) and drug-runner Pablo Escobar have clinched a dirty deal, under the sponsorship of the U.S. State Department.

opposition parties—the Social Conservative Party, the Movement of National Salvation, and the M-19 Democratic Alliance—to convoke a plebiscite election later in the year, for the purpose of forming a National Constituent Assembly that would rewrite the Constitution. Such a plebiscite to elect an unauthorized Constituent Assembly is strictly prohibited by the Constitution itself.

### Aug. 24, 1990

The multi-party pact is revealed to the public by President Gaviria, in a press conference in which he announces that, by means of Executive Decree 1926, he is officially convoking a plebiscite election for a National Constituent Assembly on Dec. 9, 1990. He announces that the election of the 70 delegates to the Assembly would be conducted in the same vote.

He also announces that participation of the country's various terrorist groups in redesigning the nation's political institutions through the Constituent Assembly would be made conditional on their willingness to lay down their arms and "join the peace process," as the amnestied narco-terrorist M-19 had already done. Decree 1926, in that it establishes an elected body that will unconstitutionally modify the Constitution, is illegal.

### Aug. 27, 1990

Former government minister Jaime Castro, a close protégé of López Michelsen and ardent proponent of legalizing the drug trade, publicly warns that the National Congress will try to defend its prerogatives against the Constituent Assembly, and will try to impose conditions on the Executive Branch—including refusal to consider legislative proposals from that branch of government—as a means of defending those "prerogatives." As a delegate to the Constituent Assembly, Castro will formally propose legalization of the drug trade as a "constitutional amendment," in June 1991.

### September 1990

The Constitutional Panel of the Supreme Court initiates deliberations on the constitutionality of the move to convoke a constituent assembly. In so doing, they cite Article 218 of Colombia's Constitution, which strictly prohibits reform of the *magna carta* by any body except the National Congress. Numerous elected congressmen also warn of the government's effort to create a "third legislative" chamber, parallel to the existing Senate and House and in explicit violation of the law.

### Oct. 4, 1990

By unanimous secret vote, the Constitutional Panel finds that Presidential Decree 1926 is in violation of Article 218 of the Constitution, which allows for reform of the Constitution only by the Congress. Its ruling is leaked to the press.

The Bogotá daily *El Tiempo* warns that if the full Supreme Court endorses the finding of its Constitutional Panel, the government's ongoing amnesty negotiations with the People's Liberation Army (EPL), and planned peace talks with the FARC and ELN narco-terrorists, would collapse, since "return to civil life was a condition for their participation in the Assembly." *El Tiempo* reveals, however, that "those favoring the Assembly are confident that . . . a thesis capable of overturning the ruling of its constitutionalists will surface within the Court."

### Oct. 5, 1990

The daily *La Prensa* reveals that various justices of the Supreme Court have been receiving death threats because of their ruling against the convoking of a Constituent Assembly.

### Oct. 9, 1990

The full Supreme Court splits right down the middle in its vote on the constitutionality of Decree 1926. After an

extensive, public pressure campaign by the Gaviria government, the necessary votes were swung to produce a slim majority of 14 votes in favor, with 12 justices opposed to the decree as unconstitutional. Among those justices favoring the Constituent Assembly are several terrorized survivors of the 1985 holocaust visited upon the Justice Palace by the then-illegal M-19 narco-terrorists, during which half the members of the Supreme Court were assassinated.

During the course of a marathon arm-twisting session, the 12 dissident justices threaten to resign *en masse*, to protest the “farce” to which the Constitution was being subjected. They charge that a favorable finding on Decree 1926 would be equivalent to a coup d’état by the Supreme Court itself.

Nonetheless, the final ruling finds Decree 1926 to be constitutional, by majority vote. Further, it rules that the agenda of the Constituent Assembly is unlimited and unrestricted. “The Constituent Assembly,” says the ruling, “can do anything it considers appropriate. It can alter the institutions, change the institutions, everything depends on the decisions, the agenda it adopts.” The Supreme Court ruling does, however, specify in regard to officials elected in 1990 (Congress, the President, etc.) that “the current terms of those officials . . . will not be affected” by any decisions of the Constituent Assembly.

It is to be noted that this ruling by the Supreme Court is itself illegal and unconstitutional: Through it, the Supreme Court in fact ruled that *it* had authority to alter the constitutional provision for self-reform—a power reserved exclusively to the Congress by the Constitution itself.

### **Dec. 9, 1990**

Three and a half million Colombians, less than half the 8 million citizens who voted in the May 1990 presidential and congressional elections, go to the polls to vote in the referendum on the formation of a Constituent Assembly, which is approved. In the same election, 70 persons are chosen delegates to that Assembly—with the largest bloc of votes (27%) going to the M-19 Democratic Alliance, and the next (25%) to the ruling Liberal Party. The third political force is split between two factions of the Conservative Party, with the remaining 10 seats reserved for Indian, Evangelist, and other “people’s” movements.

### **Dec. 17, 1990**

In his address closing the session of Congress, President Gaviria declares: “The Constituent Assembly has the responsibility of reforming the Constitution, but it does not have the responsibility of governing, nor carrying out administrative, judicial, or legislative duties.”

### **May 1, 1991**

The State Council—a magisterial oversight body on constitutional matters—responds to a citizen’s appeal of the Constituent Assembly’s actions, by reiterating the limita-

tions imposed on the Assembly by its originating Decree 1926. Those limitations implied that the Supreme Court and State Council had final oversight over the actions of the Assembly. In response, the Assembly votes up an unprecedented “internal reform,” with only four dissenting votes, according to which the Constituent Assembly declares itself “sovereign, absolute, and omnipotent.” According to the daily *El Siglo*, the decision “ruled out the possibility of any body interfering with its decisions. It thereby became the gravitational axis of power in Colombia.”

Further, the Assembly rules that Decree 1926 ceases to exist, meaning that the Assembly is no longer answerable to the government, but only to the “primary constituent,” “the people.” Finally, the Assembly rules that its constitutional reforms would go into immediate effect, by simple majority vote and requiring only 24 hours advance notice.

### **May 3, 1991**

The National Congress, and several Constituent Assembly delegates, reject the Assembly’s newest “reform,” declaring it a coup against the country’s legal order. The Gaviria government itself issues a warning that the Constituent Assembly is not allowed to “issue laws, modify or repeat decrees, or make decisions that are the province of the judiciary.” Government Minister Humberto de la Calle Lombana reminds delegates that the Constituent Assembly was not expected to replace Congress, or the judiciary.

### **May 4, 1991**

The Bogotá daily *El Espectador* refers to the declaration of the Constituent Assembly as “autonomous and omnipotent” in its lead editorial, warning that this could lead to “political, social, and economic instability. . . . Should Congress’s mandate be eliminated and new elections called, in an end run around the norm prohibiting Assembly delegates from running as congressional candidates, it could prove an episode of very serious consequences, causing unwelcome divisions in public opinion and translating into confrontations that could be anything but peaceful.”

### **June 8, 1991**

In a pact between President Gaviria, the three co-presidents of the Constituent Assembly, and former President Alfonso López Michelsen, the National Congress is formally dissolved. Under this version of the pact, President Gaviria arrogates full executive and legislative powers to himself, and a body of 18 advisers to the President, hand-picked by the Constituent Assembly, is to be formed. With slight modifications designed to soften the “dictatorial” image of the measures, the pact is formally approved by a majority of the Constituent Assembly on June 14. New congressional elections are scheduled for Oct. 27, 1991, with President Gaviria to rule by decree until the new Congress is seated in February 1992.



# Bilderberg Society's secrets leak out despite tight security

by Scott Thompson

On June 12, this writer met Virginia Gov. L. Douglas Wilder at Dulles Airport near Washington, where a press conference had been hastily called. The governor had just returned from a "trade mission" to Europe, supposedly seeking jobs for Virginia's depressed economy. But when I asked him about his presence at the June 7-9 meeting of the elite Bilderberg Society in Baden-Baden, Germany, the lid came down, and this "man of the people," the first elected black governor in the United States, refused to divulge anything about the secret meeting of the elite group.

I asked how it would help Virginia's economy for Michael J. Boskin, who is chairman of the President's Council of Economic Advisers, to have bashed the Europeans in his speech to the conference, titled "Economic and Financial Threats to the Relationship." Wilder started out acknowledging that Bushman Boskin had indulged in free-trade-style bashing of the Europeans, but then he stopped abruptly and said: "I won't break the Bilderberg rule of secrecy by revealing what Boskin said there."

As he was leaving, I asked the governor again if it were true, as reported, that Boskin had mouthed views like those of recently retired Director of Central Intelligence William Webster, who had often called for economic and industrial warfare against Germany and Japan. "Those were private discussions," the governor said. "I just will not talk about them."

The governor's silence could not have more pleased the country club Republicans of George Bush's administration, which had about eight top members invited to this year's Bilderberg meet, according to confidential society documents.

## 'Oath of secrecy'

The Bilderberg Society was founded in 1952-54 as a secret, elite club by Prince Bernhard of the Netherlands on the advice of his *éminence grise*, Joseph Retinger. Its oligarchical nature was indicated by Judith Riser, a spokesman for Michael J. Boskin, who dodged questions for days, before finally blurting out: "It's like being a member of a club. [Boskin's] privacy is more important than the rights of a citizen to be informed in a representative government. . . . Even if it does seem like Skull and Bones . . . he will not break his oath of secrecy."

The group's current chairman, Peter Rupert Lord Carrington,

who has been Britain's foreign secretary and NATO's secretary general, shot down this writer's request to him that there be greater participation by the media. Wrote Lord Carrington: "I should, however, point out that Bilderberg is a private group and at its inception many years ago the founders made a decision that there should be no publicity attached to their meetings. This has been reviewed on a number of occasions since and on each occasion the decision was made to maintain the original position. I am sorry to send you such a disappointing reply."

Not only did Lord Carrington thus reject sharing discussion papers, minutes, etc., with journalists, but at one time the Amsterdam-based Bilderberg headquarters issued orders through its American and European steering committees that no Bilderberg member could talk to this writer.

Despite the veil of silence, *EIR* was able to obtain a top-secret list of the attendees at the annual meeting. Among them were some of the top names of the Anglo-American and European establishment: **Lord Carrington**, Bilderberg chairman; **Victor Halberstadt**, honorary European secretary; **Theodore L. Eliot**, who became honorary American secretary; **Etienne Davignon**, chairman, Société Générale de Belgique; **Wilfried Martens**, Belgian prime minister; **Conrad Black**, chairman of Hollinger Corp. and The Daily Telegraph PLC; **Karl Otto Pöhl**, outgoing president, Deutsche Bundesbank; **Theo Sommer**, Trilateral Commission member and editor-in-chief of *Die Zeit*; **Otto Wolf von Amerogen**, chairman of Otto Wolff Industrieberatung und Beteiligungen GmbH; **Gen. John R. Galvin**, Supreme Allied Commander, SHAPE; **Arthur Dunkel**, director general of GATT; **Giovanni Agnelli**, chairman, Fiat; **Virginio Rognoni**, Italian minister of defense; **Jacques Santer**, Luxembourg prime minister; **Queen Beatrix** of the Netherlands; the **Queen of Spain**; **Lord Roll of Ipsden**, president of S.G. Warburg Group PLC; **Christopher Hogg**, chairman Courtaulds PLC; **Katharine Graham**, chairman, the *Washington Post*; and, **Maurice R. Greenberg**, chairman, American International Group.

There were dozens of others who attended, but as one Bilderberger put it: "Really, the only purpose of the meetings is for the inner circle of the elite to influence those on the third level."

## The 'free trade' agenda

Despite extraordinary precautions as compared with previous years, *EIR* has learned from "not for circulation" documents and by other means that discussion at Baden-Baden followed many items forecast by *EIR* in last week's issue. An economic adviser to Bilderberg steering committee member David Rockefeller, for example, corroborated the story of Boskin's Europe-bashing. Boskin's theme was similar to that which Rockefeller had chosen when he nominated former Federal Reserve chairman Paul Volcker to be North American chairman of the Trilateral Commission in April. Rockefeller himself has been a member of the Bilderberg steering committee for decades, and, according to several members, he is one of the two most important American Bilderbergers, along with former State Department Undersecretary George Ball. In his April 22 speech nominating Volcker, Rockefeller had demanded that the Europeans place a global free enterprise system on a par with European integration.

According to this Rockefeller adviser, Boskin's adoption of Rockefeller's program had the full backing of President Bush, as the cooperation between Bush and Rockefeller to ram through the North American Free Trade Agreement (NAFTA) would suggest. "Boskin is very loyal to the President," the source said. "If the President says black is white, Boskin says black is white. He follows the party line that much." This source said that at the Bilderberg meeting, Boskin warned that the European Community must not follow protectionist policies, must avoid a breakdown into what Rockefeller has called "neo-mercantilist trading blocs," and must rather become a free trade zone, under the auspices of the General Agreement on Tariffs and Trade (GATT).

As *EIR* reported in its last issue, it was at the May 1990 Bilderberg-Trilat round that the NAFTA slave labor policy began to be formulated, together with decisions to push GATT to the fore. Moreover, after those meetings, world politicians carried out policy discussions led by Rockefeller and Henry Kissinger, by boosting their nations' quotas to the International Monetary Fund (IMF), so it could better help bail out banks like Chase Manhattan, which were floundering in Third World debt.

## The 'great bargain' exposed

Several other top Bush economists were on the Bilderberg "provisional list" of attendees, including Treasury Secretary Nicholas Brady and Robert B. Zoellick, who is the State Department's Counselor and Secretary-Designate for Economic Affairs. While Brady's spokesmen dodged dozens of calls as to whether he actually attended the Baden-Baden get-together, Zoellick's office explained that the two spent the time of the meeting in London, where they were working on preparations for the July Group of Seven summit, and specifically on how to deal with the Soviet crisis at that meeting.

Most of the Bilderberg panels, according to a "not for

circulation" agenda, were on East-West relations. They included: 1) "Session 3—Eastern Europe: Economic Prospects," where U.S. Ambassador to Poland Thomas W. Simons, Jr. spoke; 2) "Session 4—Developments in the Soviet Union: Political and Economic Impact on the Alliance," where U.S. Ambassador to the U.S.S.R. Jack F. Matlock spoke; 3) "Session 5—Basics of the Transatlantic Relationship: the Practical Agenda for the Alliance," where Henning Wegener spoke in place of Robert Zoellick; and 4) "Session 6—Do We Have the Institutions To Deal With the Agenda?" when former Bush National Security Council Soviet expert Robert Blackwill spoke, as did NATO Secretary General Manfred Wörner.

While *EIR* does not yet have all the internal details of the discussions during these panels, certain things can be surmised.

Robert Blackwill had just returned from launching what is known as "the great bargain" for U.S. aid to the Soviet Union, at an Arden House forum. In essence, "the great bargain" calls for Soviet compliance with IMF "shock treatment" of the sort that Blackwill's co-worker on the project, Harvard monetarist Jeffrey Sachs, has imposed on Poland. The "carrot" offered to the Soviet Union would be a \$100 billion "Marshall Plan" spread out over three to four years, which is money the U.S. certainly does not have. Co-author of "the great bargain" is Graham Allison, who is not only a colleague of Blackwill at the John F. Kennedy School of Government at Harvard, but is himself a frequenter of Bilderberg meetings. If the presence of Sachs on the Allison/Blackwill "working group" does not send off alarm bells, then that of Grigory Yavlinsky, the recently resigned deputy prime minister of the Russian Federation, who wrote the fascist "500 Day Plan" austerity package, should do so.

## The enemies of global development

The head of a major think tank who has broken with his former Bilderberg colleagues corroborated to *EIR* that internal documents of the group ("not for publication or quotation") show the society's aristocrats, bankers, and their political allies to be among the leading enemies of human development.

For example, according to a journalist who spoke to Bilderberg officials at the latest Baden-Baden meeting, long-time Bilderberg steering committee member Henry Kissinger was euphoric about the fact that President Bush had followed his advice to make a horrible example of Iraq to the Third World. During one of the Baden-Baden forums, Kissinger is reported to have called for a U.N. Army that "must be able to act immediately, anywhere in the world, without the delays involved in each country making its own decision whether to participate, based on parochial considerations."

In future articles, we will document the Bilderberg Society's leading role in countering the global economic policy initiatives of Lyndon LaRouche.

# IMF wants Argentina to sacrifice more

by Cynthia Rush

When Argentine Finance Minister Domingo Cavallo was driven to tears June 5 during a confrontation with a leader of the national retirees movement, one might have thought he was showing signs of remorse or at least some sensibility over the fact that retiree pensions aren't enough to live on, and that the government has no intention of changing that situation. Hardly. The Harvard-trained minister has agreed to add on an emergency allocation of \$30 a month, to the average pension of \$100 a month, but has told the pensioners that "there is no money" to give them anything more—at least not until he can meet the International Monetary Fund's (IMF) demands for tax revenues large enough to reduce the fiscal deficit.

The pension issue is a hot one, and threatens to become even hotter in the period leading up to mid-term elections scheduled for October. For over two months, retirees have camped out in the downtown Plaza Lavalle, and set up a soup kitchen to protest their shabby treatment by the government. By law, retirees are supposed to receive 70-82% of their former salaries, but are receiving about half that now. A retired couple, each receiving the minimum benefit, earns less than half what is considered the poverty-line in the capital city of Buenos Aires. President Carlos Menem finally ordered police to physically dislodge the protesters in the early morning of June 8, just two days after retiree activists literally invaded the Congress and confronted the finance minister in front of national television cameras. The protesters have threatened to return to the Plaza and begin a hunger strike.

"Mr. Minister, don't pay the foreign debt," retiree leader Norma Plá told Cavallo. "Pay the retirees. First pay attention to your own house, and after that, look outside. If you get pressured from abroad, go out onto the balcony, and tell the people, and they'll support you." It was apparently too much for the technocratic minister when "Doña Norma" reminded him how her husband had faithfully contributed to his pension fund for 48 years, reminding Cavallo of his own retired father and bringing him to tears as he tried to justify his policy. Cavallo admitted that the retirees were right, but stuck to his line that there were no funds.

There are, of course, funds to make a \$60 million payment on foreign debt each month, and Menem hopes to increase that to \$100 million later this year. Although this is a

drop in the bucket compared to the \$7 billion in interest arrears the government owes, it makes clear what its priorities are.

## Unrest increasing

Menem and Cavallo's problem is that they are trying to balance pre-electoral promises of stabilizing the economy and bringing about an economic recovery, with the IMF's demands for ever greater austerity, as a precondition for obtaining a new standby agreement worth \$1.2 billion. Cavallo hasn't had any problems with throwing people out of work or slashing wages, even while inflation increases and food prices rise. He is, however, resisting the IMF's demands to raise taxes, as well as fuel and utility rates, claiming that he will meet fiscal goals by increasing tax revenues. The IMF is so skeptical of Cavallo's success that the team negotiating the standby agreement in Washington came close to shutting down talks altogether on June 15; negotiators only agreed to resume discussions after the Argentines promised that the government would impose the Fund's conditionalities if tax revenues come in below their target goal.

To deal with growing social unrest, Menem warned that he won't tolerate "disorders of any kind," and threatened to impose a state of siege. In a flimsy attempt to dismiss the retiree protest, Menem charged that "professional agitators" and individuals linked to the nationalist faction of the Army, known as *carapintadas*, had "infiltrated" the movement and were trying to provoke violence. The elderly retirees are being "used," the President claimed, and don't realize it. The President told the retirees they were much better off than pensioners in other Ibero-American countries, and that they should be less greedy.

Retiree leaders didn't take kindly to Menem's characterization of them. It's clear to most observers, moreover, that a state of siege would be imposed only to serve the government's electoral purposes, and to try to distract attention away from the effects of its economic policy. Such transparent moves aren't likely to work however. As the June 16 daily *La Prensa* noted, growing popular unrest is complicating the government's electoral strategy; price increases, especially meat prices, are threatening economic stability, as is "trade union resistance to economic adjustment," the paper reported. Peronist trade union leaders Saul Ubaldini, Lorenzo Miguel, and Luis Barrionuevo united to organize a public march on June 19 to protest government economic policy, and trade union and other political leaders are actively backing the retiree mobilization.

Reflecting the environment, in early June, the Senate refused to back Cavallo's proposal to pay the traditional twice-yearly worker bonus in six installments, a plan that has enraged workers. Although Peronist hack José Luis Manzano had assured Cavallo there would be little resistance to the plan, several senators stated that they refused to pass the law without deliberation.

