

EIR

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From the Editor

No honest observer of world events can deny that the Anglo-Americans are pushing events at breakneck speed into a self-feeding cycle of famine, disease, genocide and war, which no force will be able to contain. George Bush, scheduled to crown himself emperor of the world in his United Nations address, is promoting policies such as renewed military intervention into Iraq and the repeal of the Zionism-is-Racism resolution at the United Nations.

Through the interventions of Lord Carrington, the Serbian war is not only massively escalating against the Croats, but the crisis is being pushed in the direction of a Balkan-wide war. Carrington, of course, was a founding partner of Kissinger Associates, Inc.

In this fast-moving situation, two alternatives have been placed before the public simultaneously: the proposal for a true Fourth Development Decade put forward by the Schiller Institute, the republican think-tank founded by Helga Zepp-LaRouche; and the Club of Rome's report, *The First Global Revolution*.

These opposite programs are based upon two opposing conceptions of man. The LaRouche policy is centered on the conception of man in the living image of God, while the Club of Rome literally bases its policy on the conception that the common enemy of humanity is "humanity itself."

The Club of Rome document opposes: national sovereignty, economic growth, protectionism to nurture national economies, patriotism, religious faith, and technology transfer—all of which, we favor. It espouses global policing, existentialism, and the post-industrial society—all of which we consider the doom of humanity.

This issue contains the following organizing packet to free the world from those who hate humanity:

- The full text of the Schiller Institute proposal "For a true Fourth Development Decade," along with five pages of maps showing the development projects for every area of the globe;

- A Schiller Institute back-up White Paper containing all the information to destroy the Earth Summit—concisely presenting in one document the entire hoax and scientific frauds, as well as who is behind them;

- A special report exposing the new Club of Rome book by Alexander King and Bertrand Schneider.

- News reporting of the resistance to malthusianism and free trade.

Nora Hamerman

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Carlos Wesley

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18 For a true Fourth U.N. Development Decade

The Schiller Institute is circulating this proposal, prepared under the direction of Lyndon H. LaRouche, Jr. and his wife Helga Zepp-LaRouche, at the 46th United Nations General Assembly. "The time has come," the document says, "to replace the dictates of a New World Order imposed upon the peoples of the earth by the ruling elites in Washington, London, and a handful of other nations with a *New, Just World Economic Development Order*, by adding 'justice' and 'economic development' back into the plan for the world community of nations."

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What's wrong with the GATT farm trade proposal

by William Engdahl

Chancellor Helmut Kohl's Bonn government has leaked reports that it will soon issue a "breakthrough" proposal on European Community reform of the Common Agriculture Policy, designed to satisfy Washington's demands in the ongoing Uruguay Round world trade reform talks. Far from positive news, the Bonn "breakthrough," as it reportedly is structured, would bring Europe and the world a large step closer to instability and economic insecurity. With huge grain deficits in certain new republics of the former U.S.S.R. a more pressing reality than ever, it is critical to examine what exactly the underlying premises and objectives of Washington trade policies are.

Last December, talks broke down in Geneva at the General Agreement on Tariffs and Trade (GATT), nominally because the world's second largest agriculture region, the 12-nation European Community, refused to agree to demands from the Bush administration for what is cynically termed a "zero option" agriculture subsidy. This would mean reduction of EC price supports to zero by the end of the decade.

Since the present agenda of the Uruguay Round was formally agreed to by 102 member nations of GATT in January 1987, Washington has placed ferocious pressures, combined with threats of trade war, to ram through a dismantling of some \$36 billion in annual EC agriculture price supports. The Uruguay Round is the third major "round" of complex international GATT agreements held since the Bretton Woods trade body was established alongside the International Monetary Fund and World Bank after World War II. It brings world trade in agriculture under the proposed GATT "tariff reduction" for the first time. It is not accidental that today, four and a half years later, agriculture remains a central block for final GATT agreement in the Uruguay Round.

The Trilateral task force

The decision to place agriculture trade at the center of the Uruguay Round actually grew out of the earlier work of the little-publicized Task Force on Agricultural Policy and Trade of the Trilateral Commission, the influential private lobby created by David Rockefeller. In a series of conferences in 1985, this task force, chaired by former EC Agriculture Commissioner Pierre Lardinois and former consultant to the U.S. government on agriculture trade D. Gale Johnson, laid out the basic GATT agenda.

The fact that GATT, in the subsequent Uruguay Round talks in Montevideo a year later, adopted this Trilateral agenda, is not surprising when we see who participated in its work. In addition to Lardinois and Johnson, the Trilateral group included top executives of American grain companies including Central Soya (Ferruzzi); Quaker Oats Co.; Gilbert Salomon of the large French meat and food exporter Socopa; Clayton Yeutter (then president of the Chicago Mercantile Exchange and, until 1991, U.S. agriculture secretary); and Art de Zeeuw, chairman of the GATT Committee on Trade in Agriculture. In addition, leading executives of the American grain-trading companies Cargill and ADM/Töpfer, such as Dwayne Andreas, were on the elite membership list of the Trilateral Commission itself.

What the Trilateral task force did, was to lay out a five-year program to eliminate all agriculture subsidies by the United States, EC, and Japan. Specifically, its September 1985 report, "Agricultural Policy and Trade: Adjusting Domestic Programs in an International Framework," declared that "the next two or three years offer the best opportunity for progress of any period since World War II. The internal cost of farm programs in the trilateral countries have become

more politically salient . . . domestic programs must become more *market oriented* . . . over time, the levels of *protection should be significantly reduced* and domestic producers faced with some degree of competition from the international markets” (emphasis added).

According to leading participants in the Trilateral task force, their report was the basis on which the Reagan administration introduced its agriculture demands into the Uruguay GATT agenda.

What is wrong here?

This Trilateral “market-oriented” demand for world agriculture trade, like most global “free trade” demands since the time of Adam Smith, is based on a clever and deliberate fraud. What actually is the “world market” to which the big American grain cartel companies such as Cargill and ADM/Töpfer want the farmers of the EC and rest of the world to orient themselves? It is the market of that share of world grain which is traded internationally, rather than being consumed domestically. But, as official EC data show, only a small portion of EC grain ever goes into international trade outside the EC market. The overwhelming bulk of EC grain is consumed by the EC internally. On average in recent years, at least 86-87% of all grain produced by the 12 member countries of the EC is consumed inside the EC. This means only 13-14% ever enters into “world markets.” But on the basis of this 13%, GATT wants to dictate the price and economics of the other 87%! Why?

The reason is quite simple, but one of the politically best hidden secrets of U.S. and EC policy. Three major companies—Cargill Co. (Tradax AG), Continental Grain (Finagrain), Archer Daniels Midland/Töpfer—dominate and cartelize almost all grain imports (including soybeans) into the EC as well as all exports from the EC. Some 85-90% of the “international” grain trade is controlled by these American-based giants.

The world’s largest grain trader, Cargill, is notorious for its control of U.S. government agriculture policy. In 1985, when Washington was preparing its agenda for the proposed GATT Uruguay Round, the agriculture demands, not surprisingly, modeled on the Trilateral task force’s “market-oriented” free market proposal, were drafted by Assistant Secretary of Agriculture for International Trade Daniel Amstutz. Amstutz spent 25 years as a senior executive for Cargill before assuming his government post. At that time, the U.S. Special Trade Representative was Trilateral task force member Clayton Yeutter, later George Bush’s agriculture secretary, and the chief White House architect of GATT demands on European agriculture.

According to former EC Agriculture Commissioner Sicco Mansholt, even EC policy on agriculture is “always determined by the big cartels—you know, Cargill, Continental. . . .”

The problem faced by these powerful U.S. grain trading companies in the mid-1980s was the success of a rival grain

supplier large enough to threaten the influence of American grain on world markets. The political implications were enormous. Not only was Europe more than self-sufficient in grain and agriculture as a result of the modern technological and chemical innovations in agriculture science, but its generation of significant surpluses meant that more than one major source of grain for world grain-dependent countries was possible on a regular basis. That threatened the long-standing Washington policy, first elaborated in 1975 by Secretary of State Henry Kissinger (today a board member of Continental Grain), of using food as a “political weapon” of U.S. foreign policy. Moscow had become the major buyer of American grain under an agreement first negotiated by Kissinger in 1973.

But the emergence of EC surplus grain on world export markets not only undercut the political leverage Washington could exert; it also undercut world grain prices. This is what the GATT agenda was drafted to prevent.

How? By forcing such severe cuts in EC agriculture support that its grain surpluses would vanish. Töpfer, the Hamburg subsidiary of the American grain giant Archer Daniels Midland, confirmed this agenda in a February 1991 analysis of the latest “reform” proposal from EC headquarters in Brussels, to cut drastically grain prices and other farm support. Töpfer noted that the proposed “reform” of EC farm policy would reduce grain production by an estimated 23 million tons per year. This, they note, would conveniently eliminate the EC as the world’s second largest grain exporter, leaving control of world grain trade to one country—the United States.

Also not insignificant is the fact that the person recently chosen by President Bush to become U.S. ambassador to Moscow—Texas lawyer Robert Strauss—was a member of the board of directors of Archer Daniels Midland/Töpfer at the time he was nominated as Moscow envoy.

The cost to Europe’s farmers

Since the Brussels EC bureaucracy began imposing step-by-step price cuts in EC grain support prices in 1986, EC grain prices paid to farmers have been driven down by an estimated 15%. But this does not convey the full extent of the crisis which has pressed down upon European farmers in the past several years.

According to data prepared by COPA, the umbrella organization of European farmer unions, Europe’s farmers have been squeezed in a kind of “scissors crisis,” in which the costs of their production have risen dramatically, while the price they are able to gain for selling their product has fallen year after year. Analyzing per farmer average real income (adjusting for inflation) and comparing net farm income with that of the general wage-earning population, COPA reveals that average per capita farm income has fallen by 15% since the mid-1970s, while net per capita income of overall wage earners for the same period has steadily risen by 24%. By

1989, this produced a gap of just under 30% in income levels between the two groups.

The European Community has imposed a systematic price reduction formula especially targeting European grain farmer prices, since the Hanover EC summit in early 1988. At that meeting, under strong pressure from Britain's "free market" prime minister, Margaret Thatcher, the EC imposed a ceiling on its grain production of 160 million tons per annum. Any one pound produced over this ceiling triggers automatic and severe price cuts for all grains to the farmer for the coming crop year, the so-called "automatic stabilizers." In effect, the EC had been imposing, step-wise, the Trilateral "market-oriented" plan to slash farmer subsidies.

At the same time, while publicly blaming European "greedy farmers" and EC farm supports, the Bush administration has committed record sums for subsidizing export of U.S. grain and other farm products through aggressive dumping programs such as the Export Enhancement Program of the U.S. Department of Agriculture. The aim has been to push European grain exports out of third markets such as Algeria and Egypt, leaving the United States as the de facto dictator of world food supply, a political weapon perhaps even more awesome than Washington's control over world petroleum today.

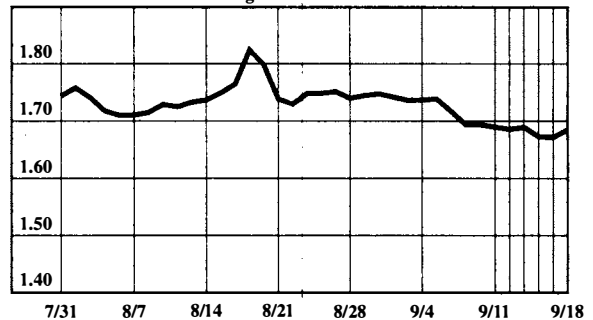
Now, under the argument that failure of the EC to agree to slash its remaining EC agriculture support was the reason that the GATT Uruguay Round did not reach a "successful" conclusion by the original deadline of December 1990, this summer the European Commission approved a slightly modified version of the proposal from Agriculture Commissioner Ray MacSharry for "CAP reform." According to a study just released by the Dutch Institute for Agricultural Economics, the MacSharry plan would be the death knell for entire sections of European economic life. The most severely hit would be the country most economically dependent on agriculture for its national production, Denmark, whose farmers stand to lose 41% in income. Losses to German, Dutch, British, and French farmers would range from -5% to -15% and a total EC reduction in farm income annually of more than 12 billion deutschmarks (about \$7 billion)—a devastating prospect which recently prompted German Farmers Association chairman Constantin Heereman to call for large-scale farmer protest against the Brussels plan.

Better under these conditions to abandon the foolish GATT Uruguay Round and leave world trade and tariff agreements where they have been. The argument used, that a GATT "failure" would trigger trade war and retaliatory tariff blocs, and a world economic depression similar to the 1930s after the U.S. Smoot-Hawley Tariff, is based on a false idea of the real causes of the economic depression of the 1930s. Industrial production collapsed in the 1930s in Germany, Austria, France, and America. But it was because of the collapse of the rotten Anglo-American Versailles debt structures, not because of Smoot-Hawley.

Currency Rates

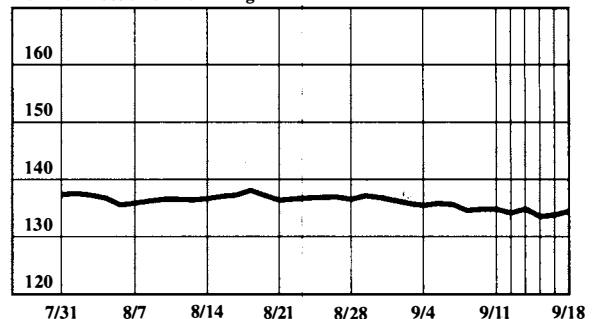
The dollar in deutschmarks

New York late afternoon fixing



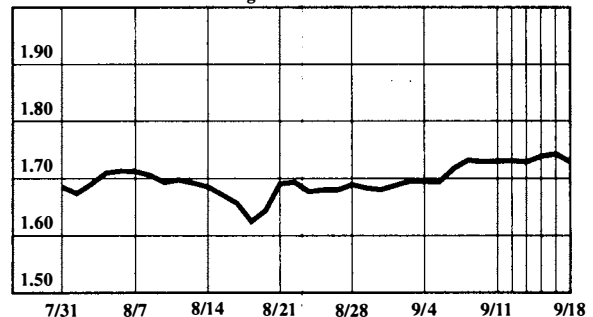
The dollar in yen

New York late afternoon fixing



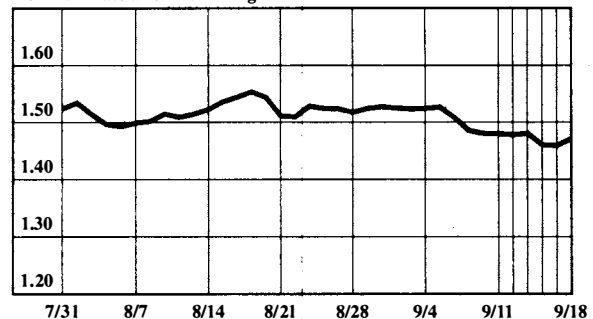
The British pound in dollars

New York late afternoon fixing



The dollar in Swiss francs

New York late afternoon fixing



Non-Aligned fears 'unipolar world'

by Lydia Cherry

At the 30th annual meeting of the Non-Aligned Movement (NAM) in Accra, Ghana the first week in September, there were echoes of that movement which, under Mrs. Indira Gandhi's tenure, had forcefully addressed the debt issue and fought for a New World Economic Order. It was the first gathering of the 103-nation grouping since the Gulf war, and a new element was interjected: how to shift focus away from the East-West divide to the gulf between the North and South, with apparent agreement that the Non-Aligned Movement must represent the South.