# Pope lauds Polish Constitution of 1791

by Rachel Douglas

Among the several speeches Pope John Paul II gave during his June 1-9 pilgrimage to Poland, concerning the mission of Poland in Europe today, his talk on June 8 at the Royal Castle in Warsaw is of outstanding significance for the battle in Europe and throughout the world, against the pestilence of usury. In Poland, where that virus, deceptively packaged with the label "free market economics," is ravaging the country's productive capacity and killing the population, the speech could become a turning point.

"Allow me to start with a long quotation," began the Polish Pope:

" 'Persuaded that our common fate depends entirely upon establishing and rendering perfect a national constitution; convinced by a long train of experience of many defects in our government, and willing to profit by the present circumstances of Europe, and by the favorable moment which has restored us to ourselves; free from the disgraceful shackles of foreign influence; prizing more than life, and every personal consideration, the political existence, external independence, and internal liberty of the nation, whose care is entrusted to us; desirous, moreover, to deserve the blessing and gratitude, not only of our contemporaries, but also of future generations; for the sake of the public good, for securing our liberty, and maintaining our kingdom and our possessions; in order to exert our natural rights with zeal and firmness, we do solemnly establish the present Constitution, which we declare wholly inviolable in every part, till such period as shall be prescribed by law, when the nation, if it should think fit, and deem it necessary, may alter by its express will such articles therein as shall be found inadequate.' "

The quotation came from the Polish Constitution of 1791, known as the May 3 Constitution. Passed by the so-called Four Years Sejm (parliament), this was the first codified constitution to be promulgated in Europe in modern times. Worldwide, as John Paul II observed, "It was preceded only by the Constitution of the United States."

The May 3 Constitution was short-lived, since Russia invaded in 1792 and crushed the Polish reforms. The Second

and Third Partitions of Poland followed in 1793 and 1794, in which the nation of Poland was erased from the map for over a century, surviving only in the minds and hearts of Poles until it could be restored in 1918.

Pope Wojtyla evoked not only the 200-year-old Polish document, but the global setting in which it was created: the international republican upsurge during and after the American War of Independence. "Also now," he said, "after the breakthrough events of 1989, that same historical document serves as an exemplary point of departure for the new constitution, on which the life of the entire state community will be based in the Third Republic.

"When we deeply consider the text previously cited, we are struck by the important analogies: that today it is not a question of taking advantage of the conflicts present in Europe at the close of [this] century, a century that has been burdened with the memory of two great world wars, and more with the memory of the totalitarian systems which, following the collapse of one of them, continued to flourish under the political decisions of Yalta. 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 Pope went on to discuss the mission of Poland, for "every nation and every individual has their calling." In the period after World War II, he said, Poland's "active role . . . was expressed above all as a conscious movement in defense of the sovereignty of society destroyed by the totalitarian system. That movement reached its fullest form, from 1989, in the Polish Solidarnosci. And despite the suppression of the union during martial law, it did not cease to act in the same direction." Then he spoke of "the way to our Polish identity in Europe" today, which would have to temper the development of the "free market," with "solidarity," the love of mankind (see *EIR*, June 21, 1991).

## The real 'Polish model'

The Pope's introduction of the May 3 Constitution in this setting implies the solution to the economic policy crisis in his native Poland. The 1791 document, published the same year as Alexander Hamilton's *Report on Manufactures*, and related measures adopted at that time, incorporated essentials of the American System of Political Economy.

The American System was expressed in the Preamble of the Constitution of the United States, with its pledge to "promote the general Welfare." The Polish May 3 Constitution's "for the sake of the public good" embodied the same idea. Adopted just two years apart, the two constitutions were manifestos of the same international movement, dedicated to the defeat of the ruinous "free trade" doctrine of the British. The Polish document bore the imprint of patriots who fought for American liberty, then their own.

Tadeusz Kosciuszko, the military engineer who built the Continental Army's fortifications at the Battle of Saratoga

and at West Point, returned to his homeland, Poland, in 1784. A charter member of the organization of veteran officers in the American War of Independence, the Society of the Cincinnati, Kosciuszko applied American nation-building principles in Poland.

This extended to economics, which Kosciuszko studied as diligently as he did military affairs. While the May 3 Constitution, influenced by Kosciuszko and his fellows, entrusted parliament with the responsibility for "public expenses, both ordinary and extraordinary," and designated that a Minister of Finances should sit on the King's Council, the Four-Year Sejm also passed more explicit legislation. It created a national bank, which was required to issue loans to finance manufacturing at a preferential rate of 4%. A ceiling on all rates was set at 5%, to encourage investment and prevent usury.

If such principles of the 1791 constitutionalists were revived in Poland today, the notorious austerity plans of Finance Minister Leszek Balcerowicz, under which the "free market" reforms in Poland were tooled for gouging productive investment, diverting production, and slashing the population's consumption in order to service debt to Western banks at some percentage points above the London Interbank Rate, would have to be outlawed.

Representatives of the Schiller Institute, who have visited Poland to circulate the modern "American System" program, Lyndon LaRouche's "Productive Triangle," find a keen interest among Poles in this route out of the crisis. The people who fought for years to break away from the tyranny of Soviet domination are not enthusiastic about their enslavement to usurious conditions, imported by International Monetary Fund-linked advisers under the banner of "free market," and dubbed "the Polish model." An economic policy coherent with the May 3 Constitution, cited by Pope John Paul II as a guide for upholding Poland's sovereignty today, would be an entirely different Polish model, full of promise.

The resonance of today's battles in Europe with the events of the late eighteenth century is just what LaRouche discerned in his July 4, 1989 campaign platform, when he told Americans, with reference to the spread of nationalist movements against communist tyranny in the East and International Monetary Fund tyranny in the Americas: "One of your problems as a citizen, is that there is nothing in the past experience of any living person to compare with this new development now being shown so prominently in the communist world. The last period of history to be compared with this new revolutionary wave is the influence upon the world of the 1763-1789 American struggle for independence and federal unity of our states. As the student martyrs in China's May and June events have emphasized repeatedly, this new revolutionary nationalist movement against inhuman tyrannies . . . is a rebirth of that American Revolution as our martyred President Lincoln reaffirmed it in his Gettysburg Address."

## Schiller Institute in Slovakia

On Monday, June 17, the Schiller Institute held a very successful conference on the Vienna-Paris-Berlin "Productive Triangle" proposed by Lyndon LaRouche, in Bratislava, Slovakia. Over 60 high-level political and economic leaders of the Slovakian republic took part. Slovakia, with 5 million inhabitants, represents one-third of the population of the Czechoslovakian state.

The conference was held in the headquarters of the Slovakian Christian Democratic Movement, the majority party which controls the government led by Prime Minister Jan Carnugurski. Forestry and Water Management Minister William Oberhauser, one of the ministers who entered the new government of Carnugurski, sat at the dais with German Schiller Institute president Helga Zepp-LaRouche. Attending were a large group of Slovakian parliamentarians, leaders of the Christian Democratic Movement, one minister, several deputy ministers of the economic sector, a representative from the Prague federal prime ministry, and economic experts from several research institutes and universities.

The conference was opened with greetings by an official of the education department of the Christian Democratic Movement. After Ralf Schauerhammer presented the concepts behind the Productive Triangle, Helga Zepp-LaRouche captured the attention of the participants by presenting the principles of the science of Christian economy and the history of the LaRouche movement and the Schiller Institute as the institutional opposition to the neo-malthusian policy of Bush, Kissinger, and Co. Angelika Beyreuther-Raimondi spoke about the anti-population, anti-Third World policy of the International Monetary Fund, and Paolo Raimondi exposed the disastrous policy of the Prague Finance Minister Vaclav Klaus.

Also on hand was a delegation from the Association of Hungarian Political Prisoners, whose president, Mr. Fonay, called for friendship and cooperation between Hungary and Slovakia in his brief greetings. Mr. Kovats, secretary of the group, announced a three-day international conference in Budapest, June 25-27, with the participation of all the Political Prisoners Associations of the Eastern European countries. A fuller report will appear in *EIR* next week.

# The 1981 attempt on the Pope: What's behind the new polemics?

by Umberto Pascali

"The Pope had to be killed because he tried to anticipate the collapse of Yalta nine years before its time, while that collapse was not supposed to take place before 1989. This is, in my opinion, the key to understanding the attempt in St. Peter's Square. To try to end Yalta in 1981 spelled troubles for both sides, East and West. He had to be stopped!" The Roman insider agrees to share his views with *EIR* on the condition that his identity not be revealed. The discussion is on the new polemics concerning the May 13, 1981 assassination attempt against John Paul II, popularly known as the "Bulgarian Connection."

Days before this conversation, on June 3, the daily *Il Giorno* had exploded a "bombshell" by printing the "transcript of the confession by the former 'head of the DS' [Bulgarian intelligence], Konstantin Karadzov, concerning the events of May 13 in St. Peter's Square." That piece provoked, for the first time in history, a simultaneous denial by both the CIA and the KGB. It was the first time the CIA had commented publicly on an article about the attempt on the Pope. Strangely enough, though part of this story had already been published in the Bulgarian magazine *Podkriepa* by the journalist Ruman Hinkov, the same who gave the "original tape" to *Il Giorno*, the day after, on June 14, an apparently angry Karadzov told the Italian GR2 radio news that he wanted to sue the newspaper for publishing false information.

## The two heads of Yalta

The story published by *Il Giorno* was not in contradiction with the general lines of the "Bulgarian Connection" scenario. The hit had been decided by the Soviet leadership and the KGB had selected Bulgarian intelligence to handle the operational side, because of its loyalty. The decision was provoked by the activities of Polish trade union Solidarnosc, seen as a deadly threat to the Soviet empire. But there was a new element: The CIA knew. In the Karadzov confession, the papal assailant, Ali Agca, had informed the agency and had been told to go ahead with the plan, but not to kill the Pope, just to injure him.

On the same day, Karadzov denied the story, which indeed presented some contradictory aspects. It was not clear

why he did not deny the large part of the story that had already been published in the Bulgarian press. But while denying the gist of the story, he also confirmed some of the allegations. First, he was a friend of the treasurer of the Bulgarian embassy in Rome, Teodor Ayazov, and had been his guest in Rome in September 1982. Second, he had met, through Ayazov, Sergei Antonov, the manager of Bulgarian Balkan Air, in Rome. Third, he had met in jail in Sofia the Italian Paolo Farsetti, accused of spying by the Bulgarian authorities and arrested on Aug. 26, 1982 in Sofia.

Ayazov, his embassy colleague Vassiliev, and Balkan Air's Antonov are the very Bulgarians tried in Rome for the attempt on the Pope and acquitted for "lack of evidence." And Paolo Farsetti? He was freed exactly when the Italian authorities allowed Antonov to leave his cell and to be detained under house arrest. It is generally believed that this was a swap and that Farsetti was one of the few persons who had direct knowledge of the plot. But one month before the article appeared in *Il Giorno*, Farsetti died in a mysterious car accident.

"He wasn't the only one. He died when the spotlight focused again on the Bulgarian hypothesis," says the Roman insider. "At that very same time, a Bulgarian general, one deeply involved with this story, was killed by a car in downtown Sofia. These coincidences surprised me. Also you must take into account that at the moment of the revolution, gigantic fires destroyed the archives of the Communist Party. And there disappeared a chunk of history.

"When I saw the article in *Il Giorno*, do you know what came to my mind? The words of C. Zanussi [the Polish movie director]. He has written a screenplay for a movie that was never made. It was a transposition of the life of St. Paul into modern times. There is no Corinth or Antioch, but Paris, Berlin, London. . . . And the modern Rome is Washington-New York. The play is the story of the assassination of St. Paul by a crazy assassin in New York. All the secret services knew, but nobody lifted a finger, because everybody had an interest in letting him be killed. And they watched in silence the preparation and the execution."

But now Karadzov has denied the story, at least in part.

“Yes, there are weak points in that story, though the idea that both sides knew, makes a lot of sense. One could think that the story was shaped intentionally in a way that it could have been denied.” How? “Well, imagine that someone expected something to come out along those lines; what better way to kill possible revelations than to discredit them beforehand? It is the classic strategy of mixing truth and falsehood, so that what is true also becomes false. As the late Catholic philosopher Augusto Del Noce said: With Yalta a monster was created, a monster with two heads that spit on and assaulted each other continuously, but only up to a point, because after all, they belonged to the same body.”

### **The Bulgarians, Terpil, Shackley, Bush . . .**

But was it really necessary to prove Karadzhev's tale, in order to indicate a line of investigation involving the “two heads”? An analysis published June 6 in the biggest and most authoritative Italian Catholic daily, *Avvenire*, demonstrates the contrary. “The ‘revelations’ published these days are years old,” the article points out, leading the reader into a tunnel that extends from Ali Agca not only to the KGB, but also to . . . George Bush!

“Two Americans had trained Agca, Edwin Wilson and Frank Terpil (‘Major Frank’ in Agca’s confession), two former CIA agents. The two exploited their experience, giving classes in terrorism and sabotage to groups of would-be assassins, both right-wing and left-wing (Palestinians, agents of the Iranian Savak secret police, neo-fascist Turks). The training took place in Syria and Libya: Agca was trained there. So were they two defectors? So said the U.S. government. But author Gordon Thomas, who dedicated years of investigation and two books to the story, came out with a different thesis. Frank Terpil at the CIA was one of Theodore Shackley’s men, who was deputy chief of the CIA for ‘Operations,’ known for having conducted in Cambodia and Vietnam a series of ‘dirty’ activities (from drug traffic to political assassinations) in which the CIA was not supposed to appear officially. And he did it with too much enthusiasm. Thus, under the Carter presidency, he was forced to resign together with other 800 agents. They went into ‘private’ activities, starting investigative agencies, small air companies ready to transport anything, or becoming mercenaries of terrorism like Terpil and Wilson. But remaining at the disposal of the CIA which used them more than once for operations to be conducted outside the U.S. control. It has been proved that former agents were used ‘privately’ by the Americans in the Iran-Contra affair.”

At this point, *Avvenire* introduced George Bush, who, as *EIR* readers know, has been very close to Ted Shackley. “George Bush was director of the CIA; he has often been suspected of involvement in the Iran-Contra affair. . . . On May 13, 1981, when Agca fired his gun in St. Peter’s, Bush was ‘surrogate President’ in place of Ronald Reagan, who had also been wounded in an attempt 44 days before; and the

deranged killer, John W. Hinckley, was a friend of the Bush family. . . .

“It is a fact that then-Vice President Bush asked to be received suddenly by the Pope, on Feb. 8, 1983 and, according to Gordon Thomas, ‘suggested to John Paul II not to pursue too energetically his interests in the story.’ Why this intervention? Because—says the pro-Bush theory—now that Andropov had become the supreme chief of the Soviet Union, if it were proved that he had intended to kill the Pope, it would have precipitated a huge international crisis. But obviously, one can make a less benevolent hypothesis.”

The name of Frank Terpil had already come up several times in the Italian press. Last December, Mehmet Ali Agca, the Turkish killer, was interrogated again in jail in Rome by the magistrates investigating the attempt (Rosario Priore and Antonio Marino), and by two other magistrates investigating the kidnaping of two little girls whose families work for the Vatican, for whose ransom the abductors had demanded Agca’s freedom. The terrorist was asked explicitly about “Major Frank Terpil” and the training he received from him in Libya. At the same time, the investigations moved to France, where, also suddenly, the accomplice of Agca in St. Peter’s Square, Oral Celik, was located.

There is no lack of witnesses and connections, once the “political block” is overcome. *Avvenire* on May 13 (the anniversary of the attempt) called attention to the famous terrorist Maurizio Folini, a key supplier of weapons for the Italian Red Brigades from Libya. There is an international arrest warrant out for him for having shot an Italian judge, for weapons trafficking, terrorist training (in Libya), armed robbery, etc. But when he was arrested in Athens in June 1987, “all this was not enough to convince the Greek magistracy to extradite him. The Italian magistrates wondered what kind of protections Folini might enjoy.” Wrote *Avvenire*, “Perhaps the same which allowed him to keep in contact with left-wing terrorists and KGB agents, but also right-wing terrorists like the Grey Wolves and Ali Agca!”

In fact, Folini met Agca, a wanted terrorist who had stated publicly that he intended to kill the Pope, at the Hotel Vitosha in Sofia on July 5, 1980. Folini and a Turkish accomplice gave Agca a passport to enter Italy. Folini met Agca two more times. He organized for Agca to go to a training camp in Libya. “Folini knows former CIA agent Frank Terpil, Agca’s most important trainer. The last time Folini met Agca was in Perugia, on April 17, 1981. Agca was with Teslin Tore, who, according to the CIA, is the go-between for the KGB and the Grey Wolves.”

### **Strong signals from the ‘sacred rooms’**

Expectations for the truth on the assassination attempt to finally come out, increased markedly at the beginning of 1991. It was the 10th anniversary of the shooting in St. Peter’s Square; moreover, the collapse of the communist regimes in Eastern Europe suggested that previously sup-



pressed evidence could now become available.

On April 3, at a conference in Sofia, a spokesman for the new Bulgarian President, Zehlyu Zhelev, and Prof. Allen Weinstein of the Washington-based Center for Democracy, announced the "creation of a Center for Democracy-organized international commission which will examine the 1981 assassination attempt on Pope John Paul II." Weinstein will be given all the support he needs by the Bulgarian authorities. Already he has received 36,000 documents. Weinstein is one of the founders of the National Endowment for Democracy, and many of the top CFD directors are closely intertwined with Project Democracy, under whose auspices Oliver North conducted his Iran-Contras shenanigans.

The initiative to let a private organization, sponsored by people close to a specific part of the Anglo-American elite, play the role of judges, while there is still an open investigation in Italy, cannot be considered totally proper.

At the same time, a number of Catholic representatives came out with surprisingly bold statements, showing no intention to give up on the search for the truth. A magazine considered very close to the Pope, *Il Sabato*, wrote in its May 11 issue, under the title, "1981, Too Soon for Yalta. The Pope Wanted to Anticipate '89. For This They Stopped Him?": "The strict official 'no comment' does not mean that in the Vatican certain moral certainties have not been reached long since, concerning the many mysteries surrounding the attempt. Nobody in the sacred rooms thinks that Ali Agca acted as a lone madman. The hypothesis of the international conspiracy plotted by an international organization of professionals is decidedly considered the most plausible. But on the Bulgarian Connection, opinions seem to diverge. . . . The difficulties found in the search for the truth induced some churchmen to think about a possible complicity of the other superpower in the management of the attempt. At least *post factum*, in concealing the truth."

One week earlier, the Papal Nuncio in Sofia, Msgr. Mario Rizzi, stated: "I never believed that the Bulgarian authorities were responsible for the attempt." And Cardinal Edouard Gagnon, one of the cardinals who knows best the Roman Curia: "At a certain point, one had the impression that the confusion over the investigations was deliberate, was wanted by both sides." And Cardinal Silvio Oddi: "It was not in the plans of that time to find the culprits. Nobody was interested in changing the equilibrium reached in the relationships between the two superpowers." In 1982, Cardinal Oddi had received a letter from Agca.

*Il Sabato* quoted an anonymous source: The Pope had become "a destabilizing element both for the East and the West." And concluded: "For the love of his nation and of truth, the Slavic Pope dreamed in the dramatic Polish summer of 1980 to be able to challenge the order of Yalta. Nine years earlier than the plans of those who really decide the shifts of world politics. Too many also for a pope."

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## Interview: Dr. A. Rob Moodie

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# Harvard Study Team reports devastation in postwar Iraq

*Dr. A. Rob Moodie, a medical doctor, was part of the Harvard Study Team whose eyewitness account, Public Health in Iraq after the Gulf War, has shaken the American public since its publication on May 22.*

*An Australian, Dr. Moodie is working toward a Masters of Public Health which he expects to get in 1991 from the Harvard University School of Public Health. He has served as medical officer for Save the Children Fund in Gedaref, eastern Sudan, 1979-80; medical coordinator, Médecins Sans Frontières, in Wad Kowli, Sudan, 1985; and senior medical officer, Central Australian Aboriginal Congress, Alice Springs, Northern Territory, Australia, 1985-88.*

*The interview excerpted here was conducted by Mariana Wertz on June 18.*

**EIR:** Your report was addressed to United Nations Secretary General Javier Pérez de Cuellar. Has he responded yet?

**Moodie:** Not as yet, as I understand, although several of the ambassadors to the U.N. have.

**EIR:** Can you go into any detail on the responses?

**Moodie:** Not other than to say that we're meeting with several of them about the issues.

**EIR:** What about the U.S. Congress?

**Moodie:** We have had meetings with staff people. We didn't actually write to them. We did write to the State Department, to [chairman of the Joint Chiefs of Staff] Colin Powell and to Secretary [of State James] Baker. They haven't yet responded, although we've written again to the State Department.