Although the Gulf war was nowhere mentioned in the final "Accra Declaration," it was clearly in the background of the discussions. As Tanzania's foreign minister put it: "The Non-Aligned Movement is useful as a means of ensuring that the United States does not misuse its power as the one superpower by oppressing developing countries." In a speech entitled "Association of the Poor to Rescue the Wretched," Ivory Coast Foreign Minister Yaoua Kouman noted that with the Soviet Union "very much weakened, this leaves a free hand to the United States," which has become "the master of the world—which we saw in the Gulf war." Syrian Foreign Minister Faruq al-Shar stressed that "power-associated arrogance is potentially destructive not only to Third World countries but also to the nations that possess this power."

The plight of Africa was a focus of discussion. Foreign Minister Ali Alatas of Indonesia, the country that will become the next head of NAM, noted in his speech that "Africa provides acute relevance to the demand for greater equality, justice, and balance in international relations." The African group at the ministerial meeting attempted to put content behind the words, urging NAM to put its weight behind the call for an international conference on debt. Speaking for the group, Nigerian Foreign Minister Maj. Gen. Ike Nwachukwu said the improvement of the economic situation in Africa has become "a matter of life and death." He noted that, considering the economic indices and the size of Africa's debts, they "are not payable or even serviceable in their present form." Creditor countries must, as a first step, agree to a complete suspension of debt service, he said.

Indian External Affairs Minister Madhavsingh Solanki issued a call "for a development consensus for this decade." He counterposed this to the attempts to choke off develop-

ment under the guise of the environmentalist movement and human rights issues. He noted that India would strongly oppose the current efforts to impose conditions relating to disarmament, human rights, and the environment as prerequisites for receiving financial assistance. He also called upon the grouping to evolve a comprehensive and integrated strategy on international debt to promote sustained development.

The ministerial meeting was opened Sept. 6 by Ghana's President Jerry Rawlings, who said that the major problems "besetting our movement are the direct results of the economic difficulties encountered in the '80s. . . . Creditor countries of the North enjoy a leverage unprecedented since colonialization. . . . The over 4 million people who live in developing countries are about 80% of the world's population, yet our production is valued at less than 20% of global output; our share in world trade is only a little more than 15%." The Ghanaian President paid special tribute to the memory of former Indian Prime Minister Rajiv Gandhi, who, Rawlings noted, had worked tirelessly in the Non-Aligned Movement.

Will NAM act?

Yet it was Rajiv Gandhi who was known to have believed, shortly before his death, that NAM, already weakened, had been one of the first casualties of the Anglo-American war against Iraq, because it had done absolutely nothing to stop that war.

The conference took place the same week that U.S. Vice President Dan Quayle arrived in Nigeria. Speaking in Lagos Sept. 13, he rejected any discussion of a debt write-off, declaring simply: "The debt must be paid." The same week the U.S. suspended aid to Zaire because of "human rights abuses and failure to meet the terms of economic reform programs," according to U.S. Ambassador Melissa Wells. That same week, the World Bank also suspended all funding to Zambia because the Kaunda government has failed to meet a \$20.8 million arrears payment.

The Accra Declaration is a disappointment. Iraqi Foreign Minister Ahmad Hussein had challenged NAM that its "opposition to the attempts to destroy Iraq and starve its people will confirm its defense of the principles it embraces." Yet the declaration takes no stand on the continued imposition of sanctions on Iraq. Furthermore, it does not mention the problem of the debt. The "consensus" rightly concludes that "the focus must now be on the eradication of poverty, hunger, malnutrition and illiteracy." But no reference is made to AIDS or even disease. The document cites the grouping's commitment to "environmental protection" and says the countries will fulfill "our due responsibilities . . . to achieve sustainable development."

The Indian press gave scant coverage to the meeting and conveyed a sense of discouragement. However, *The Hindu*, the daily that tends to represent the thinking of the Foreign Ministry, insisted that NAM is more "relevant" and necessary for the world today than at any time in its history.

Poland's Bielecki defends Sachs plan

by William Jones

Polish Prime Minister Jan Bielecki, on a short visit to the United States early this month, tried to put a "good face" on the tremendous economic and social costs of attempting to implement the "free market" policies of Harvard economist Jeffrey Sachs. While admitting that Sachs's austerity regime had caused hardship, he nevertheless insisted that "phase one" of the plan had been a "miraculous success."

Bielecki, a 39-year-old liberal economist, became prime minister of Poland in January of this year, on the basis of an understanding that he would continue and accelerate the "shock therapy" program of Sachs. Under this program, Polish living standards have plummeted, there are 1.6 million unemployed, and the giant Ursus tractor plant, the largest tractor producer in eastern Europe, has gone into bankruptcy—along with many other industrial enterprises.

Clearly, Bielecki was looking for some international financial angels to help him out. During his visit to the United States he met with, among others, Treasury Secretary Nicholas Brady and International Monetary Fund (IMF) Managing Director Michel Camdessus.

The clock is ticking

At a meeting of the Atlantic Council in Washington, D.C. on Sept. 10, Bielecki admitted the difficulties facing Poland, observing that one of the "fundamental truths" about the process his country was undergoing was that the implementation of the harsh austerity measures demanded by the international banks required "a mandate from the people to accept the hardship." Bielecki admitted further that "the amount of time given by the people to achieve economic success is limited." The Bielecki government had itself threatened to step down this month, when the Sejm (the Parliament) rejected its request for emergency powers, but also rejected the resignation.

Poland's creditors are clearly worried about the possibility of a social explosion, or a shift away from the Sachs program. A representative of the World Bank, for example, sought from Bielecki reassurances that Poland would not leave the path of "radical reforms." Bielecki tried to reassure him that the "general direction" of Polish policy would be

constant, although warning that "international institutions" might have to make slight deviations from the Sachs plan in order to maintain social calm.

Although claiming that "phase one" of the Sachs plan had been a "miraculous success," assuring Poland a stable exchange rate for nearly two years (at the cost of 80-100,000 laid-off workers), Bielecki said that "phase two," the restructuring of the Polish banking system, had been an abysmal failure, claiming, incredibly, that the fault lay with the fact that Poland never had a banking system and lacked "enterprise managers." The solution—undoubtedly dictated by the representatives he had met with that day—was to send Polish entrepreneurs to the United States to learn the supposed virtues of the free market, and to open up Poland to an influx of Polish-speaking managers already trained in the West. This, coupled with the privatization of the banks, offered, according to Bielecki, the solution to Poland's problems.

Relations with the new Union

Responding to a question from *EIR*, the premier also admitted that the "Polish model" was not exactly one which other east European countries or the former Soviet republics were anxious to follow, although he had advised Gorbachov and the Baltic states that the most important item for them was the stabilization of their currencies. "And besides," he said, "there is no other way." Bielecki warned that there were risks in trying to implement the "Polish model" in the new Union of Sovereign States. "The Soviet Union faced 70 years of communism and has been much more isolated than Poland ever was. The problems there will be on a scale almost unimaginable," he said.

He was very concerned about the possibility of another coup attempt, if similar economic turmoil occurred there. "We are hopeful, but we are apprehensive," said Bielecki. "In some ways the uncertainty of the situation makes our security more important than ever." He said that Poland would foster relations with the new Union along with the four new republics that border Poland. Stressing the common cultural heritage of western and eastern Europe, Bielecki called for Polish membership in the European Community. He also called for extending the NATO umbrella to include the countries of central and eastern Europe, and stressed that the Polish government would try to accelerate the withdrawal of Soviet troops by the end of 1992.

Bielecki is quite wrong when he says there is "no other way" but to accept the Sachs policy. Indeed, he privately commented on the strong political support in Poland for the LaRouche "Productive Triangle" alternative. He politely told a representative of the Schiller Institute in Washington that he wished the LaRouche forces success in implementing the Triangle program. But a total shift in policy, away from the free market nostrums and to an "American System" policy of high-technology development, is needed to save Poland.

Deflationary real estate bust looms

by Steve Parsons

Over the summer months, the “recovery” plunged the U.S. economy into ever deeper levels of depression—mounting corporate and personal bankruptcies, mass layoffs, plummeting profits, and declining sales of everything from autos to clothing. On the same day that the Federal Reserve announced a cut in the discount rate to 5%, August retail figures came out showing a monthly drop of 0.7%, three times greater than expected, while for the first 10 days of September, auto sales dived 15.3%. All but the most insane economists and White House personnel are now admitting that the recovery game is up.

This collapse is devastating the real estate market. The delinquency rate for residential mortgages reached its highest level in five years in the second quarter, to 5.28%, according to the Mortgage Bankers Association. This is a 20% increase from the second quarter of 1990. At the same time, the delinquency rate for commercial real estate loans made by life insurance companies has increased nearly 50% since the end of 1990, to a level of 5.41% in the second quarter, as compared with 3.69% in the last quarter of 1990. Prior to this year, delinquencies in the industry had never surpassed 4%. “That’s off the charts,” said David Shulman, director of real estate research at Salomon Brothers. “These are the kind of numbers we were projecting for 1993. Everything is happening much faster than we thought.”

Of note, while delinquencies are surging, the rate of foreclosure and property seizure is falling. This indicates that banks and mortgage companies simply are not taking back properties, because they can’t resell them; any widespread attempt to do so would precipitate a plunge in the “value” of real estate and thus of these firms’ assets. The delinquency rate is undoubtedly much higher. What banks and mortgage companies have been doing is renegotiating and “working out” the delinquencies so as to keep these dead mortgages on the books as “performing assets.”

The enormous illiquidity resulting from the collapse is intersecting what appears to be a frenzied attempt to dump real estate. Everyone, especially banks and insurance companies, is scrambling to get out before the crash, trying to sell their deflating investments to each other. While the Resolution Trust Corp. recently managed to find a buyer on which to unload more than \$1 billion worth of real estate for just

48% of the nominal value, for most would-be sellers, the money for these deals just isn’t there.

For example, the troubled Kemper insurance company said that it will invest in no new real estate projects, while at the same time trying to sell nearly 39% of its real estate holdings, or \$809.6 million of its \$2.1 billion portfolio, during the next five years. This does not mean the properties are in trouble, insisted John Fitzgerald, Kemper’s chief financial officer. “I don’t think we’re doing anything different than any bank in the country is doing.”

But that’s precisely the problem. The banks and insurance companies are all trying to sell at once, which threatens to blow out the already badly depreciating real estate market and further wipe out their “assets.”

Chain reaction under way

In fact, a chain reaction might have already started, as big insurers and banks begin to default on real estate debt owed to each other. Indicative of this is Citicorp’s initiating foreclosure procedures on Gateway IV, a Chicago office tower owned by Equitable Life Assurance Society. Usually, when big corporations have debt problems, the prospect of default and foreclosure is used as a negotiating tactic in working out loan restructurings.

In this case, however, Equitable said it did not make the mortgage payment to Citicorp because the value of the building was *less* than the cost of servicing the mortgage. Citicorp then acted with lightning speed to begin foreclosure on its \$137 million mortgage, which is a major portion of the total financing for the \$543 million investment in the building.

This development exposes just how fast the daisy chain of real estate debt is coming apart. First, Equitable is one of the largest life insurers, and is in extremely bad shape from its rotten real estate. Second, and more ominous, no one wants to buy these office towers; their high vacancy rates preclude their meeting debt obligations, to the point that now the nominal “value” of the property is way below the mortgage servicing costs.

As in the cases of untold thousands of homeowners in areas where home prices are dropping, Equitable and other companies are simply walking away from the debt, leaving banks and other insurance companies holding the increasingly worthless property. Red ink, writeoffs, and dwindling cash flow are the end result for everyone.

Equitable’s default itself was a result of the bankruptcy of one of the building’s principal tenants, the large accounting firm Laventhol and Horvath, as well as the virtual collapse of the investment partnership in which Equitable was involved. Now Citicorp is left holding this particular bag—and, like Equitable, its own debt obligations and other liabilities are imperiled by the collapse of its cash flow and earnings. Will Citicorp default on its own debts soon? Or be unable to pay depositors who want their money?

FDIC data prove banks are bankrupt

Through accounting tricks, the nation's commercial banks continue to report profits while losing billions.

The Federal Deposit Insurance Corp., in its "Quarterly Banking Profile" report on the 12,150 banks it oversees, claimed that "more than 88% of all commercial banks were profitable in the second quarter, and more than half reported higher earnings than a year ago." The statistics in the FDIC's quarterly report, however, actually prove that the banking system as a whole is bankrupt, and that the deepening collapse of real estate values nationwide is pulling down the entire credit structure of the United States.

According to the FDIC's statistics, U.S. commercial banks turned an aggregate profit of \$70.5 billion between the beginning of 1987 and the second quarter of 1991, turning profits in every quarter except the second quarter of 1987, when the banks lost \$10.6 billion, and the third quarter of 1989, when the banks lost \$0.6 billion. The profits have ranged from \$1.4 billion in the fourth quarter of 1990, to \$7.3 billion in the first quarter of 1989.

How the banks were able to claim such profits while they were actually losing hundreds of billions of dollars, is an interesting example of statistical fraud.

One significant reason for these phantom profits is that the banks set aside loan loss reserves considerably lower than their level of admitted non-performing loans. In the first quarter of 1987, when the banks reported a profit of \$5.2 billion, their aggregate loan loss reserves stood at \$29.7 billion, compared to admitted non-performing loans of \$75.6 billion. Thus,

reserves were set aside for only 39.3% of admitted non-performing loans. Had the banks set loan loss reserves equal to non-performing loans, the claimed \$5.2 billion profit would have turned into a loss of \$40.7 billion.