At the U.S. Congress we've been working with the Senate Foreign Relations Committee.

**EIR:** Do you expect there may be some hearings on the question of the sanctions?

**Moodie:** I don't know whether on the question of the sanctions, but certainly on the question of the health situation in Iraq, which is what we're interested in.

**EIR:** Can you compare what you saw in Iraq with what you saw in your work in eastern Sudan?

**Moodie:** It's quite different, because the baseline you're starting from is quite different. Sudan is a much, much poorer country. Iraq actually had a functioning health care system. It had reduced its childhood mortality by half and had a health care system according to Unicef that reached 90% of the population. They had potable water for 100% of the urban population and about 87% of the rural population—very good figures. They had good vaccination programs. So the health care system was working. The GNP is much greater in Iraq. . . .

But, what we did see was the fact that, judging from what it was like beforehand, there has been a *dramatic* change since the Gulf crisis began. It's as important to compare Iraq now with what it was like before, as to compare it with Sudan, because even now in the hospitals we saw very high levels of malnutrition, which certainly reminded me of very bad situations that I've worked with in 1985 [in Sudan].

**EIR:** Can you describe the work the Red Cross or the United Nations agencies were able to do despite the sanctions?

**Moodie:** The international community and the Red Cross have done a lot of work in restoring water supply. We were impressed with their level of activity. And the same with Unicef—their level of activity in distributing food and medicine and helping. But compared to the need, what they're actually able to do is, at the moment, small. . . . In a country of 18 million people, there is needed an enormous, coordinated relief effort.

**EIR:** In the report, you indicate a tremendous increase in deaths from gastroenteritis in Iraq. . . . Could you describe what gastroenteritis does to a child?

**Moodie:** What it really means is an infection of the stomach and the intestines. That is normally a diagnosis which is made when people come in with diarrhea and vomiting with an unknown cause. The causes are viral diseases or bacterial infections or parasitic diseases.

What it does to children . . . is it produces a lot of vomiting and diarrhea, so they become dehydrated and can die from the dehydration. Cholera is an example of really dramatic gastroenteritis, [with] enormous amounts of diarrhea and vomiting that can kill people within hours.

Other forms of gastroenteritis, especially if you get them recurrently, can lead in young children, particularly because they don't eat, to their becoming malnourished as well. That's certainly one of the associations we saw in Iraq,

definitely between malnutrition and gastroenteritis.

Also when you become more malnourished, you're more likely to get another infection.

**EIR:** You paint a very bleak picture in the report. It's now mid-June, one month later, the peak period for water-borne diseases. Do you have a picture of the situation there now?

**Moodie:** From what we've gathered from talking to people—a week ago in the Unicef office in Amman—things are no better, if not worse. Even if it got no worse, it is still really bad, so it's a situation that does require an enormous response.

**EIR:** You report that only a fraction of the hospitals and community health center network survived the war. Did you see evidence of their having been bombed?

**Moodie:** What we saw was damage from allied bombing and from civilian uprisings and the repression of those uprisings. From all three sides.

**EIR:** Did you see any widespread evidence of civilian casualties?

**Moodie:** When we were there, it was two months after the bombings, and we went to children's hospitals, not surgical hospitals where you normally find war casualties. We heard stories about casualties from the uprisings and the repressions of those uprisings, but we did not see people who had been directly injured, probably because we were looking for different things. We were concentrating very much on children. So we didn't see a high level of casualties. We saw the indirect casualties. . . .

**EIR:** You're also a member of the International Physicians for the Prevention of Nuclear War (IPPNW). The IPPNW sent a spokesman to the recent press conference in Bonn of the Committee to Save the Children of Iraq, who presented a devastating picture of what was occurring in Iraq. He was joined at the press conference by Helga Zepp-LaRouche and by the secretary to Patriarch Bidawid of Baghdad, who has called for lifting of the sanctions, and stated that, no matter how much aid is put into Iraq now, unless the infrastructure is rebuilt, the medicine and food will simply spoil. Do you agree with that assessment?

**Moodie:** As I said before, we're steering clear of the political issue on this. The reason we're doing that is because our most important contribution in this whole thing is to put forward what is the picture of the health situation as we saw it in Iraq.

**EIR:** And let the public draw its own conclusions?

**Moodie:** Yes, and for other groups, like this Committee and IPPNW to be using this information to draw what conclusions they might.

## Congress Party wins the vote

*The issue now is one of leadership, in the political crisis left by the assassination of Rajiv Gandhi.*

With a handful of results yet to be announced as of this writing, the Congress (I) has staked its claim to form the next government in India. The Congress won twice as many parliamentary seats as any other single party, but is still short of an absolute majority and will have to secure the formal support of another party to obtain a working majority in the parliament, or Lok Sabha.

The 10th Lok Sabha elections, which were spread over nearly three weeks due to the ghastly assassination of Congress (I) president and former prime minister Rajiv Gandhi, were marred throughout by violent incidents. Punjab, whose voters go to the polls in the third week of June, in particular took a violent turn. There were also violent incidents in the states of Gujarat, Bihar, and Uttar Pradesh prior to the elections. The overall impact of the violence was a poor voter turnout, averaging only 53%.

Still, the election results show a definite pattern. The Congress (I), which has ruled India for the last 40 years, emerged as the single largest party, winning more than 215 out of the 511 seats contested. It is also evident that the party has weakened significantly along the Gangetic plains where only 15 out of 179 seats contested were won.

The party's performance was particularly poor in Bihar, where it is unlikely to carry a single one of the 54 parliamentary seats. The performance in West Bengal and Uttar Pradesh was also extremely poor.

As a result, the party's traditional

northern leadership is in total disarray.

While the Congress (I) was given a firm mandate in both the southern and central states, its performance in the western part of the country was mixed. A firm majority for the Congress in Maharashtra is contrasted by the party's virtual extinction in neighboring Gujarat, where the Hindu chauvinist Bharatiya Janata Party (BJP) swept the polls.

Significantly, the much-heralded social reformer and former prime minister V.P. Singh failed to lead his Janata Dal party to any real success. Beside the fact that the Janata Dal's tally in the present election is about half of what it was in 1989, V.P. Singh's party was wiped out in most states. Its sweeping success in Bihar, where the caste factor and raw muscle power were used to obvious advantage, and its moderate success in Uttar Pradesh and Orissa, an eastern state, have reduced the party to a three-state political phenomenon, at best.

The Janata Dal's image, and even the prospect of emerging as a national party, have been severely tarnished. The electorate refused to be drawn into a divisive political game under the guise of social reform. Western media support for such a destructive scenario notwithstanding.

As we reported in *EIR* of May 17 ("The Caste Factor in Indian Elections: A Poll Analyst's Myth"), the pollsters were having a field day in the weeks before the election, calculating and recalculating caste and ethnic combinations, based on demographic

figures extrapolated from an ancient census carried out by the British Raj. As we forecast, all this had little to do with reality.

The fast-rising BJP improved upon its earlier position, but not to the extent some anticipated. Riding on the disputed Mandir Mosque issue and promoting Hindu chauvinism, the party is now expected to add not more than 30 seats to its earlier 86 seats. In the process, it has, for the first time, secured four parliamentary seats in Karnataka, a southern state. In Kerala, where the BJP did not win any seat, the party nonetheless showed strength and has reportedly helped to humble the Communist Party of India-Marxist (CPI-M)-dominated Left Democratic Front (LDF).

But the BJP has also shown that it has feet of clay. The party failed to secure the majority of Lok Sabha seats in Madhya Pradesh, Rajasthan, and Himachal Pradesh—all three states which are presently governed by the BJP.

Although it is certain that the Congress (I) will form the government with support from other parties, the Congress will have to deal immediately with the issue of deciding the new parliamentary leader and thus prime minister, a potentially divisive problem thrust upon the party's leaders by the assassination of Rajiv Gandhi.

Reports from party insiders indicate that the process will not be smooth. Top-level party leaders who were playing second fiddle to Rajiv Gandhi will try to assert themselves and establish their power bases. The leadership question will also be vital to forming a viable ruling alliance. If the parliamentary party leadership question is not settled quickly, the party will face dissension within, and may even head for a split, thus in effect collapsing the government before it is established.

## A leadership challenge to Hawke

*London bankers have decided that the prime minister is not moving swiftly enough to wreck Australia's economy.*

When the *Financial Times*, organ of the City of London banking establishment, moots the coming demise of an Australian politician, you can be sure that some changes are in the wind. In this case, the target is Prime Minister Bob Hawke, the Labor Party leader who barely survived a challenge to his leadership early in June by his powerful treasurer, Paul Keating—a man even more eager than he to implement the “free market” austerity measures that the international bankers are demanding.

According to the *Financial Times* editorial of June 6, headlined “Mr. Hawke Goes On and On,” “Mr. Hawke has seemed less able in recent years to maintain the pace of reform, and was increasingly happy to leave the hard decisions to his Treasurer.” Hawke’s strength used to be “his rapport with the average Australian, but even this is not what it was.”

Indeed, sources in Western Australia told *EIR* that Hawke is so eager to prove that this “rapport” still exists, that he is transporting journalists in his own vehicle to his public speaking engagements, so they can observe firsthand his erstwhile popularity.

“Not that Hawke is already politically dead,” continues the *Financial Times*. “There are 19 months before the next general election in which to stop the rot and he could steal some Keating clothes by pressing ahead with unfinished business . . . speeding up privatization of the airline and telecommunications sectors and getting on with constitutional reform.” The editorial concludes that although

“Hawke is not a prisoner of the left, there is a danger its influence could grow,” and if it does, “Keating is ready.”

Hawke won the Labor Party leadership challenge by a vote of 66 to 44, but most Australians think his remaining tenure will not be a long one. A not-very-subtle indication of this was that as the leadership squabble heated up, the editorial line in the Australian press was that Hawke should go and Keating should be given a chance at the prime ministership. In that Hawke’s good friend Rupert Murdoch, the international press mogul, controls at least 65% of the metropolitan press in Australia, the fact that this press also supported Keating looked to many like the handwriting on the wall.

Keating is now a parliamentary back bencher, and will function as a thorn in Hawke’s side for whatever is left of his term, a maximum 18-month period in which the economy is expected to get much worse. The idea that Keating—who many farmers say should be tried and hanged for destroying Australian agriculture—could come back as the candidate to save the Labor Party, gives an indication of what bad shape the ruling party is in. No one in the higher Labor echelons has shown any indication of moving toward a policy perspective by which the economy could be rescued.

It is known that at the regional level in two of Australia’s six states—Western Australia and South Australia—Labor Party leaders have com-

municated that without a policy shift, they will no longer back the federal party. It is also known that some at the more grassroots level of Labor are studying policy proposals put together by the Citizens’ Electoral Councils, in a document called *Sovereign Australia*, which endorses “American System” economic ideas, rather than free enterprise monetarism.

John Koehler, a farmer who helped draft *Sovereign Australia*, thinks that one scenario in the near term would be to split up the Labor Party and bring the Liberal Party under John Hewson back into power. Hewson is a former employee of the International Monetary Fund; he says that he would go much further in taking the “tough decisions” than either Hawke or Keating; in a word, he would privatize everything. “The Liberal Party is a bunch of masons,” he says. “They get their orders straight from Britain. They don’t have the same kind of problem with a base as the Labor Party has.”

“The policies pursued by both parties over the past two decades have brought our nation to ruin,” Koehler charges. Furthermore, as in the United States, the Australian press mercilessly attacks or refuses to give coverage to genuine alternative candidates who attempt to enter races, Koehler says. The media then usually don’t take a strong side with regard to the candidates for office of the two major parties.

Candidates backed by the Citizens’ Electoral Councils have made several forays onto this playing field, in an effort to battle down the Hawke-Keating-Hewson policy line, most recently in the New South Wales state election May 25. Without a break in the manipulated politics that have characterized Australia’s history, “it’s going to end up being a question of civil war,” Koehler maintains.

## Fascism with a 'democratic face'

*Washington and the IMF tell Panama: Use "democracy" to slash living standards.*

The U.S.-installed government of Guillermo Endara resorted to shotguns and tear gas to break up protest demonstrations that shook Panama City, Colón, and other towns and cities in mid-June. The immediate cause for the protests was a government decision that drove the price of beef to near U.S. levels, almost \$2 a pound.

The price hike would ban meat from the table of most Panamanians; their wages don't even come close to what Americans earn. Additionally, the U.S. invasion of Dec. 20, 1989, and the preceding two years of U.S. economic warfare, have left one-third of Panama's labor force unemployed.

The price increase sent high school students into the streets, beginning June 10. Police attempts to "forcefully" (in the words of an official communiqué) disperse the protesters with birdshot and tear gas left several people wounded, and increased the anger of the demonstrators. A local police precinct was surrounded by angry students while others set up barricades, blocking the major avenues. The National Legislative Assembly and other public buildings were also attacked.

Other students and their parents soon joined, frustrated by the economic policy being pursued by the government on the orders of the International Monetary Fund (IMF) and the United States, which still occupies Panama militarily. Austerity measures include wage cuts, dismissals of large numbers of public workers, the selling off of state-owned companies, huge price increases on staples and vi-

tal utility services, large tax increases, the suspension of labor's right to collective bargaining, and the slashing of social security benefits.

While the students took to the streets, farmers in the western province of Chiriquí stopped all food shipments to Panama City, because the government has lifted all restrictions on imported agricultural goods, driving down below parity the prices of locally produced foodstuffs. Days earlier, police in the province had mutinied when the government attempted to privatize a military installation that once belonged to the Panamanian Defense Forces (PDF).

In the face of widening protest, which raised the question of its capacity to stay in power, the Endara government responded by threatening more massive reprisals. Reportedly, the head of the National Legislature, Alonzo Fernández, who belongs to the Moliarena party of Finance Minister Billy Ford, a bankertied to drug money-laundering institutions, said that if the protests continued, the government would order the police to "shoot to kill," a threat previously unheard of in Panama, even under the so-called dictatorship of Gen. Manuel Noriega.

Ambassador Deane Hinton, the American proconsul, was shown on television on June 12, at a ceremony in support of the police. He praised the way they were handling the demonstrations, and called for an end to the mass protest against the IMF-imposed austerity. According to a viewer, Hinton "said it was regrettable that the protesters are attacking their legis-

lators and government officials, who were elected by the overwhelming majority of the people. If they don't like the policies of their elected officials, they should wait until the 1994 elections, because that's the democratic way."

This idea, that democracy equals austerity, is exactly the one promoted by IMF chief Michel Camdessus at the International Labor Organization assembly in Geneva, Switzerland June 11. There Camdessus pronounced: "It is the experience of the Fund that progress in democratization makes the launching of economic reforms easier." So too, in the 1970s, the Anglo-American establishment and European oligarchy admitted their goal was "fascism with a democratic face," as *EIR* exposed at the time.

Also June 11, Billy Ford, who is also Second Vice President, met with representatives of the World Bank and other international financial institutions, along with his fellow vice president, Ricardo Arias Calderón, according to the U.S. government's *Foreign Broadcast Information Service*. The financiers demanded that Panama pay up \$610 million in arrears this year.

Ford said the money will come from more foreign loans, the sale of state assets, and the other austerity measures. The problem, said Ford, is that Panamanians refuse to go along with the cutbacks. "If you take anything away from them they cry, and if you take it away from anyone else, they also cry," he said.

The Catholic bishops of the Panamanian provinces of Colón and Darién have taken a different stance. In a pastoral letter titled, "Forgive Us Our Debts as We Forgive Our Debtors," the bishops called on "the World Bank and international financial institutions, to cancel the immoral and unpayable foreign debt."

## Caught with his pants down?

*Venezuela's CAP may be involved in a weapons-peddling scandal involving his mistress and his security chief.*

Venezuela's Socialist President Carlos Andrés Pérez (or CAP, as he is known) has spent the past six weeks in tours outside the country. He stopped in Nicaragua en route to Washington, and then in Colombia. He returned briefly to Caracas to attend the Fifth Andean Presidential Summit, and then was off to Belgium, Germany, and France. In each place, he acted like a spokesman for Bush's "new world order," attacking the idea of national sovereignty, and the role of the military in defending it.

Back in Venezuela, however, he found himself in trouble. At the end of April, Social Christian deputy Oscar Yañez, president of the communications media subcommittee of the House of Deputies, warned CAP that "if you don't improve your behavior," he would face a scandal surpassing that which undermined ex-President Jaime Lusinchi, over his girlfriend Blanca Ibañez, who became the powerful secretary of the presidency. Yañez warned CAP about "the case of Mrs. Cecilia Matos," CAP's longtime mistress and political companion, noting that he was raising the issue only "insofar as adultery endangers the military or political security of the country."

But Pérez didn't clean up his act. The day he left for Washington, he granted political asylum to three members of Colombia's Simón Bolívar Guerrilla Coordinating Group (CGSB). The narco-terrorists had entered the Venezuelan embassy in Bogotá for the purpose of forcing a "peace dialogue" with the Gaviria

government of Colombia on "neutral territory." CAP welcomed them, and volunteered that Venezuela should be that "neutral territory."

The CGSB fund themselves by kidnaping and cocaine trafficking, much of it run out of a large base in the Colombian department of Arauca, which borders Venezuela. The terrorists regularly kidnap Venezuelan cattlemen for ransom, killing them if they refuse to pay. It is hardly surprising that CAP's negotiating on behalf of these narco-terrorists has upset military men in both Venezuela and Colombia.

Some say it is anger over this policy that has led to the arms and drug-trafficking scandals in which several CAP cronies are now embroiled. Fort Tiuna, the general headquarters of the Venezuelan Armed Forces, has played a role in the exposés, it is said.

This includes the scandal known as the Navy frigate deal. In mid-May, the daily *El Nacional* printed an intimate conversation between retired Vice Adm. Carlos Larrazábal and a Mrs. Gardenia Martínez, a representative of Margold Corp., a military-supplies vendor. In the conversation, Larrazábal promised to pressure the father of his son-in-law, Defense Minister and Vice Adm. Héctor Jurado Toro, to provide the company with a contract. Garden-variety influence peddling? Not just that.

It was later revealed that the owner of Margold is Orlando García, head of CAP's civilian security. Questioned on this, CAP said his security chief hasn't sold "even a little knife" to the Armed Forces.

Not García perhaps, but, according, to Army commander Gen. Carlos Julio Peñaloza, who testified before the Chamber of Deputies defense committee, Gardenia has. In the process, according to Peñaloza, she has also defrauded the state and violated contracts.

It seems CAP, Orlando García, and Gardenia go way back. García met CAP in 1950, when the Cuban government of Prío Socarrás agreed to accept Venezuela's social democratic exiles. CAP arrived in Cuba as the secretary to Rómulo Betancourt, the old Democratic Action leader. When he left Cuba, said García, he went with CAP and Betancourt to Costa Rica, and has been CAP's confidant ever since.

García was put in charge of the security of presidential sweetheart Cecilia Matos and her daughters, the Pérez Matos girls—and her mother, Mrs. Victoria Matos, who turns out to be a friend of Vice Adm. Jurado Toro. Some say that Cecilia is tight with García and his business associate Gardenia, and that any investigation of their influence peddling would have to look into Cecilia's possible role in this.

By June, CAP found himself in worse trouble, when police revealed they had found a BMW owned by the head of Military Intelligence, Gen. Herminio Fuenmayor, in the driveway of a member of a drug ring they were dismantling. The general protested he knew nothing of the drug ring, and had imported the car only so a friend could avoid paying taxes on it.

Fuenmayor claimed that his predicament was a result of the same "conspiracy" which sought to discredit the government in the Navy frigate deal, all being run (he said) as a "destabilization campaign" against the government. "High officials" of the Armed Forces are involved in this, he charged.

But CAP decided it were more prudent to fire Fuenmayor.

# International Intelligence

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## **International exposé of NSC population documents**

EIR's May 3 cover story on the U.S. National Security Council's population control policy was republished in several newspapers in Jordan, Egypt, Turkey, Pakistan, and India during the month of June. The 1974-77 NSC memoranda, drafted by Henry Kissinger and Brent Scowcroft, labeled Third World population growth a threat to the U.S. national security.

The publications include *Ad Dastour*, one of the two most influential dailies in Jordan, and one widely read throughout the Arab world. The article was also reprinted in *Al Shab*, the weekly organ of the opposition Egyptian Labor Party, which led the domestic opposition to Egypt's involvement in the Gulf war. The editor of the paper had been put on trial during the war for allegedly publishing official secrets.

In Turkey, *Zaman*, a national Islamic newspaper, carried a front-page story on the documents, with a banner headline. Other versions of the story came out in the regional Turkish press.

Independently written articles on the NSC documents also appeared in several Pakistani and Indian publications, including *Takhber*, Pakistan's largest Urdu-language weekly; *Jasarat*, another Pakistani Urdu daily; and *Dawat*, an Urdu-language paper published in India.

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## **Botha: Survival of Africa is the issue**

South African Foreign Minister Pik Botha, in an interview with a Johannesburg television network on June 10, discussed an initiative that the government of President Willem de Klerk is floating with respect to certain African countries. The President returned recently from a trip to Kenya, and Johannesburg wire reports indicate that he will visit Egypt soon.

"What is of importance," Botha said, "is the effect of AIDS on Africa. On all these

important areas we will not only have to plan, but also make . . . regional decisions. . . . A joint plan will have to be put before Europe and the U.S. and Japan. . . . South Africa can assist them and can form part of the protest that Africa will have to deliver . . . in order to survive. What we are talking about is the survival of Africa.

"We are moving into a phase that I think few people in South Africa thought possible; we are finding ourselves in the position where we have to defend African countries against the violation of human rights. The West, Europe, are now setting conditions, even for Africa, that they should meet certain democratic demands . . . multiparty systems, independence of their judicial systems; there are African countries who cannot meet these demands at present; they are being pressed into a corner. . . . This is unreasonable."

The South African proposal calls for Egypt as a northern focal point of regional economic development, and then Nigeria in the west, Kenya in the center, and South Africa in the south.

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## **Ethiopian communists are backed by Washington**

The Bush administration rebuffed requests for political support from an authentically democratic Ethiopian opposition group, in order to throw its support behind a Stalinist/Albanian communist group, the Popular Front for the Liberation of Tigré (PFLT), because the latter "has the guns," claimed senior French researcher Gerard Prunier, in a commentary in *Le Monde* on June 18 entitled "The New World Order in Addis Ababa."

According to Prunier, the PFLT group is now ruling in Addis Ababa, under a cover name, the Ethiopian Peoples Revolutionary Democratic Front (EPRDF). The group has never disclaimed its admiration for Stalin and Albanian-style communism, and is violently hostile to democracy. The EPRDF is in fact a phony kind of "federated" group of opponents of the old Mengistu dictatorship,

servicing the purposes of the Stalinist Tigre guerrillas, but nonetheless it is to them that the U.S. "gave the keys of power."

What is little known, Prunier writes, is that there exists in Ethiopia the beginnings of a democratic opposition. It has few armaments, but is becoming more politically cohesive, under the name Coalition of the Democratic Forces of Ethiopia (CODFE). It brings together neo-monarchists with veteran leftist civilians who had been imprisoned by Mengistu's regime, and contains many individuals who are widely respected in Ethiopia. In any normal free election, the CODFE would rally behind it much of the Ethiopian population. Nonetheless, Washington has refused them access to "negotiations."

Says Prunier: "The explanation for this American blindness seems to come from a quiet arrogance."

Everywhere in Ethiopia, he writes, "the democratic forces are preparing to resist what they perceive as the emergence of a new dictatorship. . . . The danger is, of course, a scenario of the Somalian type and the implosion of the state in total anarchy, with the only alternative being a Stalinist regime trying ineptly to learn the typical methods of the International Monetary Fund."

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## **Chinese communists boost ties to Soviets**

Deng Xiaoping led the Chinese Communist Party's Central Committee in formulating a new strategy focusing on friendly Sino-Soviet relations, Hong Kong's *Cheng Ming* reported on June 1. The strategy is to establish, with the Sino-Soviet relations at the core, a new socialist "alliance circle" comprising the P.R.C., U.S.S.R., Vietnam, North Korea, and Mongolia. Relations with the West, especially Japan, are focused on gaining maximum economic aid.

The strategy would include Soviet aid to modernize Chinese military capability. *Cheng Ming* reported that Soviet Defense Secretary Dmitri Yazov, when he visited Beijing in May, offered to sell China a large



## Briefly

● **SOUTH AFRICA'S** parliament on June 17 repealed the Population Registration Act, which has been used since 1950 to classify every citizen by race. The next hurdle in ending the apartheid system, a very large one, is the drafting and implementation of a new constitution that is not race-based.

● **INDIAN** Prime Minister Chandra Shekhar said that the involvement of foreign forces cannot be ruled out in the assassination of Rajiv Gandhi. Delhi All India Radio Network reported on June 13: "Talking to newsmen in Varanasi today, Mr. Chandra Shekhar blamed these forces for carrying on a disinformation campaign to tarnish the image and credibility of democratic institutions in the country."

● **AHMED BEN BELLA** announced his intention to run for Algerian President on June 16. Ben Bella, the exiled former leader of the Algerian revolution, called on the present government to lift martial law and make way for new elections before the end of the year. A candidacy of the 74-year-old Ben Bella has been mooted for some time, against the background of mounting conflict between the "modernistic" heirs of the Algerian revolution and the Islamic fundamentalists.

● **SIKH TERRORISTS** shot dead 74 Hindu passengers in two trains in the Indian state of Punjab on June 15, in the worst such terror operation in years. Already 21 candidates in the elections in Punjab have been shot, and about 3,000 people have been killed in communal violence in Punjab this year.

● **CHANCELLOR KOHL** criticized Israeli refusal to cooperate with any European peace initiative, in a briefing to Christian Democrats in Bonn on June 14. He said that Israel is requesting German aid to settle 1 million immigrants from the Soviet Union and Eastern Europe in the next three years, but that he is unwilling to give aid to an area where a war is pre-programmed.

number of the "advanced" arms withdrawn from Eastern Europe at bargain prices—if China pays transport costs. Chinese artillery troops and pilots will also be sent to the U.S.S.R. for training.

The Soviets will also sell SU-27 fighters to China, the first transfers of Soviet military equipment to China in 30 years.

### *Philippines volcano threatens military bases*

The United States is evacuating 20,000 dependents of U.S. military personnel from the Philippines because of the eruptions of Mt. Pinatubo, sharply reducing U.S. military presence in the Philippines. The natural disaster calls into question the future of the U.S. military bases at Clark Field and Subic Bay.

Within the last year, a major typhoon and earthquake both hit the country. The Gulf war, especially the need to evacuate thousands of Filipinos working in the Gulf region, also cost the country many millions of dollars. The U.S. forces have now been evacuated from the Clark Field air base, which is close to the volcano, leaving behind both conventional and, reportedly, nuclear warheads. All dependents from both Clark and the Subic Bay naval base are to be evacuated to the U.S.

The evacuation will make it far easier for a total U.S. pullout from the Philippines to occur if a new treaty on the bases is not ratified by the Philippine Senate, because the U.S. is refusing to meet Philippines requests for compensation. Clark and Subic Bay are the two largest U.S. military facilities outside the United States.

### *Church campaign lowers Poland's abortion rate*

Over the past six months, Poland's abortion rate, previously one of the highest in the world outside the Soviet Union, has drastically dropped, the *Washington Post* reported on June 14. The dispatch places the responsibility for this on the Catholic Church,

quoting three medical abortionists to that effect. They complain that "the priests are talking to the women," offering them counseling and aid.

Such a development is essential to any sustained economic development in Eastern Europe, whose nations have extraordinarily low birth rates and population growth rates, after decades of official pessimistic atheism and economic stagnation. Poland's abortion rate had been over 50% of conceptions.

The Pope's visit to Poland during the second week in June will undoubtedly further this turnaround. While in Poland, he said, "We must increase our social concern not only for the unborn child, but for his parents, his mother first and foremost, if the arrival of her child has pitted her against troubles and worries with which she seems unable to cope alone. This concern should find expression . . . in the creation of institutionalized forms of assistance to those parents whose situations are particularly difficult."

Two Catholic archdioceses in the United States have initiated such anti-abortion aid programs, New York and Washington, D.C.

### *Baltic republics demand recognition from CSCE*

The three Baltic republics—Lithuania, Latvia, and Estonia—insist on being seated independently from the Soviet delegation at the Conference on Security and Cooperation in Europe (CSCE). Lithuanian Foreign Minister Aldirgas Saudargas declared in Vilnius on June 15. He announced that the three Baltic foreign ministers will travel to Berlin, to push through their quest for sovereign representation.

The Soviet government responded to this statement and a new resolution in support of the Baltic states passed by the European Parliament a few days before, with a statement by Deputy Foreign Minister Yuli Kvitsinsky, who is also the CSCE affairs coordinator. Kvitsinsky said that any reference to the Baltic issue would be considered by Moscow "an interference in the internal affairs of the Soviet state."

## Commission on allied war crimes holds first hearing

by Katharine Kanter

*"What paid off was the death of Goering, not words denouncing him." That grim sentence spoken by French lawyer Maître Oussedik gives an idea of the state of mind of the hundred or so who gathered in Brussels on June 13-15 as witnesses to allied war crimes in the Persian Gulf. Many had flown in from North Africa, the Mideast, and Asia.*

*A Belgian group called Coordination Against the Gulf War invited the Commission of Inquiry into Allied War Crimes, called into being two months ago by former U.S. Attorney General Ramsey Clark, to hold its first European hearing in their capital. About half the members of the audience had recently been to Iraq and were in a state of delayed shock; it may seem an odd thing to say, but no one smiled or laughed during the entire meeting.*

*This was perhaps the most high-powered assembly ever brought together to indict George Bush's "new world order," including some of the most qualified specialists in international law, criminal law, and medicine of the Muslim world. From a multitude of different factions and political parties, all the speakers agreed on two basic truths: Since August 1990, Iraq has been the victim of a hostile blockade which can only be compared to the siege of a medieval city, and the allied aim is to draw the siege out until virtually the entire population lies dead within the city walls. Even had war-fighting never broken out, millions would still die. Second, thanks to the willing whores of the press, the European and American people know little or nothing of a war immoral beyond belief, a war which will unleash revolution in the Muslim world. Anyone who heard what these people had to say and still thinks that "the rage will blow over in a few weeks and we will be back to business as usual with our little Arab friends," has another think coming.*

*From some of the main speeches, I have tried to bring out the most important, the most novel points made, while*

*avoiding those already made in EIR in recent weeks.*

*This report was prepared on the spot without the aid of stenographic record, and the speakers' remarks are paraphrased unless otherwise noted. Due to the urgency of the matter, we prefer to go to press now rather than wait until transcripts are made available. We pray that the Commission and our readers excuse slight inaccuracies in reporting and any misspelling of proper and place names.*

### **Ramsey Clark, former U.S. Attorney General**

We must return to the idea that there are absolute rights pertaining to every person on the planet. Society is the basis for those rights, but the whole of society is in danger of being destroyed by the war in the Gulf. We will be holding hearings worldwide, 32 in the U.S. alone, until about December 1991, when we hope to have come to some conclusions which will be presented to an International War Crimes Tribunal. The purpose of the hearings is first, to gather evidence, and second, to educate the people, because it is in the people that the power to act on the final resolution rests.

An international criminal court of justice under the U.N. may be needed. Nuremberg was *ex post facto* and victors' justice, and the defendants' questions on Hamburg, Dresden, and Hiroshima were ruled out of order. If, however, the Nuremberg principles were to be applied *prospectively*, the defect of the Nuremberg trials themselves would be cured. We need changes in our criminal codes to get at those who wantonly and willfully destroy in war, the means of civilian life. The language of existing war crimes law on that score, is too vague.

The most important of all the charges in the act of indictment we have drawn up, is that of crimes against the peace, because *there was a plot*. General Schwarzkopf in 1989 gave

testimony to Congress on a possible "war between two small countries in the Gulf." CIA director William Webster in that same year, said by the year 2,000, a quarter of U.S. oil supplies would have to come from the Gulf, and that we needed "power" to maintain that supply. In July 1990, the Pentagon was simulating a mobilization of 200,000 U.S. troops to stop an invasion of Kuwait.

I call upon American citizens who have evidence supporting any of the charges, to come forward and contact the Commission of Inquiry. The U.N. has become an instrument of war by bribery. The abstention of China was bought. Yemen's credits were cut off. We need to abolish the Security Council because it stands for victors' justice. There were victory parades in the U.S.A. People seduced into celebrating a slaughter have no vision, and we know what happens to a nation that has no vision.

*On the evening of June 14, the Commission held a public meeting in the Flemish University of Brussels, to which about 400 students came. Ramsey Clark spoke last:*

"Within about 20 years, 80% of the world's population will have beautiful, darker skins. Their lives will be short, cruel, and miserable, unless we—and I mean everyone of us—act now." At these concluding words, the audience rose to its feet and gave him a standing ovation of several minutes.

### **Frans Wuytack from Belgium, a member of the Gulf Peace Team**

*After summarizing the medical disaster he had witnessed in Iraq, Wuytack said:*

There was never an embargo. It was a hostile blockade, in international law that is an act of war. From the outset, food and medicine were shut off. Anyone who supported the "embargo" knew or must have known what the consequences would be. The blockade was premeditated murder. How could Europeans stand for this? Is this the Europe of "human rights"? Is this the Europe of the Strasbourg Court? The aim of starving out the Iraqi people, was to bring society back to an atomized state, to reduce Iraq to utter chaos. In some South American jails I have seen, they tried to do the same thing. The International Physicians for the Prevention of Nuclear War (IPPNW) got the Nobel prize in 1985, but when they denounced this, they got no press coverage. Seventy-seven Americans tried to get President Truman indicted for mass murder, and the United States should remember this now.

### **Prof. Dr. Miguel de Estéfano Pisano, Department of International Law, University of Havana, Cuba**

The U.N. Charter disallows virtually everything which Resolution 678 purported to allow. Resolution 678 resembles nothing so much as the *patente de corso*, or buccaneering license, which kings used to issue to their favorite pirates. Chapter 6, Chapter 7, and Chapter 8 in particular of the Charter have been ignored. There exists overwhelming proof that the U.S. sabotaged negotiations at every turn, whereas the

Charter stipulates that all means to treat must have been exhausted. Nor were the regional bodies of the Arab world convoked, consulted, and brought into the negotiations as the Charter calls for. The U.S. intervenes militarily in Latin America, but has never convoked the Organization of American States before so doing! Who is in breach of the U.N. Charter?

Resolution 678 is an ultimatum, whereas the Security Council is not empowered to issue ultimatums to member states. The conflict stems from border and other contentious issues, which only an International Court such as The Hague, and not the Security Council, may contemplate. Again, only an International Court may decide on the issue of reparations. The Security Council cannot "decide" that Iraq shall pay reparations. If 30% of Iraq's oil goes to reparations, it will live 100 years of misery. In 1986, the court at The Hague condemned the U.S. to pay Nicaragua reparations for deprivations caused by U.S. forces; not a penny has ever been paid over. Such is the U.S. respect for the rule of law.

The new world order Bush and his allies speak of, is identical in all its terms to the Tripartite Agreement between Italy, Germany, and Japan before World War II.

### **Maitre Claude Harb, a Lebanese lawyer living in Brussels**

I have here a photocopy of a handwritten note from the Emir of Kuwait, dated July 31, 1990, which I will leave with the Commission as evidence. On that day, the Iraqi Vice President, King Fahd of Saudi Arabia, and the Crown Prince of Kuwait, met in Jeddah to discuss the contentions between Iraq and Kuwait. An agreement satisfactory to all parties was arrived at, in several points, which the parties agreed to sign the following morning at 9:30. In the night, the Crown Prince received the note I have here, which I will read to you and which speaks for itself (paraphrase):

We take part in this meeting under our own conditions, alone. What matters are our interests, alone. That is the advice which I have received from our friends in London and Washington.

The next morning, the Crown Prince of course refused to sign, and the negotiations were broken off. Note, that although Saudi Arabia signed a non-aggression pact with Iraq in 1989, Kuwait refused to sign. I draw to your attention the yawning gap between the way the Syrian invasion of Lebanon has been treated by the Western powers, and that of Kuwait.

We know that there are at least 24 mass graves of Iraqi soldiers, but we have received no cooperation from the allied authorities to discover the identities of those who are buried there.

### **Maitre Oussedik, a French criminal lawyer**

*Maitre Oussedik, of Algerian origin, has more than 40 years experience in the French and Algerian courts with*

*cases of the most sensitive and dangerous nature.*

I have myself seen how France has acted to suspend civil rights in this crisis, under the “Vigipirate” (“Monitor Pirates”) police action plan. On the basis of racial and religious criteria, when the Gulf crisis erupted and France made known what side she was on, Muslims living in France, including French citizens of long standing, were picked up. I give the case of 20 persons, arrested and expelled under the procedure known as “absolute urgency.”

These men could not see their lawyers. There were told they were being sent to Yemen and that Yemen would take them. In fact, they were to be flown from Yemen straight to

## Technology can ensure a decent life for everyone

*Extracts from the Resolution of the Estates General of the Coordination against the Gulf War, Brussels, April 6, 1991:*

The Coordination demands the complete withdrawal of all foreign troops from Iraq and the Gulf. . . . The sovereignty of Iraq must be respected. . . . We oppose the plans to divide and Lebanonize the region, which will lead to more civil wars. . . .

For the Northern countries, “international law” has become Might makes Right. . . . We reject the New World Order which the U.S. and the Northern countries wish to impose on the North. . . . We demand that the Security Council of the U.N. be eliminated. . . .

We demand the cancellation of Third World debt, with all interest and other taxes. . . . We demand that state-of-the-art technologies be transferred to the Third World for their benefit. . . .

We demand that all foreign military bases in the Third World be taken down and their troops withdrawn. . . . The absolute priority for disarmament, is not to disarm the Third World, but to disarm the North. To disarm the South first, only means maintaining the North’s political and military hold over the South. . . .

Modern technology makes it possible to ensure a decent way of life to every person on the planet. But the West is refusing to use this technological knowledge to develop the Third World. . . .

The Gulf war was the first experiment with “middle-intensity conflicts,” a strategy developed to fight the Third World. . . . We are opposed to the principle of NATO out-of-area deployments, which target in reality the Third World.

Baghdad, which for some could have meant death. But under French law, when you deport a man, you must put him on the frontier of *his* choice. A commissar of the French government admitted to me that against 18 of the 20 people, no criminal charges could possibly be upheld. But the Administrative Tribunal agreed to their expulsion. Only thanks to the intervention of the Algerian ambassador in Yemen, was I able to prevent some from being sent on to Baghdad. Now they are dispersed all over the Maghreb.

If we allow this process to go on, we face fascism on a planetary scale. At Nuremberg, it was said that crimes against humanity form a category of crime greater than any discrete attack on human rights. There was never a declaration of war by the allies against Iraq, yet they committed deeds worse than any foreseen by the law of war. We are not here to denounce. It was not words, denunciations, at Nuremberg that mattered. It was the death of Goering that paid off. At Nuremberg, certain nations which should have sat in the dock were omitted. Shall we bury in the cellar yet again, these fresh war crimes they have committed and are committing? We owe it to the dead and those who will die because of this war, to restore their dignity and bring the criminals to justice.

### **George Kazolias, Radio France International**

*An American journalist responsible for English-language broadcasts of the French national radio foreign service.*

The job of the journalists is as dirty as the generals and politicians. My department head at RFI told me: “It is better that the Americans control the oil.” Then he said, “Iraqi imperialism must be stopped.” We invented the “Fourth Biggest Army of the World—Iraq,” every word a lie. A journalist at RFI who was in Turkey reported: “Turks 100% behind the war.” So why did two Turkish defense ministers resign, why were there huge demos? In August, pro-Iraqi demos were banned in France. I went out and asked French Muslims what they thought. I say they were 100% against the war.

For this I was harassed by the police. The police told me: “You are a journalist. You should know better.” One journalist at my work called me “Hitler” for eight weeks. Our section chief would not allow us to interview a very famous writer, Gilles Perrault, who called on the French soldiers not to go to the war and to sabotage the war effort. One journalist I saw watching the dead brought forth from the Amariyah shelter in Baghdad, laughed and said “burnt toast” as the bodies came up, and almost danced for joy; he was the one who was nearly crying when he saw the bruised face of an American pilot shown on Iraqi TV.

CNN said, “Seven Iraqi naval vessels of the Zodiac class were destroyed by the British Navy today.” Did you know that a Zodiac is a rubber raft?

Information is a weapon. Journalists are mercenaries. They are hired by someone who has interests. They are well

paid, and they usually agree with what is expected of them. Most of the people in my office thought I should have been fired because I “refused to do my job.” What job? The journalists are covered in the blood of the Iraqi people. It is a myth that the media are independent. Big money, the same money behind the war, runs the media. General Electric owns NBC and they are big defense contractors. Do not forget to condemn the journalists at this tribunal. They are more conscious soldiers than the cannon fodder. The real heroes are the protesters and the GI deserters who got no media time. In France, the suburban youth have been rioting. They greeted the journalists with stones and bottles. Those kids know what journalists are.