The banks raised their loan loss reserves considerably in the second quarter of 1987, to 62.5% of admitted non-performing loans, causing them to report a loss of \$10.8 billion. However, had they increased loan loss reserves to equal non-performing loans, that loss would have totaled \$39 billion. Likewise, the reported profits of \$5.8 billion in the third quarter and \$2.3 billion in the fourth quarter, would have turned into losses of \$22.7 billion and \$21.7 billion, respectively. Thus, had the banks established reserves equal to their admitted non-performing loans, they would have reported a loss for 1987 of \$124 billion, instead of an alleged profit of \$5.2 billion.

Likewise, the reported profit of \$25.2 billion in 1988 would have been a loss of \$70 billion; the reported profit of \$15.6 billion in 1989 would have been a loss of \$41.4 billion; the reported profit of \$16.9 billion in 1990 would have been a loss of \$53 billion; and the reported profit of \$10.3 billion in the first half of 1991 would have been a loss of \$49.1 billion.

Overall, the reported profit of \$70.5 billion between Jan. 1, 1987 and June 30, 1991, would have been a loss of \$267.3 billion—a difference of \$337.8 billion—with losses in every single quarter, ranging from a low of \$4.5 billion to a high of \$40.65 billion.

A loss of \$267.3 billion during the period would have been more than enough to bankrupt the entire U.S. banking system, which had, at the end of the second quarter, a reported \$226.8 billion in equity capital. Just by fully reserving their admitted non-performing loans, U.S. banks as a group would have had negative equity capital of \$40.5 billion at the end of the quarter. Even by the Alice-in-Wonderland standards of federal banking regulators, that is insolvency.

The banks would argue that it is not necessary for them to set aside \$1 in reserves for every \$1 in non-performing loans, since they are likely to recover some of the value of those loans, even in the event of a default. In ordinary times, that might be true, but we are in a depression, and the banks' actual non-performing loans far exceed the amount they have so far admitted. Real estate values are plummeting, with no hope of recovery in the near future, and individual and corporate bankruptcies are skyrocketing. Under these circumstances, any loan that is now in trouble is quite unlikely to recover, and even if a few do, they will be buried under an avalanche of newly declared non-performing loans.

Over the past year, from the second quarter of 1990 through the same period of 1991, total admitted non-performing loans at U.S. banks rose 25%, while non-performing real estate loans rose 49%.

The real estate problems are most severe in the Northeast and Southwest. Washington, D.C. led the nation with 20.4% of its real estate loans non-performing, followed by Massachusetts at 17.1%, Connecticut at 16.8%, New York at 14.3%, Rhode Island at 12.9%, New Hampshire and Louisiana at 12%, New Jersey at 11.8%, Arizona at 11.5%, and Texas and Oklahoma at 10%.

U.S. cattle 'collectives' grow

While former Soviet republics consider how to take down collectivized farming, U.S. cartels are making a "quiet revolution."

There is at present a shift in the U.S. beef production food chain, away from the traditional independent, family-run operations and into huge feedlots. The Kansas City Federal Reserve calls it, "The Quiet Revolution in the U.S. Food Market," in an article in its May/June *Economic Review*. The direct or indirect beneficiaries are the select companies of the food cartel, including: Cargill, Iowa Beef Processors (IBP), ConAgra, Continental Co.

The Iowa Business Council, a voice of the companies in the food cartel, recently issued a glowing report favoring the shift, and calling for eliminating small family enterprises in Iowa, to make way for the giant cattle operations.

If this process of subverting our system of family farms and ranches continues, don't expect the consumer to gain; expect less beef, more expensive meat, and more adulterated food.

First look at the figures on the cattle herd and the dwindling number of independent ranchers and farmers, then consider what is happening to beef:

There are only between 98 and 99 million head of cattle in the United States, when in 1982 the national cattle inventory stood at 115 million head, and in the mid-1970s, the inventory was over 130 million head.

As the numbers declined, so did the independence of ranchers and farmers. In the 1960s, no more than 16% of the beef cattle were raised and sent to slaughter through advance "contract" with the cartel packing-house, or through actual "vertical integration" in which the processor

owned or controlled the animal right from the start, through to the feedlot, to the slaughter. As of 1990, this percentage has gone up to 22.5% and is still growing.

These new, collectivized cattle operations have concentrated in Kansas. Some of the feedlots hold 60-70,000 head. Some of the world's largest beef-processing plants are located in Liberal, Garden City, and Dodge City. Some, like Supreme Feeders, are service businesses. For a fee, they feed and market cattle owned by the investor.

The large majority of Iowa feedlots, in contrast, are on family farms and hold fewer than 1,000 animals. The Iowa Business Council people, such as one of its prominent authors, Thomas Urban, chairman of Hi-bred, Inc., want to break the back of the family farm and independent feedlot system in Iowa, and open the way to what they call "futuristic," large-scale livestock production in the state. Their report laments that the boom in big feedlots since the '70s displaced Iowa as the nation's leading cattle-feeding state, now behind Texas, Nebraska, Kansas, and Colorado.

The Iowa Business Council wants Iowa to produce beef with methods more like those of chicken farms. Close to 100% of all the broilers produced in the United States are produced by contract, or direct vertical integration, according to the latest statistics given by the Kansas City Federal Reserve.

The Iowa Business Council temporizes about this, saying that family farms can coexist with large-scale cor-

porate-style operations that produce the lean animals that food processors want. The report warns that even Iowa's preeminence in hogs will be lost, if contract or "custom" feeding is not accepted, because the state is being challenged by modern, factory-like hog farms in North Carolina and Missouri.

Iowa has so far resisted those techniques because of constituency loyalties toward the independent family farm and laws discouraging corporate animal farming. But the *Des Moines Register* and others are campaigning for an end to these communities' resistance.

The Iowa Business Council influenced the Iowa Senate to vote to establish "agricultural enterprise zones" in the state, with tax breaks for large livestock facilities. The bill failed in the House because of an odor issue. But State Sen. Berl Priebe, an Algona cattleman and chairman of the Senate Agriculture Committee, said, "Iowa's got to move that way or it's going to lose the industry. . . . We've got to start looking at people who are willing to come out and invest \$500,000 to \$1 million in agriculture building. The average farmer doesn't have that kind of money to invest."

The Kansas City Federal Reserve approves of this process in Kansas, claiming:

"Processors have sought to keep high-capacity processing plants operating at peak efficiency. Advances in genetic engineering, processing, and transportation will result in a wider range of conveniently prepared red meat products targeted at health conscious consumers."

An example of the "futuristic" product came this month with the announcement by Quaker Oats of its new skinny meat product. Oat mash is inserted in place of animal fat in beef.

Fed panics, cuts discount rate

The stock market is inflated, a huge cash shortage is evident, and the central bankers are running scared.

On Friday the 13th, the Federal Reserve cut its discount rate by 0.5%. White House press spokesman Marlin Fitzwater promptly announced: "It's good news. I don't think there's any doubt we're coming out of the recession."

But while President Bush and Fed chairman Alan Greenspan regale the media with tales of how this will spur the "sluggish" recovery, the truth is that a desperate Wall Street and the corporate sector have been screaming for "easy money" to staunch their hemorrhaging red ink.

"The discount rate drop is a sign of Fed panic," reports a leading European banking source. "It doesn't know what to do other than to keep lowering. It's becoming ominously similar to what occurred in the early 1930s."

Or, as Mellon Bank chief economist Norman Roberts put it with droll understatement: "I sense a growing sense of anxiety about the strength of this economic recovery. In many ways, the recovery is indistinguishable from the recession."

As October looms, a panic is indeed beginning to grip investors on Wall Street. On Sept. 10, the headline of the *Wall Street Journal's* "Money and Investing" section blared: "Autumn: A Season for Stock Investors to Beware?" "Attention investors," the story begins, "You have entered the autumn danger zone. . . . Several market veterans predict that this autumn, leaves won't be the only thing falling. Six of the 10 biggest single-day drops in U.S. market history . . . happened in October. . . . Years with October crashes or mass-

crises 'were generally bull-market years in which you got to the fall and had an overbought market,' " said one analyst. "That pretty much describes this year, too. 'I think we're setting up for a decline.' "

There are two main reasons. First, the stock market is overripe for a nose-dive, even more so than when it crashed in October 1987 and October 1989. Over the summer months, the market attained all-time highs. The "values," or prices, of stocks are now far above the average of recent years, and way beyond a level appropriate to companies' earnings. In recent months, stocks have been trading at 18-20 times their earnings (the price/earnings ratio), as compared with a five-year median of 14.9 times and a 10-year median of 13.1 times. And this is happening when their overall earnings potential is growing bleaker by the minute.

The line being retailed to the suckers is that this isn't worrisome. A crash *can't* happen, because this high valuation is coming at the *end* of a recession, and stock prices are sure to go up. Therefore, investing in stocks now, while the "values" are relatively low, is a sure thing.

Even more significant than the absurd speculative overvaluation is that institutional investors—major pension funds and corporations—now have the lowest levels of cash since at least 1980: 4.4% of assets, according to a survey by Indata of more than 1,200 institutional investors. That means, in short, that the funds to fuel the overheated market just aren't there.

Ironically, this is primarily be-

cause of low interest rates. For months now, these institutions have been pulling their money out of liquid investments like bank certificates of deposit and Treasury securities, which have been paying lower and lower interest as rates declined, and have been injecting it into higher-yielding areas like stocks and junk bonds. It's this money that has artificially boosted the stock market.

Now this one-shot source of liquidity has dried up, prompting the Fed's discount rate cut to 5%, so that corporations can borrow more money more cheaply to stoke market investments. The rate cut, however, won't amount to a hill of beans. For example, the extra \$34 a month from lower mortgages that each household will now have available to spend, translates to just over \$1 billion monthly—a negligible increment in the \$2 trillion of annual consumer expenditures.

Another irony is that because these investors have liquidated so much in bank deposits, banks are short of liquid funds to lend! This has contributed to a liquidity crunch for the economy, with banks increasingly unable to lend to businesses and consumers. And this is causing a drop in both business and bank profits, thus further depressing the economy and shrinking available funds even further. A vicious spiral downward has taken hold, which cannot be halted no matter how much further interest rates are cut.

On top of this, corporate and government agency debt issuance has soared, sopping up even more cash that would otherwise be available to the market. Last year, corporations issued \$185 billion of domestic debt; corporate borrowing this year is already over \$200 billion. Government agency debt so far this year is \$133 billion, equal to entire amount of 1990, and ten times the \$13 billion borrowed in 1986.

Miners for a New World Economic Order

An alliance is building between the Catholic Church and the mine workers based on a Christian economic policy.

The German labor movement is heavily penetrated by the Club of Rome's post-industrial ideology. In the 1970s, the metal workers union especially backed campaigns against the "threat of new technologies," which they said were only destroying jobs, and against nuclear power development. These campaigns helped to cause a drop of industrial investment in the range of several hundred billion deutschemarks.

But a new alliance between the Catholic Church and labor unions is sharpening the perception of some unionists concerning the economic needs of the world.

Among the 2.7 million organized metal workers, who represent close to one-third of the entire labor movement in western Germany, there was resistance against environmentalism in the more conservative unions, such as the chemical, construction, and mine workers. But they paid tribute to the overall green "paradigm shift" in union policy. Mine workers' leaders would endorse a mix of coal and nuclear power, but in a cautious way.

After reunification in October 1990, union priorities began to return to industrial investment under the pressure of unions in east Germany, which had kept a higher ratio of industrial workers (47%) and fewer service and administrative workers than west Germany (40% industrial workers). In the five eastern states, there still was a lot of industry, much of it old, "dirty," and polluting, but the eastern unions' priority was on keeping industrial employment high. The 4 million organized workers in the east forced the

western labor movement to review and adjust its positions on industry and environmentalism.

There is a good potential for west German unions to return to pro-industrial views, but the struggle over labor priorities is unresolved. What is missing is a clear "yes" to Third World development—which would mean dropping post-industrialism for good.

Developments on another flank may help shift the balance within the unions toward a saner approach on economics. A debate on world development has been initiated through Catholic Church currents that have close traditional relations with sections of labor.

"Potash against world hunger!" was a slogan promoting increased production of fertilizers voiced at recent rallies of mine workers in Thuringia, east Germany, who are trying to keep the region's potash mines open. Speakers pointed to the undersupply of food in the Third World and the task of securing world nutrition through the use of fertilizers.

Northern Thuringia has a very active minority of Catholics, and there exists a Church link to the unions. The latest Papal encyclical *Centesimus Annus* is reportedly widely discussed in this region.

Senior managers of the mining industry have joined labor's campaign. On May 28, Otto Walterspiel, chairman of the Kassel Potash Co., stated that "providing food to the growing world population can only be guaranteed by a consolidated potash-producing industry." Walterspiel called for less deregulation and more state sup-

port to the industry.

In the west German Ruhr region, where miners are up in arms against plans of Economics Minister Jürgen Möllemann to cut state subsidies to the coal sector under pressure from the European Commission and the Anglo-Americans at the General Agreement on Tariffs and Trade. There, the Catholic Church sided with the workers. All four Ruhr region dioceses endorsed the mine workers' "no" to the Möllemann-GATT plan for a 35% cut in subsidies. On Aug. 15, a special mass was held at the Cathedral of Trier in support of the miners. Some 2,500 miners took part in the event, which had been arranged by Bishop Hermann Josef Spital.

The policy of the Church was laid out in an essay by Bishop Spital in the late June issue of *Paulinus*, the journal of the diocese of Trier:

"From a short-term viewpoint, it is true that coal offered on the world market is cheaper than coal produced in our country. But it is produced under labor conditions that meet neither the technological standard that is possible today for the sake of the working man and his safety, nor does it meet the call for sufficient protection of the environment—it is also for these reasons that it can be offered at cheap prices. But for the sake of the human beings in low-wage countries, we are not allowed to tolerate a *murderous* competition around low prices, although competition necessarily belongs to the conditions of the market economy.

"For the sake of the human beings, the market must be structured in such a way that conditions of production in the Third World as well are being elevated to those we have."

Spital added that *Centesimus Annus* "is pointing with more commitment than ever before to the necessity of a reshaping of the economy so that it corresponds to human needs."

'Democratize'—or get no aid

Western aid comes with strings attached—which adds up to never developing a healthy internal market.

You will continue to get aid, if you democratize. That is the official message from Washington, London, and Paris to the countries of Africa, each in its respective turf. But there is another, less official condition. The democratic opening implies acceptance of the aid conditions set by the creditors, which are two:

First, Africa must accept the sacrifices demanded by the World Bank and the International Monetary Fund. Translated: Top priority must be given to repayment of the debt, i.e., to Structural Adjustment Plans (SAP).