### **Gerard de Selis, journalist at Radio Television Belgium**

The media invented 70,000 dead when it was time to overthrow Nicolae Ceausescu, but they have seen no dead in Iraq.

*Reads from the Belgian Criminal Code, on accessories to crime.* Our penal code defines precisely what the behavior of the media was. They are acting as accessories to an ongoing crime against humanity. I am not speaking rhetorically. I believe that we must formally establish the criminal responsibility of the media, and their criminal intent (*mens rea*, in French, *intentionalité*). We must gain access to the internal memoranda on how to report the war circulated within the major press outlets, and analyze them.

All journalists working in the area of international affairs may be presumed to have read the basic international law texts and the U.N. Charter. At any rate, it is impossible that *all* journalists in the West ignored the fact that a hostile blockade is not an embargo. The fact that every single press outlet presented the blockade as an embargo is a proof of criminal intent. *All* journalists could not have made the exact same mistake.

Article 33 of the U.N. Charter says that *all* members of the Security Council must vote for the use of force. But China abstained. The use of force was null and void. Not one journalist mentioned that fact.

Article 47 of the Charter says that once the use of force has been decided upon, the General Staff shall be drawn from *all* members of the Security Council. China and Russia were not among the allies, I believe. No journalist mentioned that breach.

The journalists spilt rivers of ink over the Western experts held in Iraq before December 1990. But under the hostile blockade, 18 million Iraqis were de facto hostages.

A journalist is under a duty to check out every claim he may make. Every international specialist knew that Iraq did not have the world's fourth largest army. That hoax and the hoax over the “immense fortifications in Kuwait” laid the groundwork for the murderous air attacks. The journalists who spread such lies are accessories.

Such journalists are as much combatants as the men who sat at the controls of the fighter-bombers.

### **Maitre Ben Abdallah Said, Algerian lawyer, vice president, Algerian Red Crescent**

The Algerian Red Crescent has been completely isolated in the course of this war. I have spoken to an eyewitness of events in Iraq, Mr. Ouasti Abdel Mallek, regional director of Algerian Press Service. He was in Iraq between Jan. 21 and March 4. On three separate occasions, he saw the explosion of special munitions, which had a blast like that of atomic weapons. Some 20 kilometers east of Baghdad, one of these explosions devastated 10 hectares of palm trees in a fraction of a second, and killed the herds grazing there. Mr. Abdel Mallek saw wounded Iraqi soldiers left to die on the Basrah road. But the allies gave them no aid.

We set up a Committee to Support the Iraqi People, and we sent medical teams there by the dozens. They could do nothing, because the whole infrastructure of the country was being destroyed, and the medical supplies had run out.

Off the port of Algiers, a few weeks ago, the ship *Ores*, bearing 4,000 tons of medicine and electrical generators for humanitarian purposes, was boarded in international waters by allied sailors. The ship was their prisoner for 17 days. I was in Algiers and talked to our prime minister. He called in the American chargé d'affaires and told him to have the ship released. The chargé replied, “I will transmit your request.” Our prime minister said, “It is not a request, it is a demand that you obey the law.” By that time, the crew of the *Ores* had run out of water and food. The U.S. Navy “consented” to the ship continuing its voyage—if it returned first to Suez and unloaded the electrical generators. The crew had no choice but to comply.

The United States has stopped the press from reporting what the bombing has done. The U.S. is not the savior of the world but the author of crimes against humanity. They have made no excuse nor even offered to pay reparations. How dare the U.S. demand Iraq pay reparations?

### **Ross Mirkarami, Arms Control Research Center, San Francisco**

Before the war broke out, we already had begun to warn, with the help of people like King Hussein's scientific adviser and John Cox, what was about to happen. The damage we did to Vietnam, the Chernobyl and *Exxon Valdez* incidents, pale in comparison with what we have done to Iraq and Kuwait.

There has never before been on this planet a single intense burning source as great as that of the 500 oil wells still on fire in Kuwait. This is equivalent to the eruption of the greatest volcanoes known. Nitrogen, sulfur oxides, soot particles, unburned oil, and toxic chemicals are being released, many are highly carcinogenic. Dr. Paul Krutzen of the Max Planck Institute at Mainz believes that if only 1% of these soot particles reach the stratosphere, solar radiation over the Western Hemisphere will drop by 2-3%. Oil rain has been found east of Kashmir and in Bulgaria. This may disrupt the monsoon cycles in the Indian subcontinent, leading to the death by starvation of millions. It may take 2-3 years to put these fires out. The

Lawrence Livermore National Laboratory in California has developed a technology to fight these fires, other than that of the Bechtel Corp. and Red Adair, but the Kuwaiti government keeps the equipment blocked on the border. Why?

No journalist ever asked Schwarzkopf in a press conference, what the effects of bombing Iraq's two nuclear containment vessels were. Twenty-five kilometers north of Samara, there were two chemical factories, producing highly toxic chemicals. Schwarzkopf said they would bomb them. Was there release of chemicals? No journalist asked, and we have not been told. An anthrax factory was bombed, 50 people are known to have died immediately; anthrax is a spore used in biological warfare. Only because the weather was very dry and the spore died quickly, did we avoid a catastrophe. The anthrax affair was blacked out of the U.S. media. We heard about it because someone remembered to monitor Canadian radio.

### **Dr. Eric Hoskins, medical coordinator, Gulf Peace Team**

As we published a text by Dr. Hoskins in *EIR* on May 31, which reproduced the main points of his speech, I will only mention here that he showed slides taken on his most recent visit to Iraq, notably of children with massive burns due to kerosene spills (the only fuel available for cooking and heating as all the fuel lines were bombed) and overturned pots of boiling water which are on the kitchen fire day and night to be sterilized, as there is no drinking water. A Belgian doctor noted that in Iraq now, anyone with even 25% burns has only a 5% chance of survival. There are no antibiotics and no burn wards functioning, so all burns become septic.

Dr. Hoskins also showed a slide of a little girl who, like many others, had drunk kerosene due to all-consuming thirst. He said that the figure of 170,000 children (Harvard Medical Team estimates) who risk death is far too low. Eighteen million Iraqis risk death, he concluded.

Other doctors who read or had their papers read to the Commission, or who were interviewed on film, gave some idea of how much the allegedly "satanic" Baath regime had really invested in the Iraqi people before the war. Malnutrition was virtually unknown before August 1990; the last known case of the protein deficiency disease kwashiorkor dated from 1959. Some 98% of all Iraqi children were vaccinated against the standard childhood diseases. The last known case of polio was found in 1988. But all vaccination programs had to be called off in September 1990 when the supplies ran out. All medicine for cancer ran out by December 1990. Now, in a sample of 500 children taken in April at the Amara hospital, 50 had kwashiorkor, 200 had marasmus (another disease linked to malnutrition), 300 had severe diarrhea, and 100 had enteric fever.

The country had at least 1,195 ambulances before the war. Now only 225 are left in something like working order. A doctor interviewed on videotape at that hospital said that virtually *all* children over the age of six months, i.e., children who are no longer being breastfed, are sick. In any case,

most mothers are so dehydrated and malnourished, that they have no more milk. The same doctor said that very rare forms of malnutrition, such as rickets and pica (children eating dirt because of iron deficiency) had reappeared. All the doctors interviewed agreed that the samples of hospital population are very misleading because, whereas 94% of the Iraqis before the war had easy access to health care centers, now that 90% of the transport grid and virtually all the country's bridges have been bombed, most of the population can no longer even crawl to a hospital.

### **Prof. Jean-Phillipe Peemans, Catholic University of Louvain, Belgium**

The Thatcher-Reagan era corresponds to a new, hard line by the North against the South. Can it be an accident that it was precisely the old, imperial powers behind this? Their new line was that poverty is due to the fact that there are too many Third World nations, and that they are badly run. In the 1980s, Third World countries were expected to "get back into the fold" of one big power or another. There has never been a period when the Northern countries were so united against the South in the neo-liberal international order.

The North feared there would grow up a social movement, led by individuals or countries in the Third World able to mobilize their public opinion, so those individuals and nations were targeted for destruction. When the U.S.S.R. recently "rejoined" the North, all hope died for the South. The North has become nothing but a network of cartels selling to client states. Iraq was made into an object lesson for the rest of the Third World.

What is most dangerous of all is how politics is being criminalized. Your political adversary suddenly turns into a "criminal." The war in the Gulf was nothing but a "police action." The "baddies" are in the South, they are like Satan, the "goodies" are in the North. The baddies of course, are those who had some real power, some chance of opposing the policies of the North.

The notion of how law is defined has been degraded into how to get real, tangible conquests, enforced by international institutions and the U.N. Look at what the Europeans demanded from China after the Boxer Rebellion. We have a moral duty to rise up against this, and also to denounce the perversion of words, of principles, and of ideas.

### **Taher Add Algabbar Abdalla, a Palestinian who got out of Kuwait on May 21**

I myself have seen how Palestinians and Jordanians in Kuwait are being treated since the "Liberation." In the first days after the allies entered, the vans with food and fresh water deliberately passed by the houses where the Palestinians and Jordanians live. I have seen youths beaten over and over, and little old men thrown to the ground. To get ID cards and drivers' licenses, they had to go down on their knees and wait for hours.

Some 9,520 persons had been arrested by May 21, I got that

from official sources. Of that number, 6,500 were Palestinian or Jordanian, and 40 were very young girls; 220 persons have disappeared. I myself saw American soldiers participating in the looting of the Palestinian Red Crescent. The office of the PLO was looted. I also know of two mass graves.

I will tell you about the torture which is being inflicted on the captured Palestinians and Jordanians, who have been held sometimes 80 to a cell in the Military Prison, also in the Youth Detention Center 15 to a cell, and the Sixth Detention Center. The Military Prison became so filthy, that an official could stand the smell for only one minute. He ordered that the prisoners be taken out of there. People have been burned with cigarettes, pieces of their skin have been cut out and they have been forced to eat that. The nose and ears of five Egyptians were cut. Nails were put into people and electric shock applied to the nails. Fish-scaling knives were put to their backs and salt applied to the wounds. People were put into the trunk of a car and left in the Sun. People were kept without water or food for several days. People have been raped.

In one room called the Room of Rapes, 13 people died; this is known. Their bodies were taken out at night. Amnesty International knows this. In the Youth Prison, people can wash and put on clean dress only when the Red Cross visits. Five people were shot for telling visitors how bad the conditions really are. The family of the Emir works with the vigilante groups, who kidnap people and take them to villas where they are beaten and tortured.

The Army, the volunteers, and the militiamen are all working together. It is an organized campaign. The American Embassy and the Red Cross know about it. Everything that has happened is in full knowledge of the allied troops. Everyone in Kuwait believes that these actions are directed out of the U.S. Embassy.

The Special Courts are kangaroo courts. They are there to rubberstamp sentences.

### Press blackout

On June 14, the Commission released a statement referring to the Security Council's decision on June 12 to maintain the embargo. The Commission called for an immediate and total lifting of that blockade, and attacked the proposal to siphon off 30% of Iraq's oil revenue, which would "condemn Iraq to underdevelopment for decades." Only the Flemish-language newspapers in Belgium (*Morgen*, *Post*, and *Volk*) covered the press conference and the hearings. Not one word appeared in *Le Soir* and *Libre Belgique*—clearly, for French-speaking Belgium with its ties to Paris, the meeting had never taken place!

More than a footnote to history: your *EIR* reporter was apparently the only British journalist present, nor were there any American reporters to be seen. Furthermore, the act of indictment in 19 counts drawn up by the Commission cites as accused: George Bush, Dan Quayle, James Baker, Richard Cheney, William Webster, Gen. Colin Powell, Gen. Norman Schwarzkopf, "and others to be named." In spite of the egre-

gious, indeed shamelessly forward role played by the British government in "stiffening America's resolve" and the personal involvement of the English Queen in pressing for action, not one British name appears on the charge sheet. I do not believe that the Commission could have overlooked England by an oversight. Rather, it is likely that not one Englishman has had the courage to step forward and draw up the charges against his own countrymen. Cannot someone be found with the stomach to remedy this?

## 'Strange supporters for Kurdistan'

*The following article by Tino Delabie originally appeared in the Brussels newspaper Solidaire on April 10.*

The present imperialist campaign to "help" the Kurds, brings the idea of "right of interference" and "duty to intervene" one step further. Resolution 688 of the Security Council, authorizing . . . international help to be given the Kurds, is qualified as historic by the bourgeois press. How true! It is an important stride forward for imperialism, because they have gained a "juridical" base for their interventions. Are you surprised to learn that the cunning craftsman behind the resolution is the French Foreign Minister [Roland] Dumas, who last year proposed a similar intervention in Romania? Are you surprised to hear [German Foreign Minister Hans-Dietrich] Genscher speak of "genocide by Saddam Hussein," when it is the French and the German imperialists in the [European Community] EC who are pushing for a rapid deployment force? . . .

The Trotskyists are calling for the "Iraqi troops to withdraw from Kurdistan," which, as things now stand, boils down to preventing the Iraqi government from resisting the Lebanization of Iraq. Within the pacifist movement, there are people who have been genuinely concerned, for years, about the Kurds. . . . That is exactly the reason why they should not allow themselves to be manipulated by the imperialists now, and should instead take on those who are the true authors of the present crisis. The peace movement must demand that all foreign troops withdraw from Iraq and from the Gulf, that the embargo be lifted, that Iraq be indemnified for all the harm caused by the blockade and by the war, that Iraq's debts to the Allies be canceled, that massive humanitarian aid be brought in to her people. . . .



## Establishment seeks domestic fascism to prop up new order

by Kathleen Klenetsky

It has become increasingly obvious over the past two months that sections of the Anglo-American establishment have reached the limits of their tolerance for George Bush's incompetence. Evidence of this can be found both in the emergence of various scandals directed at the President—running the gamut from congressional investigations into the so-called October Surprise, through such minor irritations as the “Air Sununu” controversy surrounding his chief of staff's alleged misuse of official aircraft—and in attacks by leading establishment spokesmen against Bush's policies and lack of leadership.

Bush's failure to develop a “domestic agenda” has become the chief focus of establishment criticism. Beginning with New York Council on Foreign Relations' honcho William Hyland's May 20 *New York Times* commentary, a bevy of influentials has publicly denounced the President for being obsessively fixated on foreign policy, while ignoring the mounting problems on the domestic front.

### **Bush undomesticated**

Hyland's principal theme—that a new domestic order is more urgently needed than Bush's new world order—has subsequently been echoed by numerous establishment organs.

A small sampling of those who have excoriated Bush's lack of a domestic program includes the *New Republic*, which recently editorialized that Bush's “domestic policy rhetoric has no substance”; the *New York Times*, which ran an editorial June 12 charging that the President, “more than anyone else, has squandered this postwar opportunity to address urgent domestic needs”; and David Gergen, a former Reagan administration official who was known as a Bush sympathizer and is now editor at large of *U.S. News and World Report*, who took Bush to task for the same failures in the magazine's

June 15 issue.

Even James Reston, the latter-day Walter Lippman, came out of retirement to pen a critique of Bush in the June 16 *New York Times Magazine*. Reston confessed to having been a fervent admirer of the President: “For years I had been longing for some Gentleman President to come along and set an example of calm thinking and honest talking, and I felt that George Bush was precisely that sort of man,” he writes, adding that he was particularly impressed by the fact that Bush was “not an ideologue, having come out of the old Teddy Roosevelt-Col. Henry L. Stimson tradition.”

But, Reston lamented, “something happened” to Bush “on his way to the White House.” “I thought I knew George Bush fairly well, but I didn't recognize his warrior pose.” Reston takes Bush to task for “wandering into two wars in his first years in office,” and for having “defied the principles of the United Nations when he went to war in Panama.”

“More important,” wrote Reston, Bush indulged in what the “Republicans used to call . . . ‘globaloney,’ ” with his talk of “the next American century” and the new world order, while the economic conditions on the home front deteriorated. What's needed is a not a new world order, Reston asserted, “but a new American order,” and a national agreement that “the main threat to the nation's security [comes] from within and not from abroad.”

Essentially, the establishment believes that these crises will require draconian solutions, but doubts whether Bush, despite his demonstrable savagery against Iraq, is too concerned about his own political standing to be able to implement them.

### **‘Recovery’ fraud is over**

What lies behind this relatively abrupt shift in attitude toward Bush—an establishment President if there ever was one?

In part, at least, the unease over Bush's capabilities can be attributed to the United States' intensifying domestic crisis. After years of denying the undeniable—that the Reagan-Bush "recovery" was a complete fraud, and that in truth, the nation's economy was in a deep depression—at least certain layers of the establishment have finally recognized just how deep that depression is, and what massive social explosions it will inevitably create.

The most explicit public expression of this so far has come from Peter Peterson, a former government official, and currently a leading Wall Street banker who also serves as chairman of that bastion of the establishment, the Council on Foreign Relations. Peterson created a furor with a speech he gave to a recent meeting of the American Assembly, a New York-based think tank established by Dwight Eisenhower and funded by the Harriman family. Bearing the title, "Rethinking America's Security: The Primacy of the Domestic Agenda," Peterson's speech asserted that the U.S. is being overwhelmed by domestic crises:

"After four decades of the Cold War," Peterson stated, "failure to invest in productive capacity, R&D, and infrastructure; the crisis in American education; the exploding underclass, and other domestic problems may have greater impact on 'the United States as a free society with its fundamental institutions and values intact' than the threats from abroad, such as the possibility of Soviet nuclear attack, which have traditionally preoccupied the national security community."

He warned that the national debt—about which, he charged, U.S. passivity has become "pathological"—has made the U.S. extremely vulnerable to pressure from foreign creditors, and further warned that the nation's capacity to exert leadership in the world "may be undermined to the extent increasing domestic and economic failures cause us to be taken less seriously. An extreme but instructive analogy, of course, is the effect of domestic failure in the Soviet Union on the reality and perception of Soviet influence."

"Continued failure to address these domestic priorities may entail a progressive loss both of political will and economic capacity to take actions abroad that promote our real national security interests," he said.

Peterson called for a "new definition of national security that recalls the vision of 1947 [i.e., NATO and the Marshall Plan]—and augments it with more forceful economic and domestic policy components," as well as a "new broad-based, bipartisan political coalition to shape and give powerful political expression to a new American consensus that transcends special interest politics and constituencies."

### **Bringing the new world order home**

Well, yes, Peterson is right: The United States certainly sits in the grip of the worst economic crisis in history—*EIR* proved that years before Peterson woke up to the fact. But what Peterson and his establishment co-thinkers propose to do about it represents the domestic equivalent of the brutal

destruction of Iraq.

The establishment seems congenitally incapable of grasping the concept upon which the United States was founded: that the key to economic growth is a government-backed credit and tax policy which rewards investment in productive economic activity, and which sees the development of labor in its broadest sense as absolutely crucial. Instead, the elite views the development of labor—which means decent wages and living conditions, and the opportunity for cultural and creative growth—as antithetical, not integral to, savings and investment. This fundamental conceptual failure permeated Peterson's address, and leads directly to the draconian austerity regime which he proposed.

Peterson complained bitterly in his speech that "America has demonstrated a debilitating incapacity to face and make the kind of hard trade-offs needed for progress on this expanded national security agenda. In key areas of concern . . . we have become a 'choiceless' society, substituting denial and rhetoric for meaningful action."

It requires very little reading between the lines to discern what Peterson means by "hard trade-offs" and "meaningful action." Succinctly put, he's talking about the same kind of "choices" which Nazi Economics Minister Hjalmar Schacht visited upon Germany, preparatory to Germany's drive for *its* new world order—the Third Reich.

Included among the solutions Peterson put forth were ones for concluding a series of free trade agreements, such as the one under negotiation with Mexico, which will drive down U.S. wages, while looting the Mexican labor force even further. He also proposed an "energy consumption tax, or at least a tax on petroleum, such as a sales tax on gasoline of 20 to 50 cents a gallon."

But his real target was social programs, and specifically, entitlement programs directed toward the country's elderly, namely, Social Security and Medicare.

"The structural aspects of our entitlements must be put on the table," he insisted. "Without structural entitlement reform, but with greater longevity, earlier retirement, low birth rates, and medical hyperinflation, the cost of our federal entitlements system could climb by a colossal 11.5 percentage points of GNP between now and the year 2025." The "revolution of entitlements" must come to an end.

Peterson is hardly alone in demanding a domestic agenda based on austerity. In his *New York Times* piece, for example, James Reston wrote: "I thought it would help if Presidents and others told the truth, and mentioned the world 'sacrifice' once in a while." Reston also contributed an interesting little proposal for making such "sacrifice" easier to put across: namely, getting rid of constituency-based politics. He proposed that the leadership of the two political parties select the presidential and vice-presidential nominees. This "would not eliminate the state primary elections," but party leaders "would retain the power to veto any turkey or quail proposed in these popularity contests."