Secondly, the opening must also be economic. The symbol of this economic opening is the creation of free trade zones (Senegal, Togo, Nigeria), where the state gives up the right to make economic policy, in order to attract private capital.

Under such conditions, there cannot be any investment project on the scale of a whole nation or region. State budgets are ruthlessly slashed, to free up money for debt repayment. This means the state is precluded in advance from having the means to carry out any policy.

Whereas the economy of the African countries already suffers from dependency on the tyranny of the world markets and the fluctuating trends of raw materials prices, the new arrangement will put their internal markets once again into direct conflict with the world market. To totally open up the African market to foreigners, as the IMF and World Bank insist, means dooming the continent to continued dependency on imported products, which they either pay for through the

nose, or receive as a dole.

On the other hand, the creation of an internal African market would require a certain protectionism conceived in the framework of homogeneous inter-African zones, within which, in contrast, free exchange ought to reign.

The second imperative of the African internal market is the need for transportation, infrastructure which will allow products to get from the areas where they are produced to where they are consumed. The budgets devoted to such projects may span several countries and have to be undertaken at the state level.

Not taking these imperatives into account, Washington, London, and Paris have chosen to finance micro-initiatives on the ground, without any overall plan. France is earmarking most of its public funds for development aid (mainly managed by the Ministry of Cooperation and the Central Fund for Economic Cooperation) to financing African "small and medium enterprises" and "small and medium industries." French Minister of Cooperation Edwige Avice calls this giving absolute priority to private initiative, a slogan adopted from the World Bank. In an August interview with *Jeune Afrique* magazine, Avice claims that "market forces" will relaunch the moribund African economies, and calls for a series of reforms in the investment codes, labor laws, and regulatory apparatus in Africa.

The African states will see such aid pass them by. In what national or regional framework will such businesses develop? And will there be a

coordinated policy? What is the development design? Only the French authorities can respond, if they have an answer. In the same way, and to make Africa swallow the bitter "structural adjustments" of their own accord, the international organizations are encouraging the creation, in places such as Cameroon, of a National Fund for Employment to reduce the social costs of adjustment. The recipients of the funds are not chosen by the World Bank itself, but the conditions imposed reach the same result as if they were. The funds allocated, already ridiculously low (just over \$2 million for Cameroon), are supposed to finance micro-enterprises of no more than five wage earners.

In parallel, France and the United States favor the emergence of a civilian society independent of public authorities, within which the Non-Governmental Organizations (NGOs) of the South will play a greater role. What is now on the table, is financing these NGOs directly, without passing through the NGOs of the North and their local affiliates.

These policies are supposed to target corrupt mafias in the African governments, who control distribution and public markets. The irony is that now that they have enriched themselves, these racketeers will be in the best position to profit from the new "free market" chaos.

Thus, under cover of democracy and the free market, western interference in Africa is on the upswing. African economic policy, as indeed all of its policy, cannot be made in Paris, London, or Washington. The new African governing elites must junk the recipes they learned in the school of the financial establishments who want nothing but debt repayment. As to the managers of private companies, they ought to be able to find African capital in Africa.

James Baker hails 'Mexican model'

Pronasol, which Baker calls a "quiet" revolution, is wrecking the political institutions of the nation.

James Baker, the U.S. secretary of state, declared during a visit to Mexico Sept. 10-12, that he intended to "make mention of the Mexican process both to the developed nations as well as to those nations which are carrying out reforms and to those which are making revolutions to establish a free market economy. . . . Economic reforms are truly revolutionary," he said, adding that the changes in Mexico have been as "dramatic" as those of the Soviet Union, only "quieter."

Several European newspapers immediately denounced Baker's endorsement of an economy which has at least 50% of the population living in abject poverty, noting that the revolutions in eastern Europe are in explicit rejection of the economic conditions Mexico is suffering today.

But the secretary of state was not referring to this not-so-hidden side of Mexico's "structural reforms." What Baker was exalting was the *controlled disintegration* of the Mexican economy by the government of President Carlos Salinas de Gortari, supposedly carried out with the political support of the Mexican people. The key to this "support" is an institution called the National Solidarity Program, or Pronasol.

Pronasol is the official program of the Mexican presidency, designed supposedly to "combat extreme poverty," and endowed with a budget managed at the discretion of President Salinas himself. The investments made by the program are directed primarily to the most marginalized and poverty-stricken zones in the country.

Thus, the beneficiaries of Pronasol are the Indians, the poorest peasants, and residents of Mexico's most squalid urban areas.

But Pronasol enhances the President's powers while bypassing the other institutions of government. Further, its projects explicitly exclude any investment in the physical economy, and only provide social services corresponding to the most minimal subsistence needs of these marginalized sectors.

Because of the extensive propaganda for Pronasol, it is difficult to determine the source of its funds. Given its nature, it could be financed by World Bank allocations to "appropriate technology" and projects. According to the Mexican government, Pronasol is financed by capital obtained from Salinas's ambitious program of privatization of the state sector.

What is certain is that Pronasol is the Salinas government's great cover-up for the continued imposition of International Monetary Fund austerity policies, while presenting to the world the appearance of popular support.

Carlos Rojas Gutiérrez, the director of Pronasol, maintains that the program will have invested some \$3 billion between 1989 and the end of 1991. The figure is absurdly low if compared to that obtained from the privatization of such state sector companies as Teléfonos de Mexico and seven of the 18 nationalized banks—some \$12 billion, all supposedly tucked away in an illusory Contingency Fund. At the same time, service

payments on the foreign debt for the first half of the year reached \$6 billion.

These striking contrasts between "the battle against poverty" and the macro-deals of privatization and foreign debt payment could be the reason why the Bush administration is so excited by the Salinas de Gortari government.

But Pronasol is something else besides, and it is this "something else" which has led Baker to recommend Mexico as a model. Through Pronasol, Salinas is destroying the traditional institutions of the Mexican government. He is forcing the dissolution of the political parties, the trade unions, and the peasant organizations. He is dismembering the pact between federal and state government and, what is perhaps even more important, he is dismembering the mechanisms by which the necessary budgetary investments are made for maintaining the national economy as a single, organic whole.

Budgetary allocations for the states and municipalities are in total disarray. Today, 80% of the municipalities are forced to negotiate their needs directly with the presidency, and state governments are dubbed "oppressors," if not "corrupt."

According to a report of the Budget and Planning Department, 59.6% of the money allocated to "physical investment" in the first half of 1991 was done so under the auspices of Pronasol, that is, by instruction of the presidency directly.

Recently, a high-level official of the presidential office hailed the government's "new spirit," with which "Salinas de Gortari won" the recent elections. Jorge Alberto Lozoya Legorreta, technical secretary to the President's foreign policy cabinet, said that Pronasol "is a sign of the President's daring," and that with it, Salinas "bypassed the government itself, the bureaucracy, and the political parties."

Business Briefs

International Credit

Bankers believe that Soviets can pay debt

"Despite continuing deterioration in the domestic economy and changes in the political environment, the Soviet Union should be able to meet its debt service obligations this year," the Institute of International Finance stated in a confidential study, according to the Sept. 9 *Journal of Commerce*. To make the payments, the Soviet Union would have to sharply curtail imports and sell \$5 billion worth of gold.

The institute said it expects commercial banks to slash their exposure in the U.S.S.R. by nearly \$11 billion this year, on top of the \$10 billion cut last year.

The bankers' group called for the Soviets to carry out "meaningful" reforms of the economy in conjunction with the International Monetary Fund and World Bank. "Existing economic structures may disintegrate," the report said. "However, sudden disintegration of the system without a ready alternative would bring a major economic disaster."

Development

Chirac calls for aid to East, Third World

Former French Premier Jacques Chirac told the Paris conference of the European Democratic Union Sept. 12 that it is not only "politically necessary" to aid the poor nations of the Third World and the emergent democracies of the East, but "morally so." He called on the United States and Japan to begin to allocate 0.8% of their GNPs to aid the Third World (European countries have already committed that amount).

The EDU is composed of 24 European political parties—Christian Democratic, liberal, and conservative. Chirac, however, leader of France's Gaullist RPR party, the conference's host, was the only leader to address the deeper economic problems of the South and East.

The new order in Europe must create stability, said Chirac. In the South, which is presently undergoing high demographic growth,

if Europe is unable "to aid those countries to create jobs at home for those children to be born, then we will condemn our rich countries in Europe to an extraordinary migration process of which the consequences to all orders, social, political, strategic, are incalculable," he warned.

Concerning the East, he recommended "the necessary enlargement—and the most rapid possible—of the [European] Community to include the democracies in the East. It is unthinkable that, because of egoism or lack of vision of history, we replace the Berlin Wall with a new wall, that of money." Eastern Europe cannot "be reduced to the role of buffer zone between a rich and protected Europe of 12, and an ex-U.S.S.R., poor, overarmed, and in full revolution."

Eastern Europe

Poland hoodwinked by West, says Walesa

Poland was "hoodwinked" on economic policy by the West, declared Polish President Lech Walesa in an interview published in France's *Le Monde* Sept. 11. When asked whether the lack of concrete aid from Europe was hypocritical in light of Western demands for "free market" reforms, he answered, "That is in conformity with capitalist philosophy. Of course, we have been too naive. We believed in all those slogans and we were had."

He also stated, "The West sees everything from a capitalist standpoint. They tell us to close factories, to lay people off. Instead of closing down an inefficient shipyard, we would rather let it live and use the machines to make something else. In our reforms, Poland made a mistake, we chose to go fast to keep up with you. As a result, we have terrible problems today."

"I want to be an intelligent capitalist," he told the interviewer, "one who thinks in the long term." He stated that his priority is to establish trade pacts with the republics of the former U.S.S.R. "The political side will follow."

His views were echoed by Austria's *Die Presse* in a Sept. 9 editorial. Poland's industry is being sacrificed to the "bazaar capitalism" which accompanies the "free market" policy

of radical deregulation. One of the main results of this policy, the daily reported, has been the "increase in the gap between poor and rich."

Medicine

Conference hears of new cancer-fighting drugs

A new set of drugs called "differentiating agents" can be very effective in fighting cancer in a novel way, the Fourth Chemical Congress of North America was told in New York Aug. 29. The drugs do not kill either normal cells or cancer cells, but cause the cancer cells to acquire normal restraints on growth.

Dr. Ronald Breslow, head of a group of scientists working on the synthesis of differentiating agents at Columbia University, reported that clinical trials on one agent, HMBA (hexamethylene bis-acetamide), began at the Sloan Kettering Cancer Center in the mid-1980s. The results were good, but very large doses were required. Since then Breslow and associates have synthesized about 400 other agents, the newest of which is about 1,000 times more potent than HMBA.

Labor

First independent union founded in Thailand

The newly founded national Labor Congress of Thailand held its first general assembly Aug. 7. Confederation adviser Pakdee Tanapura, also a representative of the Schiller Institute, delivered the keynote address to the assembly of 10,000.

The confederation involves 40 unions, mostly with young women members from the textile mills outside Bangkok. The confederation was built over the last year despite intense harassment from the AFL-CIO's Asia Labor Institute and the Friedrich Ebert Foundation, which tried to buy off union leaders with promises of money, offices, and other rewards if they would dump Tanapura as adviser.

All other confederations in Thailand are

Briefly

heavily dependent upon funding from foreign labor groups. The leaders of the National Union Congress are financing the confederation through member dues.

Ecological Fascism

Environmentalists demand court to try 'polluters'

Environmentalists from 23 nations have called for the creation of a world environmental court "at which environmentally criminal activity can be brought to the attention of the entire world," in the words of a declaration issued at the conclusion of a conference in Morelia, Mexico in early September. The conference was attended by some of the all-stars of the environmental movement, including Lester Brown of World Watch Institute and Petra Kelly of the Green Party of Germany.

The five-point declaration also called for: preservation of native societies such as Amazon Indian tribes; the commitment of all nations to reduce carbon dioxide emissions by 20% by the year 2000; and an end to international traffic in toxic wastes.

Economic Theory

'Invisible hand' will pick your pocket

Chicago Tribune financial editor John McCarron attacked "Invisible Hand" ideologues as "pick-pockets," in a Sept. 8 column entitled "Time to clean up our own backyard." Ironically, the *Tribune* is considered a bastion of the theories McCarron attacks.

He began with a warning against the smug, self-satisfied editorials, articles, and cartoons in the American press on how rotten the Soviet Union is compared to America. We really haven't won anything until there is economic development in the former Soviet republics and until we "retool the U.S. prosperity machine so it will work for the 32 million Americans who live at or below the poverty level," he wrote.

"We're talking here about the 'invisible hand' crowd, the ideologues who brandish Adam Smith's *Wealth of Nations* the way Lenin once waved *The Communist Manifesto*. Both are simple solutions to complex problems, and neither work when applied literally to a modern state. Do the Smithians really want us to go back to the free-market London of Charles Dickens? Or to the wide-open Havana of Fulgencio Batista? Is that the best advice they can give to a society that cares enough about its people to want a minimum level of well-being for all?"

The reality, he continues, is that America, too, is collapsing. Witness the collapse of school test scores, the increase of unemployed workers who have exhausted benefits to nearly 2 million, and the record of 120 murders in Chicago in August, "making our city far more dangerous than Moscow during the coup."

"And while the disciples of Adam Smith lectured the U.S.S.R. about its need for unfettered capitalism, the powerful practitioners of the 'invisible hand' were discovered to be picking the pockets of the American taxpayers and consumers."

World Depression

Britons riot as unemployment grows

Riots hit five British cities in the second week of September—Birmingham, Cardiff, Oxford, Newcastle, and North Shields near Newcastle. Rioters set stores on fire, built barricades, and cut power lines and phone lines.

On Sept. 11 in the once-industrial city of Newcastle, several hundred youth rioted for 4-5 hours. Firemen were attacked with petrol bombs, and one was severely injured when a burning building collapsed on him.

Unemployment is estimated at 85% in the urban housing "estates" where the riots broke out. One elderly resident called the Newcastle riot area "the Third World on the Tyne," where families scrape for pennies to buy beans.

British unemployment has risen by 51% since March 1990, to a level of 2.4 million or 8.5% of the work force.

● **GLOBAL WARMING** was exposed as a hoax by former Washington State Gov. Dixy Lee Ray at the annual Erice conference in Sicily in late August. Many attendees expressed amazement, saying that they had never before heard the scientific facts, only media scare stories.

● **LITHUANIA** is seeking the formation of a Baltic Federation similar to that of the Benelux countries, Lithuanian President Vytautas Landsbergis said Sept. 11. Newly independent Latvia, Estonia, and Lithuania, he said, are planning an economic and customs union with symbolic internal borders.

● **CHINESE WOMEN** from Yunnan province are filling the brothels of Thailand, say Thai police, who have uncovered a growing trade in women and drugs along the forest trails through Burma linking northern Thailand with southern China.

● **FREE FOOD** distribution to hungry Australians has doubled in many parts of the country in the past few months, according to Australian news reports. The Anglican Church reports that in some places it has distributed 70% more food parcels this August than last. "It's the worst I've ever seen it," said one official. "There seems to be no end in sight to the pathetic queues of food seekers."

● **THE BROWN SHOE** Company of Fredericktown, Missouri will shut down factories and warehouses in four Missouri counties in the near future, laying off 1,400 workers and turning a number of affected localities into ghost towns. The company accounts for one-third of all women's shoes produced in the U.S.

● **TAIWAN** will buy sixteen 3,200-ton LaFayette class naval frigates for \$4.8 billion from the French industrial giant Thomson-CSF. The French government has distanced itself from the sale, after blocking it last year under pressure from communist China.

For a true Fourth U. N. Development Decade

A Schiller Institute Policy Proposal

This proposal was prepared under the direction of Lyndon H. LaRouche, Jr. and his wife Helga Zepp-LaRouche. Lyndon LaRouche is a physical economist who has devoted his life to development economics. He is currently a political prisoner in the United States. Helga Zepp-LaRouche is the founder and chairwoman of the Schiller Institute as well as the founder of the Club of Life. It was submitted under the title "For a True Fourth U.N. Development Decade: A Concrete Solution to the World Economic Breakdown Crisis; A Discussion Paper for the 46th Regular Session of the U.N. General Assembly," by Warren A.J. Hamerman on Sept. 12, 1991.

I. Introduction: the current world crisis

The Fourth U.N. Development Decade officially began this year, 1991, at a moment of unparalleled importance in all human history.

The current world economic crisis is unbearable for mankind.

At the same time the breathtaking events which have unfolded in the former Soviet Union and eastern Europe over the past few months have given hope to all mankind and truly made this a unique historic moment—a time when freedom is in the air.

Yet, the vast majority of the peoples on earth from Asia, Africa, the Middle East, Ibero-America, eastern Europe, and the poor (especially the minorities) in the United States live in total misery, starving and diseased, without adequate shelter and medical care.

The current situation of world collapse has been caused by the complete breakdown of the international monetary system founded in the Bretton Woods agreements which established the basis for the International Monetary Fund (IMF), World Bank and related institutions. The ongoing and imminent breakdown of the Anglo-American monetary system broke those Bretton Woods agreements as a functioning world financial system.



U.S. Department of the Interior

Dams and canals making up the San Luis Unit of the Bureau of Reclamation's Central Valley Project in California. Huge projects to provide clean water supplies are needed the world over, but the World Bank and IMF have denied the credit to build them.

This actual breakdown of the functioning Bretton Woods system occurred back in the period 1968-1972, and was caused by the collapse of the Anglo-American financial system. The breakdown began with the collapse of the British pound in 1967, the removal of the U.S. dollar from the gold standard in 1971, and the failure of the Azores Conference in 1972. Thus, for a period of over two decades the world has not had a coherent monetary system. Under the influence of policies such as deregulation of banking, pure speculative bubbles of the sort deplored by French Nobel Laureate Maurice Allais have proliferated.

To hold up these gross speculative bubbles, the economies of the world have been sucked dry. The remnants of the Versailles and Bretton Woods financial systems are shattered.

The more the basic conditions of man collapse, the more AIDS and cholera take victims at alarming rates. The health breakdown of mankind is closely linked to poverty, as indicated by the spread of two "marker diseases" for acute poverty—AIDS and cholera. As can now be charted, the epidemiology of HIV conforms to the deep pockets of world poverty—from Central Africa to New York City. Cholera disease and deaths are directly associated with the breakdown in public health such as basic sanitation.

Far from being an economic colossus, America is in a state of depression collapse. For instance, studies show that approximately 20% of the inner-city black and Hispanic populations in New York City are already HIV-positive.

Similar rates of HIV-positives were measured by scientists in the inner-city ghetto of Baltimore, Maryland.

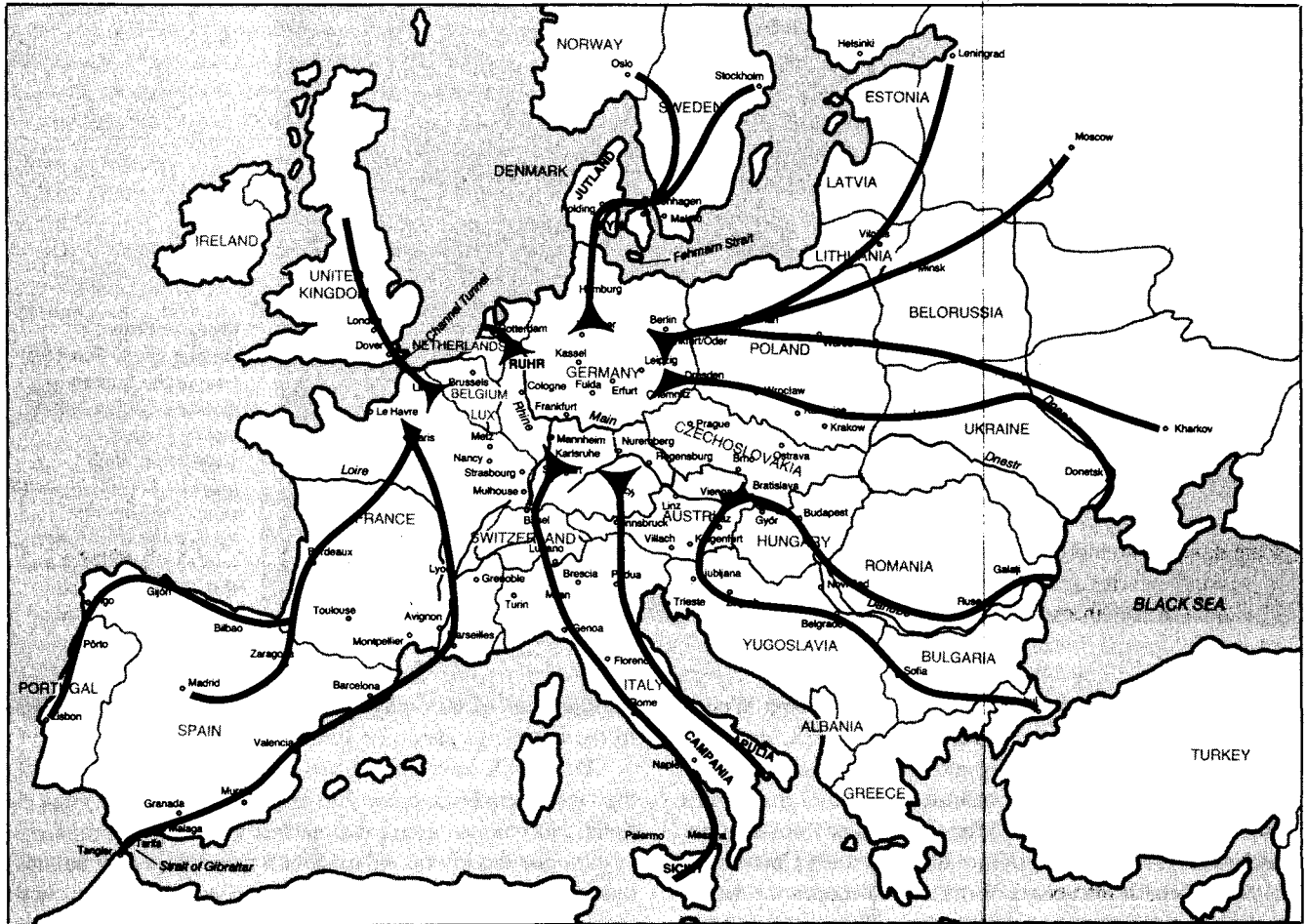
The proliferation of pandemics is caused by the fact that the world economic crisis has reached catastrophic proportions. No one can doubt that neither the Marxist economic system nor the liberal Adam Smith free market economics has proven able to deliver food, shelter, education, and medical care for the majority of the people suffering under these collapsing economic systems. For instance, in eastern European experiments, both the Marxist system and radical free market approaches have proven to be equal failures.

The greatest part of mankind today lives in fear of repression without the inalienable rights, dignity and securities appropriate to the sacred children of God. Many in the Third World who have witnessed the invasion of Panama, the support given the Tiananmen Square massacre in Washington, or the unjustified economic sanctions still being imposed against innocent Iraqi children or the unfolding genocide being encouraged against Croatian freedom fighters, fear that were they to exert their sovereign rights to self-development, they would be risking economic warfare or even military invasions.

II. The alternative: a True Fourth Development Decade

Therefore, the time has come to replace the dictates of a New World Order imposed upon the peoples of the earth by the ruling elites in Washington, London, and a handful of

FIGURE 1
LaRouche's Paris-Berlin-Vienna Productive Triangle



other nations with a *New, Just World Economic Development Order*, by adding “justice” and “economic development” back into the plan for the world community of nations.

The political form of this proposal must take its guidelines from the tendency of our age—as events have been heading in the former Soviet Union—to reject “Empire” and instead promote a “*Community of Principle Among Sovereign Nation States*.”

We propose as the principal theme for this community of principal among sovereign nation states the following:

- *A True Fourth Development Decade*

Since the remnants of the Versailles and Bretton Woods system are shattered, it is necessary to start with a new monetary system.

The new monetary system should be based upon a combination of proven methods which the nations of the world can agree to—a combination of the original Bretton Woods gold reserve (*not* gold standard) arrangement with the American System of national banking which the George Washington

administration under Alexander Hamilton adopted in the form of the First National Bank of the United States.

In this arrangement new credit is generated for productive investment in industry, agriculture, and transport when other sources of public credit have broken down. The new credit is prioritized through long-term low interest investments into such productive infrastructure and research and development in order to create ever new technological improvements. By achieving advances in productivity through technology, the power of man’s labor is increased.

So as not to repeat the mistake of the Soviet economic system, by infrastructure we do not only mean large-scale enterprises. Infrastructure associated with small-scale entrepreneurs and family farms plays a vital role in promoting development together with great projects. Among the nation states of the former Soviet Union, means for coordinating economic development are still required.

Respect for national sovereignty is the *sine qua non* for all development. The “one world” conception is hostile to

the idea of national sovereignty. In contrast, the community of principle is based on the notion of national sovereignty.

National sovereignty itself rests upon a common spoken and written language and is expressed through poetry and music. A common spoken and written language is necessary to communicate policy. Populations cannot function as informed citizens unless there is a common basis for cooperation on the same set of principles. To tamper with the idea of national sovereignty, condemns mankind to the tragic fate of the Tower of Babel.

Credit mechanisms have to be in accord with national sovereignty, since credit is created and regulated at the level of sovereign nations. National credit systems, organized through a national bank along the design of the new American republic during the late eighteenth and early nineteenth centuries, not over-reliance on borrowing from abroad, is the foundation of productive economic investment and output.

● *A True Fourth Development Decade* is based upon a desire to end the spread of chaos through the world monetary system by returning to a twofold policy of:

- 1) long-term, low-interest rates for investment in large-scale development projects;
- 2) stable parities among currencies.

These aims can only be achieved through once and for all discarding the International Monetary Fund and related institutions, and replacing them with a new institution based upon the historic ideas of development and economic justice developed by the opponents of radical free market approaches—Leibniz, Colbert, List, Hamilton, Carey, Stolypin, Witte and Sun Yat Sen—and carried into the modern era by the school of physical economy associated with Lyndon H. LaRouche, Jr.

The coming-into-being of the new institution ought to be the natural outcome of an immediate Preparatory Meeting with the mandate to:

- 1) establish a coordinating committee for large-scale regional development projects throughout the world;
- 2) launch an emergency global effort to halt the spread of deadly pandemics and famine by producing the means to raise the standard of living of all people;
- 3) establish the basis for issuing long-term, low-interest loans for development and currency stability based upon such a new, hard credit system.

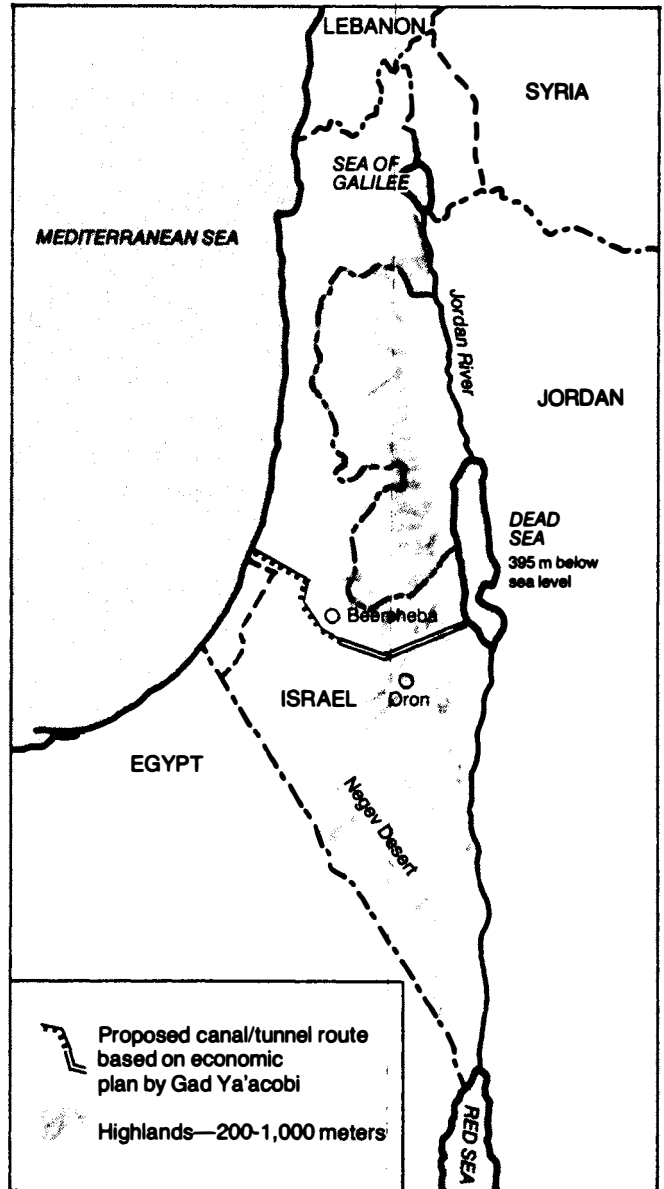
The mandate for this Preparatory Meeting shall be strictly controlled by three limiting principles:

- 1) protection of national sovereignty;
- 2) a definitive end to usury and slavery;
- 3) a recognition that health and physical well-being is an inalienable right of man.