### Peterson on the U.S. 'domestic agenda'

*The following is excerpted from Peter G. Peterson's May 28 address to an American Assembly meeting on "Rethinking America's Security." Peterson's speech, "The Primacy of the Domestic Agenda," will be included as a chapter in the forthcoming book, Rethinking America's Security: Beyond Cold War to New World Order, which is scheduled to be published by W.W. Norton & Company in February 1992. James K. Sebenius co-authored Peterson's speech.*

. . . I believe a new definition of national security that recalls the vision of 1947—and augments it with more forceful economic and domestic policy components—is urgently needed. Indeed, I suspect that no foreign challenge of the 1990s will affect America's security as much as what we do, or fail to do, at home on a range of economic and social issues. . . . In this spirit, I will advance two propositions:

*Proposition 1.* After four decades of the Cold War, failure to make progress on a "domestic agenda" now threatens America's long-term national security more than the external military threats that have traditionally preoccupied security and foreign policy. While the world remains a dangerous place requiring us to maintain military strength, our failure to invest in productive capacity, R&D and the exploding underclass, and other domestic problems may have greater *direct* impact on "the United States as a free society with its fundamental institutions and values intact," than the threats from abroad. . . . Moreover, continued failure to address these domestic priorities may entail a progressive loss both of political will and economic capacity to take actions abroad that promote our real national security interests.

*Proposition 2.* America has demonstrated a debilitating capacity to face and make the kind of hard tradeoffs needed for progress on this expanded national security agenda. In key areas of concern—for example, energy, fiscal policy, entitlements—we have become a "choiceless" society, substituting denial and rhetoric for meaningful action. Issues that on the surface appear to be economic are, at bottom, deeply political. Only fundamental political changes, such as the formation of a broad and deep bipartisan coalition on behalf of an expanded national security agenda, can get us back on the path to real choices. . . .

Despite the euphoria over America's success in the war in Iraq, the 1990s will be a decade of new and increasing tensions for the United States between international needs

and economic constraints. These constraints are caused by budget deficits, balance of payments deficits, growing foreign debts, debt service costs, paltry levels of investment, anemic productivity growth, a loss of technological leadership in key cutting edge industries, and a general decline in our global competitiveness. . . .

There are specific risks inherent in our passive decisions to run huge deficits and to rely on foreign investors to fund them. Though it is unlikely to occur in a brazen form, a decision by investors or central bankers to cease buying additional dollars—for economic *or* political reasons—would put us in deep trouble. . . .

I am struck by the emergence of a series of powerful domestically generated trends that increasingly seem to pose direct and indirect threats to our fundamental institutions and values. The first of these trends—economic weakness and relative decline—may *indirectly* constrain essential actions abroad and increase our vulnerabilities. I will now turn briefly to some domestic trends, that, if unchecked, may progressively and *directly* threaten the basic character of our society's institutions and values . . . education, poverty, the underclass, and economic expectations. . . .

Solving the budget deficit in the United States has never received the serious political attention it deserves. . . . The dirty little secret is we did not do very much about the *big spending items* that have been ballooning out of sight. These include, of course, the vast entitlement programs for the elderly. . . .

Our national interest is best served by programs that direct public resources toward *investment* and *youth*—not toward consumption and age. . . . The structural aspects of our entitlements must be put on the table. . . . To ensure that the right redirection of resources toward investment is made, we should move from age-based to need-based transfer payments by progressive taxation of benefits, gradual reduction in COLAs [cost of living adjustments] for the non-poor, lower initial benefit levels for upper-income retirees, gradually increasing retirement ages, and increased cost-sharing for health benefits. . . .

We must create an *overall* balanced plan to achieve our wider national security goals. Such an "integrated national security budget" should combine both foreign and domestic priorities. . . . Moreover, along with an integrated national security budget should come serious consideration of the *institutional changes* that would foster its formulation and execution. Should a revamped and broadened NSC be set up that includes members concerned with competitiveness and productivity, such as Commerce and OMB? What institutional changes may be needed in the structure and operation of the associated congressional Committees? . . .

We need a new broad-based, bipartisan political coalition to shape and give powerful political expression to a new American consensus that transcends special interest politics and constituencies.

# Reagan admits aspect of 'October Surprise'

by Herbert Quinde

In a devastating admission that may well have bearing on President George Bush's hopes for reelection, former President Ronald Reagan has confirmed a critical element of the mushrooming "October Surprise" scandal. For the first time ever, Reagan admitted on June 15 that, during his 1980 presidential campaign, while he was still a private citizen, he had been involved in efforts to free the American hostages held in Iran. The Logan Act makes it a criminal offense for a private citizen to conduct foreign policy.

In his own inimitable way, the former President has given credence to longstanding allegations that the 1980 Reagan-Bush campaign cut a cynical deal with the Ayatollah Khomeini. The deal entailed a delay in the release of the American hostages until after the 1980 elections—thereby denying President Jimmy Carter a last-minute "October Surprise," which could have helped his reelection. In exchange for their cooperation, the Iranians were promised a steady flow of much-needed weapons to fight Iraq, once Reagan took over at the White House.

## Reagan speaks

Speaking to reporters while playing golf in California with President Bush, Reagan dismissed as "absolute fiction" the charge that the 1980 Republican ticket had worked to delay the hostages' release. But he went on to say, "I did some things to try the other way"—that is, to get them released prior to the election. He added, "From the very beginning that they were ever held there, every effort on my part was to get them home." When asked if that supposed effort entailed contacts with the Iranian government, Reagan stated, "Not by me," but said he could not "get into details." Asked if his campaign officials made such contacts, Reagan said, "Some of these things are still classified." Thereupon, aides hustled the former President away from reporters.

Standing at Reagan's side, Bush was less than pleased. He evaded the question (except to say that he welcomed an investigation to clear up the issue), but warned against a "billion-dollar witchhunt." Bush has claimed that there was no contact whatever between the Reagan-Bush campaign and the Iranian government.

Reagan's statement is reverberating in the world press. The *Financial Times* of London headlined its story, "Reagan Renews Iran Hostage Controversy." The *Times* reported June 17 that Reagan's "comments, which appeared designed to kill a story, may have opened fresh lines of inquiry for congressional

investigators. They also raise questions about whether the Reagan campaign's contacts may have undermined Mr. Carter's efforts to persuade Iran to release the hostages."

## The congressional inquiry

The October Surprise allegations may become the subject of a formal investigation by the U.S. Congress before its July 4 recess, according to Rep. Butler Derrick (D-S.C.). Speaking at a June 13 press conference sponsored by the liberal Fund for New Priorities in America, Derrick said 75 members of Congress last month asked the Speaker of the House to conduct a preliminary investigation to determine if a formal probe were warranted.

After the press conference, the Fund conducted a "Congressional Conference" at the Dirksen Senate Office Building, hosted by Senators Paul Wellstone (D-Minn.), Alan Cranston (D-Calif.), Brock Adams (D-Wash.), and Tom Harkin (D-Iowa). The conference was addressed by journalists and researchers who have investigated the story, including former Carter National Security Council staffer Gary Sick. He recently called for a congressional inquiry, in a *New York Times* commentary which outlined compelling evidence that the Reagan-Bush campaign had indeed done a dirty deal with the Iranian mullahs.

Asked by *EIR* about the FBI wiretap tapes of Cyrus Hashemi's phone conversations, which are reputed to be a "smoking gun," Sick described the tapes as covering the period from October 1980 to January 1981, and commented that their release would do much to help confirm details of the scandal. Cyrus Hashemi, a U.S.-based Iranian banker who died mysteriously just before the Iran-Contra scandal grabbed the headlines in July 1986, was one of the Reagan-Bush ticket's go-betweens with the mullahs.

The existence of Hashemi tapes covering the critical October-January period has been known, but no one has ever heard them. *EIR* was denied access to them in 1984, in the course of litigation in federal court after the FBI said the tapes had been "lost." Sometime in June, *EIR's* attorney is expected to deposition an FBI official on progress in finding the tapes.

Speaking from the audience at the Congressional Conference June 13, Wellstone confirmed growing support among Democrats on Capitol Hill for a congressional probe. The only debate at the conference concerned whether this should take the form of a congressional effort, or should involve appointment of a special prosecutor.

Also speaking was former hostage Moorhead Kennedy, who presented an open letter he and seven other former hostages signed endorsing a congressional investigation.

Maurice Paporin, the Long Island real estate magnate who chaired the conference, commented that the Fund had sponsored a "colloquy" in 1973 which contributed to the unraveling of Watergate. The implications for President Bush of that comment seemed to be well understood, and well received, by the audience.

## Bush names Democrat to Moscow embassy

by Marcia Merry

That Robert S. Strauss, chairman of the Democratic National Committee and trade representative to Beijing during the Carter administration, should be appointed as President Bush's choice for ambassador to the Soviet Union, should raise some eyebrows. Is this a first step toward establishing a bipartisan caretaker government, in response to the President's manifest incapacities—physical as well as mental—for the job?

While a Democrat, Strauss has longstanding ties to fellow Texans George Bush and Secretary of State James Baker, including a business partnership with Baker in the late 1970s. Furthermore, Strauss can be counted on to represent the same economic warfare policies being pushed by the Bush administration against Europe, Japan, the Soviet Union, as well as the developing sector.

While Strauss does not know Russian, he does have one qualification for his post that is bound to appeal to Bush: He is an advocate of the doctrine of the *aura of power*. Probably his most important qualification, from the point view of the part of Anglo-American establishment most committed to trade war, is his connection with Dwayne Andreas of Archer Daniels Midland (ADM).

Strauss has also been connected with Sen. Robert Dole (R-Kan.), who has recently been mooted as a presidential candidate should Bush decline a second term. Strauss and Dole collaborated on programs to subsidize the development of ethanol as a gasoline substitute. In 1980, when a tariff was proposed against imported alcohol, Bob "the Fixer" Strauss, then chairman of President Carter's reelection campaign, is reported to have intervened to get Carter to oppose the tariff, and protect the ADM monopoly.

### Conflicts of interest

Since 1981, Strauss has been on the board of the food commodities giant ADM, which company is also a client of the law firm Akin, Gump, Strauss, Hauer and Feld, which was established by Strauss over 40 years ago, and for which he is considered the "star" partner. ADM is the largest exporter in the current U.S. grain trade flow to the Soviet Union, and has other ventures in the works.

Strauss has other business connections that may conflict with government ethics codes: Coca-Cola Co., McDonnell

Douglas Corp., Fujitsu, Inc., Levi Strauss & Co., Pillsbury Co., RJR Nabisco, AT&T, Communications Satellite Corp., and MCA, Inc.

The implications of these connections, the profits and potential favoritism involved, are expected to be raised as issues at the Senate nomination hearings in July. It may even come up that Strauss stands to gain if MCA gets a movie re-run concession in the U.S.S.R.

Strauss has already taken actions to attempt to counter any suspicions of personal conflict by announcing that he will resign from ADM and other corporate boards, placing his assets in a blind trust, as well as selling his partnership in his law firm. Of course, he is not resigning from his lifelong commitment to the policies indicated by these business ties. This is clear when we focus upon his connection to Archer Daniels Midland.

### The grain cartels

Archer Daniels Midland is an agribusiness giant which works in tandem with Cargill, the largest privately held firm in the United States and the center of the global food cartel. While other top U.S. companies are in financial crisis, ADM is doing \$8 billion a year net sales and other operating income, and Cargill is doing \$40 billion.

Based in Minnetonka, Minnesota, Cargill is actually run as a kind of international shadow government. When Mikhail Gorbachov made his U.S. tour in 1990, Minnesota was his first stop after Washington, D.C. Technically a U.S.-based multinational headed by Whitney MacMillan, Cargill is run for elitist transatlantic interests in the tradition of the British East India Company, and similar imperialist operations. Cargill controls over 25% of the annual world grain trade.

Strauss's good friend, the head of ADM, is Dwayne Andreas, considered to be the successor of the recently deceased Armand Hammer as the czar of East-West trade and back-channel relations. Andreas was groomed by Cargill for seven years, from 1945 to 1952, and then "let loose" to build up ADM as a loyal opposition company to Cargill and other cartel giants. While Cargill moved to lower its public profile, Andreas moved onto center stage, especially in regard to cartel operations in the East bloc. A forthcoming book, *Supermarketer to the World* by E.J. Kahn, Jr., (Time-Warner, 1991), portrays Andreas as just a dirt farmer made good, but he is actually a loyal operative for the cartels, and his henchman is Strauss.

In 1984, Andreas headed up the Presidential Task Force on International Private Enterprise, which launched the present-day policy of linking aid with trade concessions. Also in 1984, Andreas became chairman of the U.S.-U.S.S.R. Trade and Economic Council, the private sector group founded in 1974, and first chaired by David Rockefeller. Under the U.S. Export Enhancement Program, ADM stands to make millions from the recently announced agriculture trade credits for Moscow.

# The imperial angle in Zach Taylor's murder

Dr. George Nichols, Kentucky's Chief Medical Examiner, has told an investigative reporter for *EIR* that he expects private medical labs to return results by early July, to decide whether arsenic poison is present in the remains of U.S. President Zachary Taylor (1784-1850).

Dr. Nichols said that, having been a history major during his college days, he is personally interested in the identity of whoever might have murdered President Taylor, but that "it is up to you people [i.e., outside investigators] to find out *who* killed Taylor. It's my job first to prove whether he was killed or not."

Staff members assisting Dr. Nichols said, "We are all pretty excited by what we are doing on this."

Wide publicity has been given to the decision of Kentucky authorities to exhume Taylor's bones. It is now generally stated in the U.S. press that if Taylor was assassinated, the motive was Taylor's stand against the spread of black chattel slavery, and the probable perpetrators were "Southerners."

But the media have neglected to use information readily available in American archives and libraries, which would shed light on President Taylor's final struggle—and on our own times.

Zachary Taylor, elected in 1848, was the second, and last, U.S. President from the Whig Party, led by Henry Clay. Lately, news accounts of the Taylor exhumation have slandered Clay, who favored compromise with Southern secessionists, as a possible assassin of Taylor, who spoke of "hanging" the secessionists!

More to the point, Clay's Whig Party advocated nationalistic projects such as a national bank to compete against the usury of private bankers and against the British Empire. The only other Whig President, William Henry Harrison, had died "unexpectedly" in 1841, after only a month in office.

## Evidence points to Quitman

All accounts of the last days of Zachary Taylor point to one John Quitman as a likely suspect in the design of his murder.

When Taylor died on July 9, 1850, Mississippi Gov. John A. Quitman was the acknowledged leader of the movement for secession of the slaveholding South from the American republic. Quitman, a native New Yorker and a national leader of the Scottish Rite of Freemasonry, was also an ardent advocate of the imperial conquest of Latin America.

Quitman had been the military governor of Mexico City



President  
Zachary Taylor

during the 1846-48 U.S.-Mexican War. At war's end, he proposed the subjugation and annexation of all Mexico. But Taylor, then the U.S. military commander, engineered a compromise, taking somewhat less: California and what is now the U.S. Southwest.

On June 3, 1850, representatives from nine Southern states met in Nashville, as proposed by Quitman, to advocate the breakup of the United States.

Governor Quitman was just then arranging and financing the organization of several private armies. President Taylor moved forcefully against Quitman. Sometime in June 1850, a federal grand jury in New Orleans indicted Quitman for planning and organizing the invasion of Cuba, in violation of the U.S. neutrality laws. Quitman's mercenaries, based in New York, were to seize that island from Spain, to "prevent Spain from freeing the slaves."

On July 3, Governor Quitman cabled his friends in Washington that he would be leading an anti-federal army of several thousand troops westward from Texas, to spread the law of slaveholders into neighboring New Mexico.

President Taylor told visitors that day that he would hang the Quitman clique if they were "taken in rebellion against the Union."

At the next day's Independence celebration in Washington, President Taylor told his audience he would defend the Union. Then he fell ill, vomiting blackish material, and died five days later.

John Quitman continued his work for the invasion of Cuba and other Latin American targets, in conjunction with the family of future President Theodore Roosevelt. This "filibustering" project, as it was then called, formed the core of the secession movement which finally launched the U.S. Civil War in 1861. The aims of Quitman's project, and certain features of its organization, live on in our time.

(For the Taylor case, consult the book by Anton Chaitkin, *Treason in America: From Aaron Burr to Averell Harriman*, pages 207-210.)

# Why the United States almost lost Space Station Freedom

by Marsha Freeman

On May 15 the subcommittee which appropriates the budget for the National Aeronautics and Space Administration (NASA) zeroed out the \$2 billion administration request for Space Station Freedom from the fiscal year 1992 budget. The majority of the Congress was angered. NASA was stunned. Our international partners in Western Europe, Japan, and Canada were furious. The White House was caught off guard. The U.S. press was jubilant. After more than six hours of debate on the floor of the House, a late-night vote on June 6 restored \$1.9 billion to Freedom, in a compromise which froze all of NASA's programs at last year's levels, effectively cutting almost every project, in an attempt to save the Space Station. However, by restoring the Space Station, the way is now open to negotiate with the Senate on the overall NASA budget.

How could a program which is the first new initiative in the manned space program in two decades, involving tens of thousands of jobs, thousands of industrial contractors, and 16 nations, simply be "zeroed out" of the budget? That this program has been under attack by the media, the "scientific" community, and budget balancers is not unique. So were the Apollo Moon program and the Space Shuttle, but they were never zeroed out of the budget.

The path of Freedom, following President Reagan's announcement of the program in his State of the Union address in January 1984, followed the same road as the Strategic Defense Initiative, announced one year earlier by Reagan. If the chief executive refuses to launch an all-out fight for a program, but instead compromises its goals, this does not lead to a compromise in fact with the program's opponents. In this case, it led to a point where the down-sized, re-scoped, stretched out, and therefore increasingly expensive Space Station had become an easy target for a Congress which engages in an irrational budget process. In a like situation, the compromise SDI program, Brilliant Pebbles, was also eliminated from next year's budget by the Congress.

## Too little, too costly?

Last year, the same House Appropriations Committee which zeroed out Freedom's funding in May, *ordered* NASA

to do the eighth redesign of the Space Station in seven years. The congressional micromanagers, pretending they were aerospace engineers, decided \$6 billion should be cut from the cost of Freedom, over the next five years. This was merely a continuation of years of attempts by the Congress to micromanage the project.

After NASA redesigned the Space Station to meet this requirement, these same congressmen scolded the space agency, complaining that the smaller and less capable facility would not be able to fulfill even the narrowed goals of biomedical and materials science research, which is what the entire purpose of the Space Station had been reduced to. What did the committee members think NASA would cut to reduce the cost by \$6 billion: the astronauts' salaries?

As Rep. Tom Lewis (R-Fla.) pointed out on the floor of the House:

"We have never fully funded this project. We have underfunded and strung out the station and then blamed NASA. The opponents underfund the project and then gleefully report it is over budget and behind schedule."

On the morning of June 6, knowing the full House would vote later in the day on the fate of the Space Station, the ever-faithful *New York Times*, which has opposed every manned space initiative for 30 years, printed an editorial, calling for the termination of Freedom:

"When the station was first proposed, it had breathtaking goals. In addition to a medical laboratory, it was to be a staging area at which crews and equipment could be assembled to head for the Moon or Mars . . . a factory for making exotic materials and drugs in the gravity-free conditions of space . . . and a scientific platform for observing the stars and planets above and the Earth below.

"As costs escalated and schedules stretched out, financial constraints forced these goals to be scaled down . . . on balance, the space station offers far too little to justify the estimated \$30 billion-plus in construction costs," the *Times* advises.

Nowhere in any of the discussions of the cost of Freedom is it pointed out that 13 other nations are paying for fully half



of this \$30 billion cost.

Of course the smaller Space Station has less electric power available for scientific experiments, facilities to support only half the size crew originally planned, and less hardware for the experiments themselves. The congressmen merely reaped what they had sown. Then, the nation's elected representatives used the shortcomings of this shrunken facility, which they, not NASA, had designed, as an excuse to try to kill the manned space program.

### **Aura of respectability**

Unfortunately, giving the patina of respectability if not erudition to the Appropriations Committee's irrational behavior, was a series of reports by the nation's "scientific" organizations, which have opposed the manned space program for 30 years. Never understanding on which side their bread was buttered, researchers working in the unmanned space exploration programs such as the probes to the outer planets, have apparently never realized that the periods in space history when the science programs were most supported were when the highly visible manned programs, such as Apollo, brought increased resources to the *entire* space program.