III. Why the first three Development Decades failed

In advancing the proposal for a True Fourth Development Decade, we should briefly identify the twofold reasons why

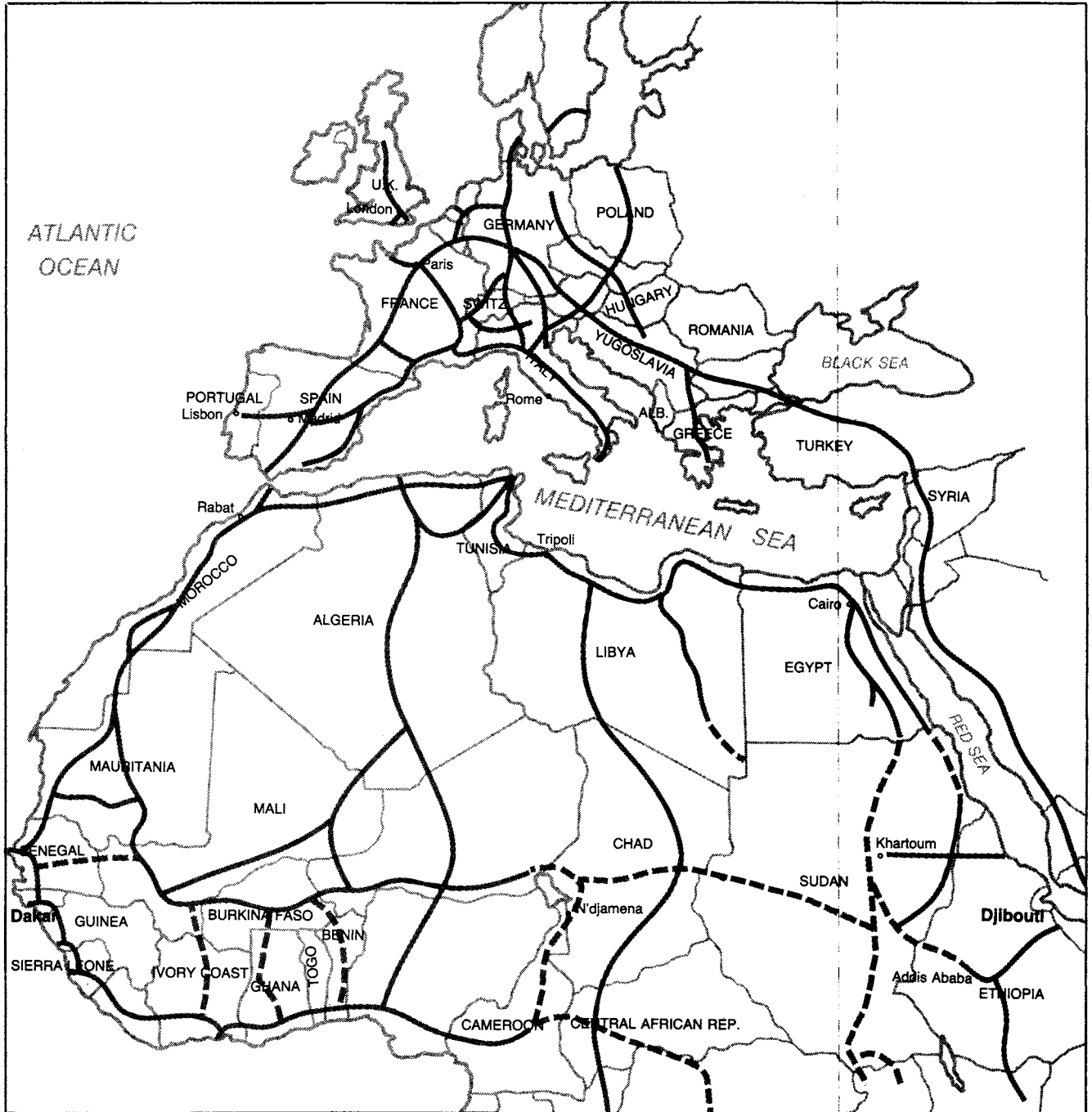
FIGURE 2
The Mediterranean-Dead Sea Canal proposal



Various Israeli proposals existed in the 1970s for a combined canal-tunnel connecting the Dead Sea to the Mediterranean. As proposed by Prof. Haim Ben-Shahar, former president of Tel Aviv University, the project was more an energy program, and not a water project. But the strides that have been made in desalination processes and nuclear power reactor technology make the old dreams come alive again.

Late last year, Lyndon LaRouche revived this program as part of his "Oasis Plan" that would provide an economic basis for Arabs and Israelis to mutually develop their parched region, and in that context, arrive at agreeable political settlements.

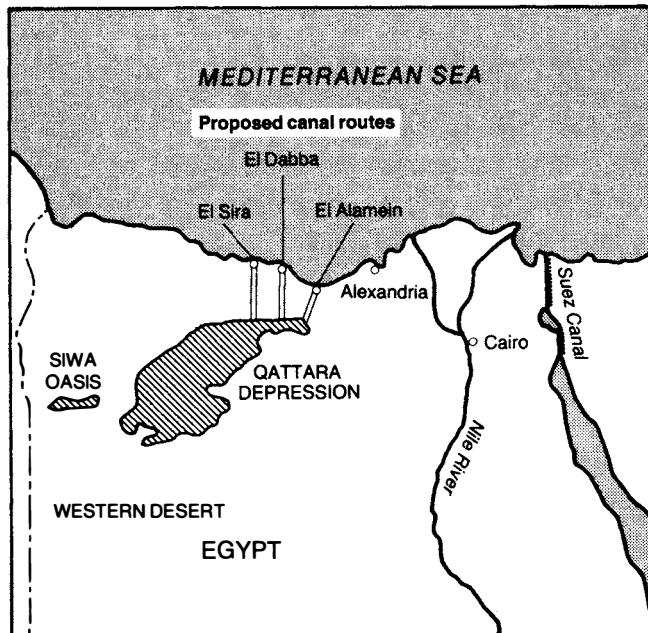
FIGURE 3a
Proposed Dakar-Djibouti rail route



Most existing rail lines in Africa presently run from the interior outward, i.e. to transport raw materials for export. A proposed east-west rail line would unify the continent, allowing it to develop its economy. Moreover, a new proposal for a tunnel spanning the Strait of Gibraltar would tie Africa's development into the Productive Triangle in Europe.

FIGURE 3b

Gattara Depression project



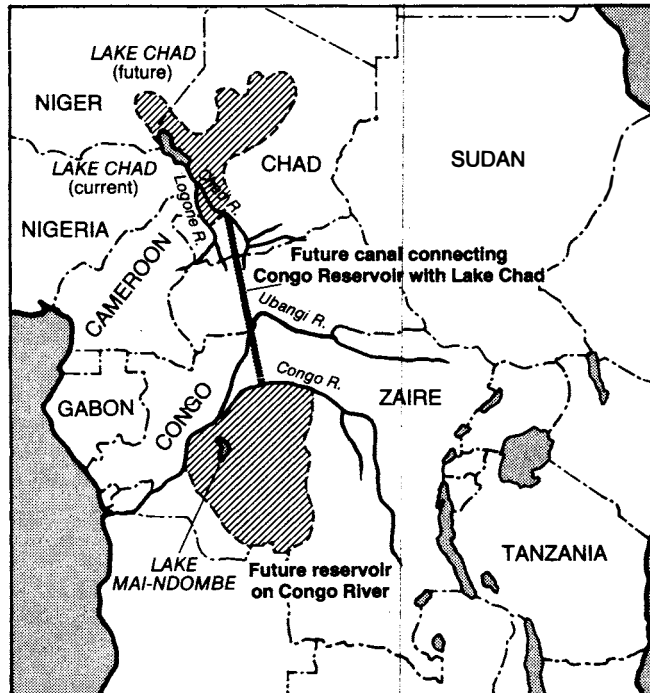
The Qattara Depression project is a large, dry sinkwell in northern Egypt, 35 miles from the coast, and 140 miles from Cairo, lying about 200 feet below sea level, and extending 185 miles from north to south. If filled by a proposed canal from the Mediterranean, it would create an inland saltwater lake the size of Lake Ontario. Like the Dead Sea Canal plans, the Qattara Depression project was conceived as an energy development scheme. The hollow is rimmed by steep escarpments, perfect for hydropower—were water available—which could both provide power to Cairo and pump fresh ground water up from the surrounding desert region. Desalination plants could play a role in recharging the underground waters, and, with agriculture and other vegetation, a new hydrologic cycle could be created because of the man-made lake.

the first three Development Decades failed.

Reason #1: The aims of development were aborted because the world financial monitoring institutions left over from the World War II era—namely, the International Monetary Fund, World Bank, GATT, Bank for International Settlements—did not establish their policies with democratic policy representation among the vast majority of nations. Furthermore, these institutions were established before the breakup of empires and therefore reflected neo-colonial biases in their structures and policies. Now that many of these institutions and the handful of global banking institutions whose interests they serve, have proven themselves unprepared and incapable of adjusting to global developments, they can be brushed aside for the creation of new, more

FIGURE 3c

African central lake



Mitsubishi's Global Infrastructure Fund in the early 1980s proposed "control of the flow of the Congo River by building a dam to create a vast lake in the Congo and Chad regions of Central Africa. . . ." This would be an immense project, bringing about hydrological, ecological, and climatological change permitting cultivation of 800,000 square miles, more than five times the amount of arable land in Japan, for instance, where 110 million people live.

freedom-ordered post-colonial institutions.

Reason #2: Certain ruling elites were determined to reimpose the old order even at the cost of brutally conducting large-scale racial, malthusian genocide on a scale 100 times worst than Hitler. For instance, a series of formerly classified documents authored by U.S. National Security Advisers Henry Kissinger and Brent Scowcroft in the period 1974-1977, argued that conceptions such as "the new world economic development order" created "excessive optimism" among the peoples of the Third World, would encourage their increase in population, and were therefore a national security threat to the United States. The most explicit of these documents was National Security Study Memorandum 200, or NSSM 200, and was entitled, "Implications of Worldwide Population Growth for U.S. Security and Overseas Interests." It targeted 13 Third World nations for radical depopulation programs and disparaged the efforts of the movement for a New World Economic Order and the Vatican for encouraging economic optimism and resistance to depop-

FIGURE 4a
South American integration polygon



FIGURE 4b

Integration of the Orinoco, Amazon, and Rio de la Plata basins



ulation plans. These documents were only recently declassified by the U.S. government. Can it be doubted, therefore, why Lord Carrington, a member of the firm Kissinger Associates, Inc., for instance, is proving himself a cynical perpetrator of bloodshed in the way that he has handled the mediation of the Yugoslav crisis at the Hague?

IV. What is a true Fourth Development Decade?

The absolute features of a True Fourth Development Decade are fourfold:

1) Absolute respect for the *sovereignty* of nation states, their populations, institutions, and natural resources for their own self-development. Thus, the Fourth Development Decade emphatically rejects the conception of "softer sovereignty" which certain ruling elites in the North would impose upon the nations of the South.

2) Absolute commitment to provide the minimal require-

ments for life to all mankind through a global commitment to economic development and scientific and technological transfer to all nations so as to modernize agriculture, infrastructure, and industry. Thus the Fourth Development Decade aims, in its first phase, at waging a global war against AIDS, cholera, and other diseases which are afflicting the vast majority of mankind from the desperate populations of Central Africa to the black and Hispanic ghettos of New York City.

3) Absolute commitment to the idea that each and every man, woman and child on the face of the earth is a sacred individual made in the image of God with the divine right to economic development. Thus, the Fourth Development Decade will resist all forms of direct and indirect forms of "genocide," or neo-malthusian racial demographic warfare, waged against the non-Anglo-Saxon populations of the world.

4) Absolute commitment to establishing new institutions to finance and invest in the primacy of economic development, productive economic progress and technological development. Thus, the Fourth Development Decade rejects the arrogance of bankrupt financial institutions to maintain usury, debt service strangulation, and resource looting over the right to life of billions. Already in the August Preparatory Meeting of UNCED for the Brazil '92 Summit in Geneva, voices from the South raised the issue that means for debt relief, technological transfer, and economic development must be established before environmental burdens and "green conditionalities" are imposed on nations already overburdened with oppressive financial "conditionalities" imposed from the outside.

The absurdity of the debt and usury oppression of the world economy is demonstrated by the case of Ibero-America. In 1980 the debt of all Ibero-American nations was \$243 billion. Through the course of the 1980s, these nations paid out \$321 billion in interest payments alone. Yet, at the end of the decade they owed \$429 billion. Furthermore, they lost a minimum of \$158 billion through capital flight which means that their capital exports through the decade was \$479 billion or nearly one-half trillion dollars in payouts, at the end of which they owed nearly double what they did in the beginning.