Since 1983, the National Research Council, the National Academy of Sciences, and the Space Studies Board of the Academy have produced no fewer than eight reports opposing the Space Station! The manned program will eat up all the funds and nothing will be left for science, they claim. But where would astronomers waiting to have observing time on the Hubble Space Telescope be if NASA did not have astronauts to train to go up and fix it? The major advance in space science in the 1990s is a series of Great Observatories, Hubble being the first of four, which will be serviced, repaired, and maintained by people in Earth orbit. Because of the available manned capability, these observatories will produce scientific data for decades.

The major advance in space science in the next millennium will come when observing the heavens can be done *in situ*; when the astronomer can be *in space* with his scientific instruments. When we have a permanent base on the Moon, various kinds of astronomical observations will be possible which are impossible from the Earth, or from Earth orbit. From Mars and the vicinity of Mars, yet another window to the universe will be opened.

If we do not build an Earth-orbital facility in which to learn how best to enable humans to adapt to and work in space, it will be extremely foolish and dangerous to send anyone anywhere. The elimination of Freedom precludes the human exploration of the Solar System. Unfortunately, it was not until the eleventh hour that the White House chose to throw the weight of the presidency into the fight to save Freedom. Through the Reagan and Bush administrations, Freedom was whittled away, demoralizing the space agency and antagonizing our foreign partners, as one task after the

next was removed from the Station's mission.

From the dawn of the space age, visionary thinkers such as Wernher von Braun planned the infrastructure necessary for man to colonize the Solar System. Having done the mathematical calculations for manned missions to Mars as early as 1948, following the success of the Moon program, von Braun and others lobbied for the two major pieces of infrastructure needed for the permanent presence of man in space. These were a reusable transportation system to low Earth orbit, and a station for astronauts to arrive at from the Shuttle, from which to prepare to take off for points beyond. Neither segment would be an end in itself—it provided the pathway to the stars.

Last year when the Congress blue penciled the money for President Bush's Space Exploration Initiative to go to the Moon and Mars, nary a peep was heard from the White House. However, in defending the Space Station in the past few weeks, Vice President Dan Quayle, who heads the National Space Council, rebuffed the self-serving reports from the "scientific community" attacking Freedom, and stated that the aim of the Space Station was *never* to conduct scientific experiments, but to explore the planets, though the administration had sat back for years and allowed the Space Station to be eviscerated! Mr. Vice President, expecting to have your cake and eat it too has never proven to be a realistic approach.

### **An international mobilization**

Since 1988, when formal international accords were signed with the United States, the 13 member-nations of the European Space Agency (ESA) have worked on their contribution to Space Station Freedom, which is the Columbus laboratory module and other equipment. Testifying before the Science, Space, and Technology Committee of the House on June 4, at hurriedly called hearings to mobilize the forces to save Freedom, ESA Director General Jean-Marie Luton explained that, "in Europe's case" entering into the cooperation required "reconfiguration of its Long-Term Space Plan."

The agreements to participate in Freedom "effectively bind the fate of their nations' long-term space programs to that project," he stated. ESA has already expended approximately \$1 billion of the \$5 billion it plans to spend in this manned space program, Luton reported. But Europe will not "stop the pursuit of its own ambitions to implement manned/man-tended orbital facilities," he told the congressmen, even if the United States pulls out. "The effect of a unilateral decision by the U.S. to abandon the Space Station would be to compel Europe to change its present manned program, to modify its implementation and to review international cooperation."

This statement certainly caught the attention of the members of the committee.

When pressed by Rep. James Sensenbrenner (R-Wisc.)

to estimate how much money ESA would have to spend to cancel its industrial contracts, Luton replied that he could not "anticipate that Europe would take everything down. . . . We wouldn't close down the contracts," he predicted, "we would reorient the program. Europe will not be stopped in its pursuit of manned space capability."

At the same hearing, the representative of the second-largest contributor to Freedom, the National Space Development Agency of Japan (NASDA), also registered his country's protest over the possibility of Freedom's cancellation. Japan has pledged to provide the Japanese Experiment Module, which will be a scientific laboratory for the Space Station. The estimated cost is \$2.5 billion, and NASDA Executive Vice President Dr. Kenji Funakawa estimated that about one-quarter of that amount had already been spent.

Dr. Funakawa echoed Luton's description of how the entire long-range space program of Japan had been reoriented in order to participate in Freedom. The week before, Japan's Foreign Minister Taro Nakayama had protested the congressional elimination of the Space Station in a letter to Secretary of State James Baker, stating, according to reports in the press, "I fear that the credibility of the United States as a partner in any major big science efforts would inevitably be damaged."

This is a very serious threat. As a nation which has both the resources and the commitment to pursue "big science" projects, Japan has been courted by U.S. scientists and government agencies representing various fields of science to try to get foreign investment in projects such as the Superconducting Super Collider, the international thermonuclear fusion effort, and the human genome project. An across-the-board pullout by Japan from these projects would make them impossible to complete.

Though unable by law to testify before Congress, the Canadian government also registered its protest over the possibility that Freedom would be canceled. Describing the documents signed by both governments as an "international treaty," Canadian Ambassador to the United States D.H. Burney's letters to the committee and to Secretary Baker stressed that Canada's contribution to Space Station Freedom represents fully *half* of its entire space program. It is clear that cancellation would wreak havoc on Canada's young space effort.

It has certainly not completely escaped the attention of the Congress that there is another nation on this planet which builds space stations. It was, however, disappointing, and a missed opportunity, that the possible integration of the European and Japanese space programs with the Soviet Union was only discussed theoretically, both before the committee and during the June 6 House floor debate.

The fact is that the first British astronaut, and the first Japanese citizen in space, both spent time this year aboard the Soviet Mir station, not the U.S. Space Shuttle. The first French astronaut likewise has flown on Mir. It is not

necessary to be concerned about a hypothetical turn toward the East if the United States destroys its manned space program. Because the West has had no space station, work with the Soviets has been going on for a number of years. It is highly unlikely that after five years of planning, designing, and engineering work for Freedom, the Europeans and Japanese will simply cancel their plans and aspirations to become space-faring nations.

### **Even Congress rises to the occasion**

For over 30 years, the civilian space program has not been a partisan or parochial issue in the U.S. government. Certain issues do force one to rise above the porkbarrel and the petty to set the nation on a course to accomplish that which is truly in the national good. So it is with the exploration of space.

The May 15 closed-door vote in the Appropriations subcommittee responsible for the NASA budget, which was then rubber-stamped by the full Appropriations Committee, was partially the result of an irrational budget process. When the NASA budget is authorized, it competes against other science projects in basic science, energy, and the like for funding.

But when the Congress has to appropriate the funding, NASA is pitted against veterans' benefits and housing for poor people, leading to the most pragmatic lines of debate over whether the Congress should fund social programs or space exploration for the future. Due to last year's budget agreement with the White House, the Gramm-Rudman amendment, and other irrational attempts to deal with the budget deficit, the Appropriations subcommittee in question received \$1.8 billion less from the House Budget Committee than the administration was requesting for the programs it has to appropriate money for. Within the strict guidelines of the current congressional budget process, the Space Station was traded off for more money into housing and veterans' benefits.

The House spent more than six hours debating an amendment to the FY 92 appropriations bill to restore money for Freedom. This debate was longer than that over the civil rights legislation. The point was made more than once that space is the responsibility of the entire Congress; that it is neither a partisan nor parochial issue. House Science, Space, and Technology Committee chairman George Brown (D-Calif.) stated at the start of the June 6 floor debate, "It is obviously too important a decision to be made in the context of any small group of the Congress, whether it is the authorizing committee, or the Committee on Appropriations." The members of that committee, which had voted to end Freedom, themselves agreed.

When the attempt was made on the House floor to try to pit the Democratic members against the White House, Representative Lewis rose to his feet, attacking the "attempt to polarize this issue almost in a partisan form . . . to misrep-

resent the substance of this issue.”

Rep. Marilyn Lloyd (D-Tenn.) pointed out why, at the hearings that took place the week before the floor debate and vote: “I don’t have a parochial interest in the space program, but I have a parental interest.” She then relayed that her granddaughter had recently returned from a trip to the space center at Huntsville, Alabama with her Brownie troop, and was very excited about space exploration.

There is now a considerable bloc of members in the House, and even a handful in the administration, who were profoundly affected by the 1969 manned landing on the Moon.

Florida’s Representative Lewis told the House: “When John F. Kennedy declared that America would go to the Moon, he did not justify it in terms of its cost effectiveness. He put it in terms of strengthening American leadership and expanding human horizons. . . . I, for one, did not look at the Moon rocks from the Apollo mission and wonder if it was worth all the expense for some simple rocks.

“I, like the rest of America, saw the greater meaning behind the achievement. And yes, basked in the glory of that achievement. . . . virtually every American under the age of 35 can point to a period in their childhood when they were captivated by our space program’s endeavors. Most have had dreams of becoming an astronaut.”

This sense was even reflected by Office of Management and Budget Director Richard Darman, who also quoted Kennedy during his testimony before the Science Committee, and gave his personal recollection of the impact the lunar landing had on him as a youth.

A significant number of House members also tried to approximate what should be considered the only rational approach to overall budgetary decisions; national projects which function as a science driver, to propel real economic growth.

George Brown (D-Calif.) stated during the debate: “A great nation should provide for its citizens in the most compassionate and substantial manner. In order to provide the continuing social benefits of health care, housing, child care, handicapped services, school lunch programs, and hundreds more, we have to have an economic base that can generate growth and that has the inherent potential for continued expansion.

“Social programs generate economic wealth by helping citizens lead productive lives that enhance their dignity as they, in turn, make positive contributions to the society.

“Science and technology programs generate economic growth by continuously revealing new knowledge that can be applied to develop new products and processes of commercial value in the global marketplace.”

Again trying to rise above the pitting of “today’s” social programs against “tomorrow’s” future, Rep. Ralph Hall (D-Tex.) said, “There is a correlation between the Veterans Administration, HUD, and this Space Station . . . because

there are medical solutions that await us up there. The Space Station is a solution to a lot of the medical mysteries that lie wasting away in veterans hospitals.”

Rep. Ronald Packard (R-Calif.) observed: “The social and environmental demands of this country . . . could use up every dollar in our budget . . . and we would be justified in doing so. But it would be shortsighted, and it would certainly leave out space and defense and infrastructure and a variety of other programs that we must support and fund.”

Rep. Jim Chapman (D-Tex.), who co-authored the amendment to the appropriations bill which restored the Freedom funding, made a fundamental point: “While the economic aspect of this program is worth noting, I believe it is hardly the strongest argument for continuing Space Station Freedom. I believe that a vote to abandon the centerpiece of U.S. space policy is tantamount to destroying our manned space program in this country.”

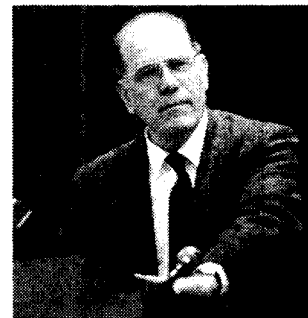
Echoing the same sentiment, with a stronger emotional tone, Rep. Jack Brooks (D-Tex.) warned, “If we want to continue to exacerbate the decline of the United States, if we aim to become a second-class nation, then we should go ahead and kill the Space Station, kill the space program, kill it all, save your money. . . . Is that what you want to leave your children and your grandchildren?”

*‘From the prison in which the politician’s career expires, the influence of the statesman is raised toward the summits of his life’s providential course. Since Solon, the Socratic method has become the mark of the great Western statesman. Without the reemergence of that leadership, our imperiled civilization will not survive this century’s waning years.’*

—Lyndon H. LaRouche, Jr.

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# Useful exposé of 'injustice' system, but weak solutions

by Nancy Spannaus

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## **Presumed Guilty: When Innocent People Are Wrongly Convicted**

by Martin Yant

Prometheus Books, Buffalo, N.Y., 1991

231 pages, hardbound, \$22.95

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This book is a valuable, if somewhat repetitive, exposé of the systemic injustices of the United States' criminal justice apparatus. Unlike books which take one particular case or another, Yant's book provides so many cases from so many areas around the country that it is impossible for the honest person to say that we are talking about aberrations. Most are murders and robberies, ordinary crimes. Yant is right that there are hundreds of people who have been convicted despite their innocence, some even killed, and that the system has to be corrected.

It is also quite useful that Yant approaches this horrible situation from the standpoint of proposing to solve it.

His last chapter includes a whole series of suggestions, summed up under the indispensable concepts of Martin Luther King, Jr. and Athenian lawmaker Solon. King said: "Injustice anywhere is a threat to justice everywhere." Solon had argued that "justice could be achieved whenever those who were not injured by injustice were as outraged as those who had been."

### **No restrictions on 'voir dire'**

That being said, I must disagree with many of Yant's proposals, especially the one which calls for reducing the *voir dire*, or questioning, of the jury pool. Moves to restrict such questioning, taken primarily in the name of saving money and being more efficient, are demonstrably in the direction of enhancing even further the power of the prosecutor, and denying rights to those accused. His proposal on a European-style magistracy to investigate the crime rather

than the prosecutor, is more interesting, given that the European system appears to be somewhat more successful than our own in the United States.

The question which this book begs, is what is the real cause of the immorality, cheating, and brutality that is documented. No answer could be complete without addressing the fact that the United States is enmired in an overall decline in morality, wherein the value of the individual and of the truth before God has become increasingly belittled. I would trace this decline back a lot further than most—in fact, to the cultural decline which began in the period of Social Darwinism in the last part of the 19th century, and has accelerated during our century.

Our political and judicial leaders in fact reflect the qualities of our population, and what it will tolerate. Thus, to the degree that U.S. citizens have reduced their own sense of identity to that of pragmatic pleasure-seeking or survival, so has the justice system dropped its higher purposes in the name of "getting the job done." That means in fact abandoning some of the central commitments of the U.S. judicial system, especially the one which treats the accused as innocent until proven guilty.

Yant's stories reflect this truth by recounting how numerous of the victims of injustice have been saved as a result of massive publicity by novelists, or other writers. As the injustice has been revealed, ordinary citizens have mobilized to ensure that the court's atrocities are reversed.

These rescues of the innocent were particularly striking to this reviewer, who is a newspaper editor and the wife of a political prisoner who was convicted with Lyndon LaRouche. For when it comes to trying to reverse a political "railroad" with publicity these days, one runs smack up against both the monolith of the major media, and the unwillingness of most of the population to believe anything but what they are fed by the media.

### **Political immorality at the top**

Mr. Yant, of course, was not dealing with political convictions, in which the media play a major prosecutorial role, and which tell even more about how perverted our justice system has become from the very top, i.e., Washington, D.C.

And in a real sense, that political abuse taints all other pursuit of criminal justice in the country. If the President of the United States, for example, has been implicated in railroading his opponents to prison, and has overseen a massive drug-running operation—as President Bush has done with the Contra guerrilla project—then how can one expect local prosecutors to have respect for the law?

Thus, after reading Mr. Yant's *Presumed Guilty*, I recommend another review of *Railroad*, the story of the unjust conviction of LaRouche and his associates. It's in the political arena that morality is going to have to begin to be restored.

# Elephants and Donkeys

by Kathleen Klenetsky

## The horsey set moves in

Pamela Harriman may have recently folded her political action committee, widely known as "Pam Pac," but she still aspires to being a Democratic kingmaker.

The widow of the late Averell Harriman hosted a behind-closed-doors meeting of top Democratic strategists and moneybags at her Middleburg, Virginia, estate in mid-June to review the party's prospects in the 1992 presidential elections.

Also attending the two-day meeting was a gaggle of current and potential presidential candidates, who trotted out to Middleburg to display their wares before the party muckety-mucks.

Paul Tsongas, Sens. Jay Rockefeller (W.Va.), Bill Bradley (N.J.), Tom Harkin (Ia.), Bob Kerrey (Neb.), George Mitchell (Me.) and Lloyd Bentsen (Tex.) were there, along with Reps. Richard Gephardt (Mo.) and Tom Foley (Wash.), and Gov. Bill Clinton of Arkansas.

Several other possible contenders—Sen. Al Gore (Tenn.), New York Gov. Mario Cuomo, Virginia Gov. Douglas Wilder, and Jesse Jackson—didn't show.

Although the meeting was off-limits to the press, party officials claimed that they wanted to start planning for 1992 because it has now become clear that Bush is no longer politically invulnerable.

"We've done a lot of polls, and I can assure you, Bush's support is skin-deep," said one party source. "Bush is vulnerable on the [Gulf] war, which is turning out not to have been a clean war. But he's really in trouble on economic issues."

Democratic National Committee Chairman Ron Brown told reporters

at a brief press conference at the meeting's end: "It is clear to us that President Bush is very vulnerable in 1992, because this administration has absolutely no domestic agenda."

Try as they might, however, the Democrats can't come up with an effective domestic agenda, either. The party is pushing a few sops in Congress, tax breaks for middle-class families chief among them. It has also embraced health care reform as a key issue. But the package unveiled by the party leadership in May is premised on the same lethal "cost containment" which has made the British national health system a virtual killing machine. This is hardly the kind of program that can galvanize the Democratic base.

## Third party option?

No wonder, then, that an anti-party revolt is gathering steam. While the Democratic elite was mingling with the horsey set in Virginia Hunt Country, several labor leaders were talking openly about forming a third party.

The *St. Louis Post-Dispatch* reported June 13 that labor, both local and national, was so angry over Dick Gephardt's decision to back Bush's free trade agreement with Mexico (NAFTA), despite the fact that it will lead to massive job and wage losses in the U.S., that serious talk is surfacing about forming a farmer-labor party.

The *Post-Dispatch* interviewed several top labor leaders, who railed against the Democratic Party for refusing to represent its traditional constituencies.

"There's a high level of frustration among labor with many leaders of the Democratic Party," Bob Kelley, president of the St. Louis Labor Council, told the paper. "Democratic

leadership appears to be becoming an oxymoron."

Kelley, who is not only an influential labor leader, but also belongs to the Democratic National Committee, added that he has "heard more talk about a labor party or a labor-farm coalition than I have in the past 15 years. And the guys who are doing the talking aren't the fringe, left-wing radicals who used to do the talking. It's more the moderates, the middle-of-the-road centrists."

Another area labor leader, Duke McVey, president of the Missouri AFL-CIO, echoed Kelley. "Some skeptics say we have one party—it's just two divisions of it," McVey said. "There's a frustration out there from working people that they're getting the shaft, maybe need to do their own thing."

"Basically, the Democratic Party has not delivered on a national basis. As time goes on and things get worse, the feeling from working people may be that they should articulate their own concerns."

Tony Mazzocchi, secretary-treasurer of the Oil, Chemical, and Atomic Workers International Union, has already set up an organization called Labor Party Advocates, which he describes as a "non-electoral party."

Mazzocchi told *EIR* that as soon as he's signed up 5,000 unionists, "we'll call a convention." He predicted that this would take place by the end of 1992. At that point, Labor Party Advocates will start fielding candidates.

"I've been polling union members across the country for three years, he said. "The result is the same: More and more people are alienated from the two parties, and are willing to break with existing institutions. . . . We need a national agenda for working people."

## House okays funds for pro-abortion groups

After a heated debate on June 12, the House of Representatives voted 222-200 to overturn U.S. support for the so-called Mexico City policy, which restricted the United States from giving any family planning assistance to international organizations which participate in performing or promoting abortion as a method of birth control. The Foreign Assistance Authorization Act now before the House would effectively reverse that policy.

Rep. Chris Smith (R-N.J.) introduced an amendment to restrict U.S. funds to any organization or program which supported "coercive abortion or involuntary sterilization," or to any foreign non-governmental organization which "performs or actively promotes abortion as a method of family planning." Citing the Chinese model of forced abortion and the "one-child family" as the most obvious example of this genocidal policy, Smith attempted, under heavy opposition, to reassert previous U.S. policy.

The House agreed instead, by a vote of 234-188, to an amendment put forward by Rep. Peter Kostmayer (D-Penn.) which would grant funds to the United Nations Population Fund on condition that the funds not be made available to the People's Republic of China, or for abortions in any country. Also voted up was an amendment from Rep. Howard Berman (D-Calif.) which does not restrict funding across the board to organizations involved in abortion, but forbids the use of any funds given by the United States "to perform or actively promote abortion as a method of family planning."

President Bush, so as not to alienate Republican right-to-life supporters, has threatened to veto the bill unless it puts restrictions on funds going

to organizations supporting or performing abortions. The congressional abortion advocates, however, quoted extensively from Bush's own statements, made when he was a congressman, to support their policies.