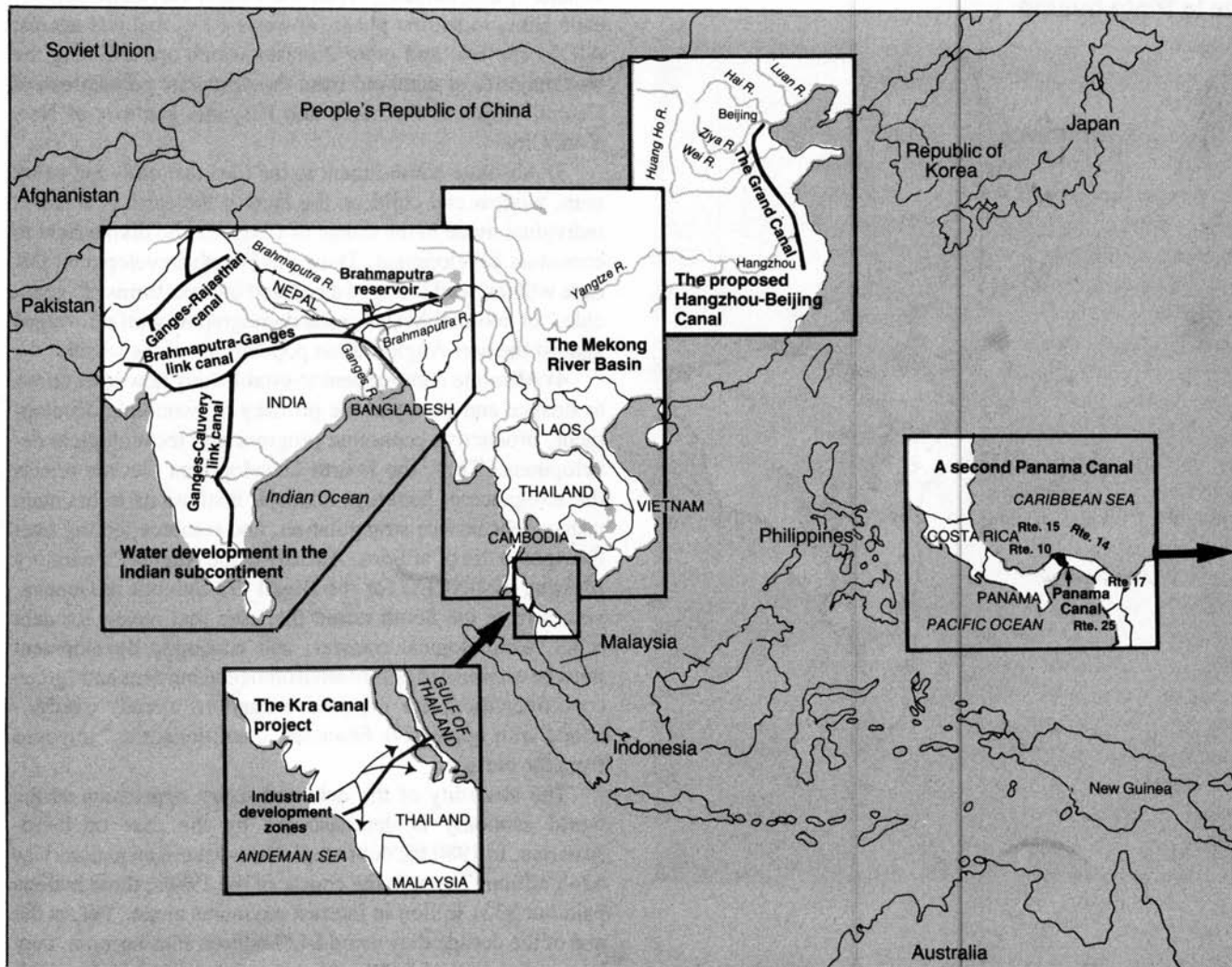
In terms of the net export of physical capital the picture is even more dramatic. The trade surplus of Ibero-America through the decade of the 1980s was \$218 billion. When the terms of trade (\$180 billion) is added the total net export of physical capacity becomes \$399 billion. When the net capital flight is added, the figure becomes \$535 billion in physical loot taken out of Ibero-America between 1980-1990, or 13% of the productive GNP of the entire continent.

V. How to initiate the Fourth Development Decade

Third World voices have already been raised in August in Geneva in protest to the planned Earth Day Summit—Eco-

FIGURE 5

Indian Ocean-Pacific basin development projects



92—in Brazil. Voices have pointed to the urgent necessity of addressing the issues of Third World debt and technology transfer as the precondition for any workable effort to preserve the environment.

Therefore we propose to postpone indefinitely the Rio Summit.

In its stead, we propose a Preparatory Meeting for a Fourth Development Decade Conference with the mandate and limiting principles described above. The establishment of a Coordinating Committee for Regional Development Projects is encouraged to begin its deliberations with consideration of the following development proposals which were developed by Lyndon LaRouche and his collaborators over the past two decades:

1) The Productive Triangle Proposal for Western and Eastern Europe: the unleashing of the economic develop-

ment potential in the “triangle” between Berlin, Vienna and Paris as a productive “engine” for the world economy. Through the construction of high-speed rail lines, the economic output from this area will be transferred via radiating arms from the triangle into eastern, southern, and northern Europe as well as the Middle East and Maghreb.

2) An Oasis Plan for the Middle East designed to “green the deserts” through large-scale water purification and irrigation projects. The plan includes the creation of artificial rivers and peaceful nuclear energy-driven desalination projects for revitalizing the entire economy of the region.

3) A series of Great Projects for Africa including: the construction of a trans-African East-West Railway from Dakar to Djibouti; transforming the Qattara Depression into a man-made lake; damming the Zaire River to create an inland lake which would provide water to fill Lake Chad for the

purpose of greening the Sahara; completion of the Jonglei Canal in Sudan to make it into a breadbasket.

4) The Ibero-American Integration Plan which includes the following projects: a second Panama Canal; a Northern Mexican Water Development Project; the "polygon of development" to construct a canal system to connect the Amazon Basin with the Rio de la Plata across Brazil, Argentina, Bolivia and Uruguay and build an East-West railway across the continent through Brazil, Bolivia and Peru.

5) A series of Great Projects for Asia including: the Pacific and Indian Ocean Basin Project; the Ganges-Brahmaputra development project for water management; the Mekong development project; the construction of the Kra Canal in Thailand.

6) The United States requires a vast program of urban, agricultural, and industrial infrastructure revitalization which has as its aim the realization of Martin Luther King's dream of economic justice for *all* its citizens. Specific programs for the U.S. would include the North American Water And Power Alliance (NAWAPA) plan for water and power increase, building a rapid transport system through maglev [magnetic levitation] and other systems; rebuilding cities, basic industries, and the capital-goods export capability.

The development project orientation outlined above includes generalized debt moratoria and the construction of new cities founded around nuclear-powered industrial complexes (*nuplex*) in each area, and is vectored toward a commitment to encourage a space program with the aim of colonizing Mars and incorporating the Moon into man's economy in the first third of the twenty-first century.

The moment is propitious to realize such ambitions because of recent promising scientific breakthroughs in the energy field.

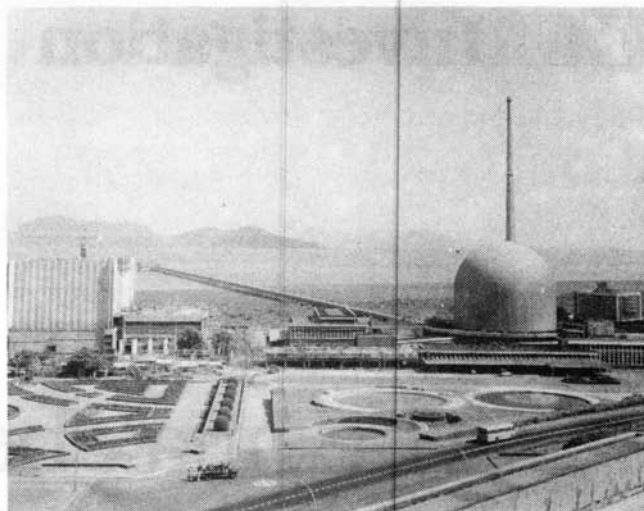
The world has long dreamed for a safe, vast and inexpensive energy supply, and has long looked to the promise of *fusion energy*, the same energy means which safely powers the sun. In March of 1989 scientists first announced breakthroughs in a process known as cold fusion, which added to systematic breakthroughs in hot fusion energy research.

The desirability of providing large amounts of safe and cheap energy to empower world economic development on the scale envisioned above, establishes the necessity for a worldwide crash fusion energy research program. Scientists from many nations should be encouraged to embark on this enduring scientific renaissance.

Each of the programs referenced above is the subject of detailed feasibility studies among teams of scientists and economists.

VI. U.N. authority

In contradistinction to the consequences of the New World Order which certain ruling elites would impose, perpetuating genocide, war, famine, disease, and global depression, the proposal for a True Fourth Development Decade



The proposal for a Fourth Development Decade also foresees the building of new cities based on nuclear-powered industrial complexes called "nuplexes." Above, India's Bhabha Atomic Research Center. Note the extensive gardens in the foreground.

described above is consistent with the principles enshrined in the following international instruments:

1) Universal Declaration of Human Rights (adopted and proclaimed by General Assembly resolution 217 A III of 10 December 1948).

2) International Covenant on Economic, Social and Cultural Rights (adopted and opened for signature, ratification and accession by General Assembly resolution 2200 A XXI of 16 December 1966).

3) International Covenant on Civil and Political Rights (adopted and opened for signature, ratification and accession by General Assembly resolution 2200 A XXI of 16 December 1966).

4) General Assembly resolution 1803 XVII of 14 December 1962, "Permanent Sovereignty over Natural Resources."

5) Convention on the Prevention and Punishment of the Crime of Genocide (approved and proposed for signature and ratification or accession by General Assembly resolution 260 A III of 9 December 1948) and related instruments.

6) Slavery Convention signed at Geneva on 25 September 1926 and related instruments and protocols condemning servitude and forced labor.

7) Universal Declaration on the Eradication of Hunger and Malnutrition (adopted on 16 November 1974 by the World Food Conference and endorsed by General Assembly Resolution 3348 XXIX of 17 December 1974).

8) Declaration on the Use of Scientific and Technological Progress in the Interests of Peace and for the Benefit of Mankind (proclaimed by General Assembly resolution 3384 XXX of 10 November 1975).

9) Declaration on the Right to Development (adopted by General Assembly resolution 41/128 of 4 December 1986).

The hoax behind the 1992 Earth Summit

The Schiller Institute issued the following White Paper in Washington, D.C. on Sept. 20, under the title " 'Eco-92' Must Be Stopped! Rio UNCED Conference Threatens National Sovereignty, Development."

I. Introduction

In June 1992, representatives of the 166 governments of the world—including numerous heads of state—will be brought together in Rio de Janeiro, Brazil, for the United Nations Conference on Environment and Development (UNCED). Also known as the "Earth Summit" or "Eco-92," the gathering is expected to formulate a so-called "Earth Charter" and a parallel action program, dubbed "Agenda 21," intended to subject the development aspirations, especially of developing sector nations, to global environmental controls.

But the truth is that "Eco 92" is a giant fraud and hoax, whose real objective is to consolidate the malthusian New World Order promoted by the Anglo-American financial elite, a New World Order premised on:

- the continued looting of the developing sector by the international financial community;
- the end of national sovereignty; and
- the final destruction of any hope for industrial development in the nations of the South.

The Schiller Institute is issuing this White Paper to expose the true intentions of the oligarchical architects of Eco-92; to debunk the pseudo-scientific myths upon which it is premised; to explain the historical roots of the malthusian policies now repackaged as "sustainable development"; and to urge the international community to stop the "Eco-92" conference from ever occurring.

II. The real agenda

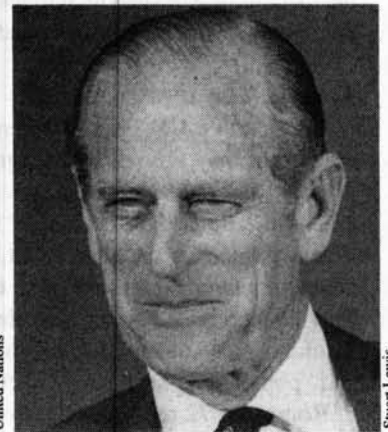
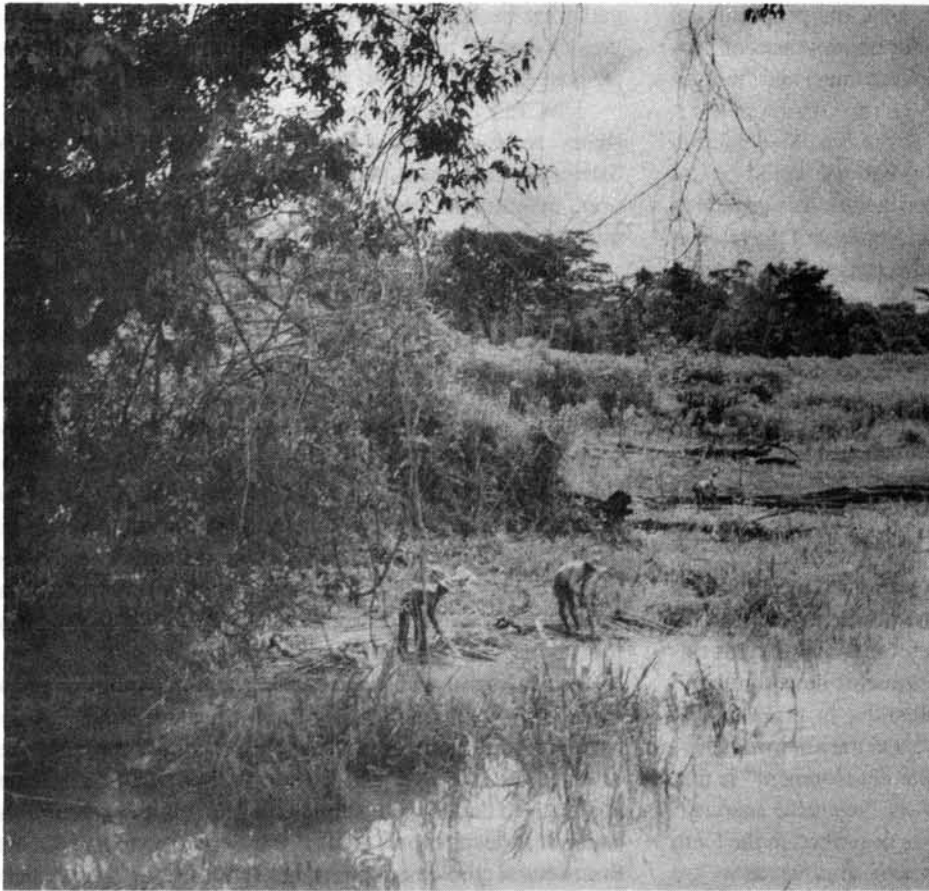
The premises of the proposed "Earth Charter" and "Agenda 21" are that the world is faced with an imminent ecological catastrophe, unbridled population growth, and disappearing food supplies and natural resources. Development, they argue, must therefore be sharply curtailed, and *legally binding* "green conditionalities" must be imposed on the nations of the world. The philosophical outlook underlying these points is the pagan world view represented by the Gaia cult, to which many of Eco-92's organizers adhere, and which places man on a par with lower life forms such as microbes, and defines "Mother Earth," not man, as a sacred being, to be preserved at any and all costs. With this foundation, "Eco-92" has the following principal objectives:

1) An end to national sovereignty

The one-world concept of a *Global Commons* would replace the concept of a "community of principle" based upon inviolable national sovereignty. No longer would a nation's forests, rivers, mineral, and other biological resources be viewed as a part of its national patrimony, to be harnessed for the well-being and development of its population. Instead, they would be considered mankind's "heritage," warranting legally binding global regulation, perhaps under the auspices of a new "United Nations Environmental Security Council." The ongoing drive to "internationalize" the Brazilian Amazon is the first major test of this concept.