## Baker seeks to mollify China MFN renewal foes

Secretary of State James Baker warned the People's Republic of China on June 12 that there would be "profound consequences" for Chinese-American relations if China sold newly developed ballistic missiles to Syria and Pakistan. At the same time, Baker told a Senate Appropriations subcommittee that the administration remains firmly committed to preserving China's Most Favored Nation trading status for another year.

That decision by George Bush has met with considerable opposition on Capitol Hill, since many legislators feel Bush has been bending over backward to appease Beijing, while the Chinese government continues its bloody repression of the democracy movement. A group of Republican and Democratic senators is seeking concessions from the administration, in exchange for their support for renewal of MFN status.

A letter now being circulated on the Hill for signatures, which was drafted by Sen. Max Baucus (D-Mont.), demands five such administration concessions, the most important being that the U.S. end its opposition to Taiwan's immediate entry into the General Agreement on Tariffs and Trade (GATT). In testimony before a House subcommittee on June 12, Deputy Secretary of State Lawrence Eagleburger had said that allowing

Taiwan into GATT would infuriate China.

The Baucus letter also suggests that the administration take legal steps to fight China's import barriers; ensure that Chinese products made with prison labor are kept off the U.S. market; block loans to China by multilateral agencies until the country's human rights record improves; and enter into negotiations to curb the spread of ballistic missiles in the Third World. The letter is co-signed by Sen. Bennett Johnston (D-La.) and Sen. Quentin Burdick (D-N.D.), and by Sen. William Roth (R-Del.)

## Debate ahead on lifting South Africa sanctions

With South Africa's repeal of its infamous population registration act, one of the foundations of apartheid, the Bush administration is mooting the possibility of lifting economic sanctions against South Africa, which have been in place for five years.

A senior administration official said South Africa has fulfilled four of the five conditions required for the sanctions to be lifted. The only remaining condition is the release of all political prisoners.

However, the Congressional Black Caucus and anti-apartheid lobbies are demanding that sanctions be continued until a new constitution is in place which would give South African blacks the right to vote—not a precondition of the 1986 sanctions legislation.

"We feel it's very important not to lift sanctions now until we're certain the situation in South Africa is irreversible," said Rep. Edolphus Towns (D-N.Y.), chairman of the Black Caucus.

Senator Richard Lugar (R-Ind.), representing the administration viewpoint, said that to demand full voting rights now as a precondition for lifting the sanctions would be "like moving the goalposts." Although not suggesting that sanctions be lifted until the law's requirements are entirely fulfilled, Lugar indicated that South Africa is approaching a situation "where we'll want to evaluate whether they've met the criteria."

Chief Mangosuthu Buthelezi, leader of South Africa's Zulu-based Inkatha Freedom Party, arrived in the United States on June 18 for discussions with administration and congressional leaders on lifting the sanctions.

## **Attack escalates against Project Democracy's NED**

The National Endowment for Democracy continues to come under fire from Democratic congressmen as the House debates the Foreign Assistance Authorization Act. In the House debate on the bill on June 13, Rep. Bruce Vento (D-Minn.) pointed to serious "administrative, accounting and politically explosive miscues" which had emerged in the work of the NED, and stressed that "these NED weaknesses must be corrected before full funding and business as usual evolve into major blunders and embarrassment for the United States in our relations with other nations." The NED was involved in the Iran-Contra scandal, and in Lt. Col. Oliver North's activities.

Representative David Obey (D-Wisc.), chairman of the Foreign Operations Subcommittee of the House Appropriations Committee, said that

the NED "is out of control." "I think," said Obey, "they are pursuing their own empire-building agenda rather than pursuing the interests of the United States of America and Uncle Sam. And I frankly doubt that the management problems are going to be corrected unless you have new personnel over there." Obey called for reducing NED funding "significantly."

Earlier, Rep. Paul Kanjorski (D-Penn.) had submitted an amendment which would have sharply curtailed the funding. But Rep. Howard Berman (D-Calif.) raised a technical objection to a vote on Kanjorski's amendment, and blocked a vote by the full House. Berman's strategy is apparently to get the NED funding approved by the Senate and then in House-Senate conference without risking a damaging debate and vote in the House where the bill could lose.

## **House moves against India's nuclear program**

The House of Representatives voted 242-141 on June 13 to make all economic aid to India and all continued sales of military equipment and technology contingent upon a written certification by the President that India has not developed any new nuclear devices. The bill was sponsored by Democratic Representatives Robert Lagomarsino (R-Calif.) and Charles Wilson (D-Tex.). In debate, Lagomarsino claimed that India's nuclear program is "fueling the regional arms race."

"What troubles me," said Lagomarsino, "and ought to trouble anyone seriously concerned about nuclear proliferation, is India's continued nu-

clear program. Experts estimate that if left unchecked, India could have produced as many as 40 to 60 nuclear weapons by the mid-1990s."

## **Gonzalez targets Bush's genocidal Gulf policy**

In a letter to President Bush on May 30, Rep. Henry Gonzalez (D-Tex.) attacked the President's policy in the Persian Gulf. "The bankrupt nature of your administration's policy in the Middle East is becoming more and more evident," wrote Gonzalez, "as the massive starvation, widespread unrest, and disintegration of the so-called Arab unity . . . are further exacerbating the instability worsened by the Persian Gulf war."

Gonzalez noted that the extended martial law in Kuwait makes clear that the war had nothing to do with democracy, justice, or freeing the oppressed, but "everything to do with greed—spelled o-i-l." Gonzalez pointed to the tens of thousands of children who have died in Iraq in recent months, as well as the spread of cholera, typhoid, and other diseases that were the result of the destruction of Iraqi infrastructure by U.S. and allied bombings.

Gonzalez also commented that the embargo against Iraq has made food and medicine scarce and "has led to an inflationary spiral that has priced many Iraqis completely out of the food market." Asserting that the "most fundamental responsibility we have is to prevent more children from dying," Gonzalez demanded that Bush "immediately call on our allies, and our own resources, to pay for food and medical relief for all those who continue to suffer from the effects of the war—to fund life."



# National News

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## Quayle's arrogance stuns East Europeans

The attitude of the Bush administration toward Eastern Europe was revealed by Jim Hoagland in the June 15 *International Herald Tribune*. He describes how "the awesomely arrogant advance team of Vice President Dan Quayle" acted during his recent visit to Czechoslovakia:

"The Quayle team, acting in his name although not necessarily with his approval, wrangled bitterly with local officials who refused to dig up the cobblestones in the middle of [the city of] Bardejov's centuries-old town square, so that Mr. Quayle could be photographed planting two trees there. The Americans also pressed the mayor to order 5,000 school children to turn out on a rainy day to wave U.S. flags. (About 1,000 did show up.)

"We used to have to do such things when the Russians were here," one official said. "Not now."

"Security during the Vice President's speech in the town's church would be 'run like a concentration camp,' one Quayle press aide vowed to a shocked Bardejov volunteer group. The following day Mr. Havel and two visiting dignitaries, the President of Hungary and the prime minister of Poland, had to enter the church and take seats 20 minutes before Mr. Quayle appeared because of the 'concentration camp' security arrangements."

Hoagland wrote that Czechoslovakia's current sensitive strategic situation obliged President Vaclav Havel to accommodate to such outrageous behavior, to the effect that he is "again a political prisoner."

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## DoJ clogs federal courts, judges complain

The Department of Justice's "war on drugs" is clogging the federal courts with irrelevant prosecutions of petty traffickers, according to federal judges who are fed up with the process.

The use of federal courts to prosecute low-level drug pushers has ignited a feud between U.S. Attorney Jay Stephens and the judges of the District of Columbia District Court. The conflict erupted at a recent judicial conference, where Stephens accused the judges of opposing the DoJ policy because of laziness. Stephens has been funneling hundreds of petty drug cases into the federal court to take advantage of stiff mandatory sentences. Since the Congress passed legislation to enact this procedure, the number of drug prosecutions in federal courts has jumped 300%, but drug trafficking and use continue to rise.

Stephens is in fact running the DoJ's flagship challenge to those federal judges who believe that the federal courts have a role to play in protecting the Constitution. The complaints come at a time when the DoJ and U.S. Supreme Court are arguing that there isn't time or money to review life and death issues in *habeas corpus* and other criminal law proceedings, and when constitutional issues in civil law, including Freedom of Information Act (FOIA) procedures and prisoner civil rights suits, are being side-tracked.

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## Sumner, LaRouche score 'victory' parades

William Graham Sumner, a professor from Yale, attacked the jingoism of the "victory" parades after the Persian Gulf war, in a commentary in the June 9 *Washington Post*. Entitled "Lovely Little Wars," Sumner attacks George Bush's idol Teddy Roosevelt in order to put the extravaganza into focus.

"The war with Spain was precipitated upon us headlong, without reflection or deliberation. . . . Whenever a voice was raised in behalf of deliberation and the recognized maxims of statesmanship, it was howled down in a storm of vituperation and cant. . . . Within a year it has become almost a doctrine with us that patriotism requires that we should hold our tongues. . . .

"Now, what will hasten the day when our present advantage will wear out and when we shall come down to the conditions of the older and densely populated nations?"

The answer is: war, debt, taxation, diplomacy, a grand governmental system, pomp, glory, a big army and navy, lavish expenditures, political jobbery—in a word, imperialism. . . .

"My patriotism is of the kind which is outraged by the notion that the United States never was a great nation until in a petty three months' campaign it knocked to pieces a poor, decrepit, bankrupt old state like Spain. To hold such an opinion as that is to abandon all American standards, to put shame and scorn on all that our ancestors tried to build up here, and to go over to the standards of which Spain is a representative."

Presidential candidate Lyndon H. LaRouche said June 11 that "what we see in the enthusiasm for the war and the parades, is not patriotism. It is a quality of emotion very close to those who cheer for a local team, which may be a team of the most disgusting, drug-using, multi-sexual polymorphously perverse degenerates you ever saw. . . . But nonetheless, the population, particularly the sports-minded, will turn out with great enthusiasm in support of that team. And that is a pure act of vanity."

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## New Thornburgh conflict of interest

A new scandal surrounding Attorney General Richard Thornburgh involves his commission of one of his famous "seven deadly sins" of white collar crime.

According to a June 8 Scripps Howard News Service story, Thornburgh owns stock in a company that has capitalized on a Department of Justice (DoJ) study to muscle in on the police body armor market held almost exclusively by DuPont.

Thornburgh's financial disclosure forms show that in 1986 he bought about \$5,400 in Allied Signal, Inc. The company makes Spectra Shield, a fiber used in the manufacture of about 10% of the body armor worn by police officers nationwide.

In 1987, the Justice Department released a controversial study showing that vests constructed of Kevlar, manufactured by DuPont, failed to stop high-powered bullets in more than half its tests. That prompt-

ed the DOJ to issue a stiffer voluntary safety standard, which has been under debate ever since.

Allied Signal reports that since the new safety standard was adopted in 1987, it has gained a stronger foothold in the market.

Thornburgh's spokesman said that although the stock is not in trust, Thornburgh has never had to recuse himself from a decision involving the body-armor question, and so there "is no conflict of interest."

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## Judge rebukes Thornburgh ethics violations

The Department of Justice (DoJ) policy of exempting prosecutors from rules of professional conduct was scored by U.S. District Judge Marilyn Hall Patel of San Francisco in early June. She said that the policy, initiated by Attorney General Richard Thornburgh, is making "a mockery of the court's constitutionally granted powers."

For two years, the DoJ has authorized prosecutors to ignore American Bar Association and court-sanctioned rules which bar contact with a defendant (or opponent, in civil cases) by an opposing attorney, unless the defendant's attorney is present. The practice gives prosecutors wide latitude to make end-runs around defense attorneys, especially in trials with multiple defendants, where one can be played against another.

Patel ruled that the practice relied on "a faulty and tortured reading of existing authority" which undermines the criminal justice system by ignoring rules governing attorney conduct.

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## Prescott Bush aided firm tied to mob

George Bush's brother Prescott Bush aided a firm tied to the Japanese mob, according to Kyodo news service June 7.

Three years ago, Prescott Bush helped arrange the purchase of Asset Management, International Financing and Settlement Ltd. of New York, by West Tsusho, according

to papers filed with the Securities and Exchange Commission (SEC) in 1989. Prescott Bush, described by the Japanese press as a senior adviser to Asset Management, had guaranteed that half of a \$5 million investment by West Tsusho would be recouped within five years or he would make up the difference.

West Tsusho is an arm of a company controlled by Susumu Ishii. Japanese police say Ishii headed one of the three largest mob syndicates in Japan before retiring last October. SEC filings show that the Japanese company agreed to pay Prescott Bush a \$250,000 annual retainer.

The Japanese government is also said to be investigating a separate deal in which Prescott Bush recommended that an official of West Tsusho invest in a Houston-based computer software firm, Quantum Access, Inc. The investment may have violated Japan's foreign exchange regulations.

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## Morgenthau says London key in BCCI probe

New York District Attorney Robert Morgenthau is complaining that the Bank of England is obstructing his investigation of the Bank of Commerce and Credit International (BCCI), according to the London *Independent* June 11.

Morgenthau's probe of drug money laundering by BCCI is one of several ongoing investigations, including ones by the U.S. Federal Reserve, the U.S. Department of Justice, and by Congress. Sen. John Kerry (D-Mass.), heading the Senate probe, is calling the BCCI case "the biggest financial scandal involving an individual institution ever."

Morgenthau said that London is key to the investigation, since BCCI did most of its international activities either out of London or via offshore banking centers like the Cayman Islands that fall under Bank of England purview. "We've asked for help, but we've gotten no cooperation whatsoever," he said.

At least \$4 billion is also missing from BCCI accounts in which Third World central banks had deposited money.

# Briefly

● **OLIVER NORTH**, whose conviction for lying to Congress during the Iran-Contra scandal was overturned, will be backed by pro-Israel Christian fundamentalists in a bid for a U.S. Senate seat, according to Ed McAteer, head of the Religious Roundtable.

● **'HATEMONGERS'** are running public access television programs in 24 of the country's 100 largest markets, the Anti-Defamation League claims in a new report. ADL national director Abe Foxman attacks the Federal Communications Commission Policy Act of 1984, which requires that free time be made available to the public.

● **JEFFREY ZAUN**, the Navy lieutenant whose bruised face was shown on Iraqi TV, told the *Lahontan Valley News* and *Fallon Eagle Standard* of Nevada that "I don't ever want to kill anybody again. This country didn't get to see the cost of the war. I did. . . . People think, 'Hey we went in there and just kicked ass,' but they didn't see the Iraqi mothers get killed." Zaun later amplified his remarks, saying, "We did what we had to do."

● **MASSACHUSETTS'** House of Representatives voted June 11 to abolish the elected Boston School Committee, and establish in its place a school board appointed by the mayor.

● **GEORGE BUSH** addressed the graduating class of the California Institute of Technology in Pasadena June 14. Several graduates protested the appearance by pinning stalks of broccoli to their gowns, the *Washington Post* reported.

● **WASHINGTON, D.C.** Mayor Sharon Pratt Dixon wants the City Council to tear up the capital's civil service laws so she can fire 1,500 city employees, in the start of a new austerity crackdown. She is targeting the seniority rules, so that she can fire higher-paid employees.

### *Constitutional law versus anarchy*

Typical of everything else which is wrong with the United States lately, has been the enthusiastic endorsement of the anti-constitutional coup which is unfolding in Colombia. On June 8, Colombian President César Gaviria Trujillo issued a decree dissolving the current Congress, although this is entirely contrary to the Colombian Constitution. In fact, the whole process under which the existing Constitution is being rewritten by a "Constituent Assembly" violates constitutional law in that country.

The truth is that Colombia has been a nation under siege, in which members of the judiciary, the press, leading critics of the drug cartels and terrorist organizations, have been assassinated. The narco-terrorists have beaten the Supreme Court judges into submission. The whole process by which the Constitution is being rewritten is illegal, based as it is upon a referendum, rather than upon the required submission to two successive sessions of the Congress for approval of the convocation of a Constituent Assembly. Now President Gaviria has made a pact with that illegally formed Constituent Assembly to dissolve the Congress and dictatorially assume the powers of the legislature himself, pending the election of a new Congress under the procedures which he will decree.

All of this has proceeded under Washington's watchful, and approving, eye. All of it has proceeded in the name of "democracy."

Major issues in rewriting the Constitution are outlawing extradition of drug traffickers and hampering the military in carrying out an effective war against drugs. Another issue concerns population policy and the concordat between the Vatican and the Colombian nation. The "reformers" want to ensure that sterilization and other radical anti-population measures can be forced upon the population. A liberal congressman has already proposed an article in the new Constitution which would legalize the production and sale of "recreational" drugs like cocaine, so that they were merely regulated in the manner of alcoholic drinks.

This is the reality of George Bush's new world

order, a reality recently endorsed by the director general of the International Monetary Fund, Michel Camdessus, who on June 10 stated that the IMF has found that "democracy" is the best system for the enforcement of austerity and *readjustments* in the Third World. Key targets of Camdessus and the Bush crowd are the Ibero-American military establishments, which represent an organized nationalist force, as well as the Catholic Church and the existing Congresses.

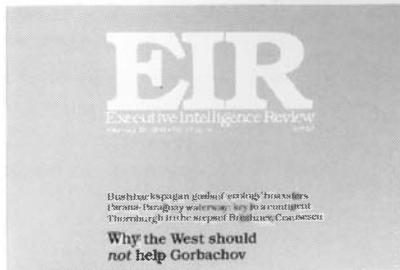
It is by no means coincidental that Alexander Hamilton—the great opponent of Adam Smith's evil economic doctrines—was also a leading defender of the U.S. Constitution prior to its adoption in May 1787. "No legislative act," he wrote, "therefore, contrary to the Constitution, can be valid."

This new imperialism, Bush's corporatist new world order, if it is consolidated, will be far deadlier than Hitler's Third Reich. Already its death count rivals that of Hitler's concentration camps. A constitution, such as the Constitution of Colombia or the U.S. Constitution, represents an obstacle for those who would destroy nations, in order to reestablish colonial rule modeled upon the Roman and then the British empires.

The IMF is demanding precisely the same kind of *readjustments* in countries such as Poland. Their intent is to establish a bankers' dictatorship there which will be run by flunkies of the Anglo-American oligarchy.

In a speech in Poland on June 8, Pope John Paul II called for Poland to reintroduce its short-lived, republican Constitution of 1791. That constitution, he pointed out, was modeled directly upon the U.S. Constitution.

Good constitutions are always based upon natural law. It is bitter to reflect that despite the achievement of a Constitution which has served as a model for all republics, the United States is now acting as the enemy of moral law and republican government. We join with the pope and the patriots in Colombia who are opposing the narco-terrorist coup attempt, to reaffirm the importance of natural law and of genuine constitutionally founded government.



February 16, 1990



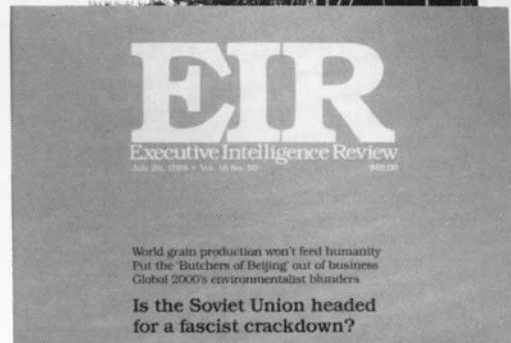
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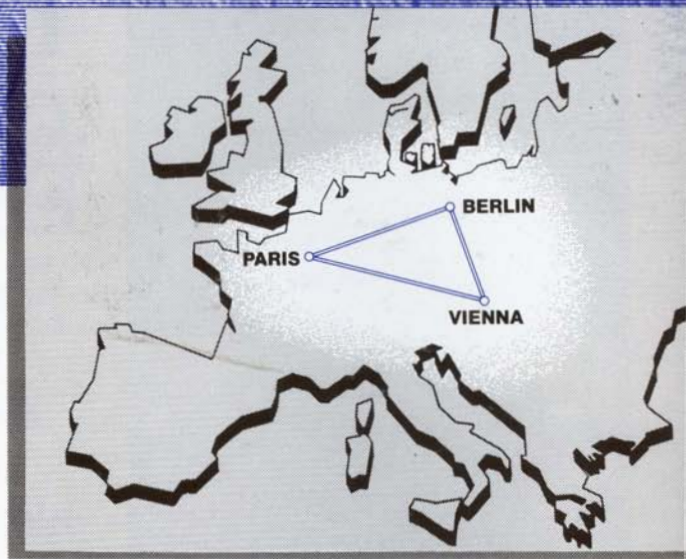
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