2) Depopulation

The UNCED Secretariat argues in its document on population that the earth's "biological systems . . . are in danger



United Nations

Stuart Lewis

Jute workers at Manaus in the Upper Amazon in 1953. When this photo was taken, the official U.N. caption decried the underpopulation of the Amazon, and proposed “scientific exploitation of the rich forests and reclamation of the flood jungle lands that border its rivers.” The U.N. Food and Agriculture Organization was “aiding the Brazilian government in plans for the development of the area.” Today, supranational institutions are being turned against such rational solutions, on the most specious grounds. Maurice Strong (top right) and Prince Philip: a campaign to restore paganism.

of losing their capacity to sustain the rising tide of population and meet resource demands.” Developing sector nations are held responsible for this “runaway population growth,” which soaks up resources that could otherwise go to environmental controls, and which furthermore “needlessly exposes many millions of women to the physical hardships of pregnancy and childbirth in parts of the world where adequate medical care is unavailable.”

The Secretariat’s proposed solution is that methods of population reduction, including involuntary abortion and sterilization such as is already practiced in China, Brazil, and elsewhere, should become globally enforceable.

An early precedent for this kind of global population control strategy was adopted secretly by the U.S. government during the period 1974-77, under U.S. National Security Advisers Henry Kissinger and Brent Scowcroft. A series of memoranda was issued by the U.S. National Security Council, arguing that U.S. control over developing sector natural resources was being threatened by the growth of pop-

ulation in those nations, and that this constituted a “security threat” to the United States.

The most explicit of those documents, National Security Study Memorandum 200, targeted 13 strategically important Third World nations for radical depopulation programs, and recommended means to foist such programs on those target nations. National Security Study Memorandum 200 pointedly complained about Third World “wishful thinking that economic development will solve the problem” of supposed overpopulation.

3) Technological apartheid

Under the pretext of prohibiting environmentally unsound technologies, developing nations would be subjected to *technological apartheid*, denying them the right to develop advanced technologies in the nuclear, aerospace, chemical, biological and other fields. This would not only destroy their chances for high-technology-based growth to overcome underdevelopment, but in many areas would send them back

to pre-industrial times. In fact, the UNCED proposals on technology transfer explicitly argue for employment of “appropriate technologies” (that is, backward ones) and “indigenous capacity building.”

For example, under the fiction of the “ozone depletion theory” (see below), underdeveloped nations would be denied the technology for large-scale refrigeration so critical to solving their population’s food needs. Because of the nuclear waste scare, nations would be denied access to nuclear energy, forcing them to fall back on burning nonrenewable resources such as oil, gas, coal, and wood—ironically, the greatest pollutants!

And the economies of the advanced sector would also be gradually stripped of “offending technologies,” leading to the dismantling of such vital industries as energy production, nuclear and medical research, and so on.

4) Zero economic growth

People like UNCED Secretary General Maurice Strong argue that they are not really against development, per se; it’s just that environmental concerns must also be considered—thus the new catch-word, “sustainable development.” This argument is an utter fraud, meaning in practice that development must cease in order to “save the environment.” The false premise behind “sustainable development” is that mankind faces unsolvable problems of “resource scarcity” and “population pressures,” exactly as described in the Club of Rome’s 1972 report *Limits to Growth*. But resources are permanently scarce, and population growth inexorably outstrips production *only if technological progress is banned from the planet*—which is precisely “Eco-92’s” goal! Only if one denies mankind’s unique capacity to employ science and technology to create new resources, can one accept the environmentalist/malthusian premise of a dying, overpopulated planet.

5) Enforced backwardness

Under the banner of defending “indigenous rights,” Eco-92 would encourage developing nations to return to the “environmentally sustainable” days of the Stone Age. Consider the arguments of Brazilian Environment Secretary José Lutzenberger, an “indigenous rights” fanatic, Gaia worshiper, and host of Eco-92:

“For about 2 million years, maybe 99% of its history, the human species practiced a [hunting and gathering] lifestyle. Within this lifestyle, living from hunting and gathering, man finds himself perfectly integrated into his natural environment, he does not have the means nor, what is more important, the desire to destroy the natural world of which he considers himself merely a part. . . . This lifestyle is perfectly sustainable, which is proven by its longevity. There is no population explosion and no degradation of the environment.”

What Lutzenberger fails to report is that a hunting and

gathering-based society could not support a global population greater than 10 million people. Does Minister Lutzenberger propose to simply kill off the remaining 5.5 billion people?

UNCED is preparing a special charter of “indigenous rights” to be codified at Eco-92, which would erect a legal barrier between these people and the rest of human civilization, in order to “preserve” them in glorified Stone Age misery.

6) Debt collection

With “sustainable development” (i.e., zero economic growth) legally enforceable under Eco-92, the banks and financial institutions which heavily fund the environmentalist movement will be the big beneficiaries: rather than producing for their own development, developing sector nations will be forced to channel even more of their resources into debt repayment. One brand new mechanism for enforcing this is the so-called “debt for nature” swap, under which developing sector nations are pressured to hand over territory for internationally supervised “environmental protection,” in exchange for (minuscule) debt cancellation.

According to a UNCED briefing paper, “Although established on a very small scale, these [debt-for-nature] swaps have provided badly needed new resources for conservation. They could, however, be ‘scaled up’ as part of a broader approach to the debt question. . . . There is even some indication that despite their dislike of the conditionality attached to structural adjustment programs, a number of Latin American countries would be willing to have debt relief tied to their adoption of detailed national plans for sustainable development.”

It is no accident that such institutions as the World Bank and International Monetary Fund are in on the ground floor of the planning for Eco-92, promoting the notion of “environmental protection exchange programs” which would force debtor countries to reduce population growth, abandon allegedly unsound technologies and industrial processes, and swap debt for nature. There is similarly much talk about creating a Global Environmental Facility, administered by the World Bank, and of an Earth Fund administered by former International Monetary Fund directors, which would control a large portion of the funds available for the “sustainable development” projects such debt swaps would require.

The head of the U.S. delegation to the UNCED preparatory meetings, Assistant Secretary of State Curtis Bohlen, summed up the blackmail content of this approach when he declared in Geneva: “I would hope that we would never fund projects that do not promote environmentally sustainable development.”

7) Paganism

In one sense, the most important objective of Eco-92 is to consolidate a “New Age” cultural paradigm shift which has been under way for two decades: to destroy the idea of

“man in the living image of God,” and thus capable of infinite development, and replace it with pagan beliefs that equate man with each and every other animal species.

Thus, UNCED head Maurice Strong has described Eco-92 as “a whole new vision” and as a “sea change in relations between countries and people.”

The outlook of Brazil’s Environment Secretary Lutzenberger, is exemplary of this “new vision.” Lutzenberger heads the Gaia Society in Brazil, and claims that “ecology has never been a technical question, but a religious one.” Lutzenberger explains: “For the nature worshiper, nature is not merely the object of study and manipulation, she is much more. She is divine . . . she is sacred, and we humans are merely a part of her. . . . In the body of Gaia, we individual humans are just the cells of one of her tissues, a tissue which today seems to be cancerous. . . . Industrial society is significantly interfering, opposing the trends of Gaia.”

In his book, *The Human Avalanche*, Lutzenberger writes: “In the living world, in its infinite complexity, population growth is always controlled. Among more primitive beings, [demographic control] is blind, intermittent, and brutal. A population of bacteria, provided with an appropriate environment, will grow exponentially, but long before it fully achieves its designs, before consuming its resources, it destroys itself through its own toxins. Equilibrium is reestablished. . . . How ironic, Man, the ‘king of creation,’ who, because of his cerebral complexity, now finds himself at the apex of the Pyramid of Life, with all his intellectual capacity, his science, his technology, is readying himself to again submit to blind and inexorable forces, is readying himself to return to the level of the bacteria.”

Lutzenberger won his appointment to the Brazilian cabinet through the influence of Prince Charles of England, a fellow earth worshiper. In fact, many leaders of the Gaia Foundation in England are closely tied to the British royal family, whose Prince Philip—the Queen’s Consort—is head of the World Wide Fund for Nature, a leading sponsor of Eco-92. Prince Philip, too, shares a fascination for the lowly microbe, and has publicly expressed a desire to be reincarnated as a “deadly virus” so that he could help eliminate the world’s excess human population. In a May 18, 1990 address to the National Press Club in Washington, D.C., Prince Philip asserted: “It is now apparent that the ecological pragmatism of the so-called pagan religions, such as that of the American Indians, the Polynesians, and the Australian Aborigines, was a great deal more realistic in terms of conservation ethics than the more intellectual monotheistic philosophies of the revealed religions.”

III. The scientific hoaxes

One of the central arguments used by the organizers of Eco-92 is that, unless the nations of the world act to stop

environmental destruction, there will be giant catastrophes which will wipe out the planet. Since the probability of these catastrophes has supposedly already been proven by the constant barrage of articles in the news media reporting on such “scientific” predictions, the negotiators for the Earth Summit have dismissed the science, and are now only negotiating the politics.

But the fact is, that every one of these environmental doomsday theories is a scientific fraud. Dozens, if not hundreds, of the world’s leading scientists have debunked these theories in great detail in the scientific literature and at scientific forums. The news media, however, has an explicit policy of not reporting on the work of these scientists.

The so-called scientific meetings that were called by the UNCED-linked Intergovernmental Panel on Climate Change and other pseudo-scientific bodies deliberately excluded any scientists who have challenged the doomsday theories, establishing a “scientific consensus” based on flawed or deliberately fraudulent data. Before the fifteenth century voyages of discovery, the “scientific consensus” was that it was impossible to navigate across the Equator.

Sometimes all it takes is one individual to stand up for the truth to overturn entire sets of beliefs in science. In the case of environmental doomsday theories, it is the world’s most renowned scientists who are challenging the claims of junior scientists who have risen to fame and wealth through their environmental catastrophe theories.

Here are some of the salient scientific facts that refute the media hysteria.

1) Ozone depletion

The basis of the ozone depletion theory is that chlorine molecules from the purported breakup of man-made chlorofluorocarbons (CFCs) in the stratosphere (a phenomenon that has never actually been observed to happen), break up ozone molecules, thereby increasing the amount of ultraviolet radiation reaching the surface of the earth. Never mentioned is the fact that the amount of chlorine in CFCs is absolutely insignificant in comparison to natural sources of chlorine: The total amount of chlorine contained in a year’s production of CFCs is 750,000 tons (of which only 1%, or about 7,500 tons reaches the stratosphere, according to the theory). In contrast, natural sources (the oceans, volcanoes, for instance) pump more than 650 million tons of chlorine into the atmosphere every year. The comparison is even more shocking when one takes into account that only a very small percentage of CFCs is actually broken up in the stratosphere (according to the theory).

Just since the month of June, for example, the volcanic eruptions of Mount Pinatubo in the Philippines, Mount Unzen in Japan, and Mount Hudson in Chile have injected more than 8 million tons of chlorine into the atmosphere, a large percentage of which was injected directly into the stratosphere, where it is now circling the earth.

The Antarctic ozone hole, which is the subject of scare headlines, is actually a natural, seasonal phenomenon discovered by ozone research pioneer Gordon Dobson and his collaborators in 1956. Furthermore, recently reexamined data from France's Antarctic scientific station at Dumont d'Urville, shows that the Antarctic ozone hole was actually deeper in 1958 than at any time in the past two decades.

2) Global warming

The global warming scare is based entirely on computer models that predict a rise in worldwide temperatures of several degrees caused by an increase in the concentration of carbon dioxide in the atmosphere. The public is never told that these computer models have proven themselves to be completely incapable of predicting future climate. These models have to deal with thousands of variables, most of which are still unknown. The change of just *one* variable in these models, that of cloud feedback, makes the exact same models predict an Ice Age, with kilometer-thick glaciers covering New York City in 50 years.

Despite the claim that the earth has been warming for the past 100 years, neither the data nor the methods used to analyze this data are very reliable. Furthermore, even looking at the so-called global warming chart, one immediately notices that most of the warming occurred by 1940, after which there was a pronounced cooling that lasted until 1976, when many of the present proponents of global warming were predicting an Ice Age. This pattern completely contradicts the global warming theory, since less than one-fifth of all emissions of carbon dioxide had occurred by 1940.

3) Nuclear waste

Most of what we call nuclear waste is actually a valuable resource. More than 96% of the so-called waste produced by nuclear reactors can be reprocessed to be used as uranium or plutonium fuel for reactors; only about 4% is actually high-level radioactive waste that requires disposal. Even this high-level waste could be transformed into a resource: Advanced isotope separation technologies could separate and concentrate it into its constituent isotopes, thus providing costly and scarce strategic metals like rhodium, ruthenium, and palladium. There are nearly 500 radioactive isotopes that could be "mined" in this way, many of which are used in medical procedures and in providing fuel for thermoelectric generators.

From the beginning of the nuclear age, scientists have been convinced that the disposal of high-level waste is technologically feasible and safe. The problems are not scientific but political. All the nuclear nations reprocess their spent fuel, except the United States. By treating as "waste" all of the spent fuel produced by a single 1,000 megawatt nuclear plant over 40 years, we are throwing away the equivalent of 130 million barrels of oil, or 37 million tons of coal.

4) Pesticides

Pesticides have played an important role in making possible an abundant supply of food at reasonable prices and stopping the spread of pest-transmitted diseases. They are essential for mankind's well-being and survival.

Dr. J. Gordon Edwards, a well-known U.S. entomologist from San Jose State University in California, has estimated that the anti-pesticide activities of the environmentalist movement in the United States are responsible, both directly and indirectly, for the death of 100 million people a year. As pesticides and insecticides were restricted because of environmentalists' campaigns, insect-borne diseases like malaria again became widespread and crop production and agricultural productivity declined. Edwards states, "I can't see any good reason for these actions except that the environmentalists intend to cut the population in the poorer nations of the world."

5) Carcinogens

In the 40 or so years that the use of synthetic chemicals in food has been widespread, cancer rates—except for lung cancer—have not risen in the United States. Dr. Bruce Ames, chairman of the Department of Biochemistry of the University of California at Berkeley, has stated that exposure to man-made carcinogens is not the kind of threat that environmentalists have portrayed it as, because: a) the evidence is that these carcinogens do not damage DNA; b) exposure to man-made carcinogens is trivial compared to exposure to natural carcinogens; and c) there is evidence that extrapolating the high doses of carcinogens given to rats to low-dose human exposure is not accurate.

Ames and others have shown that Americans today ingest about 10,000 times more natural carcinogens than man-made carcinogens.

6) Deforestation

Deforestation is in fact a very serious ecological problem. However, what is never mentioned to the public is that more than 60% of deforestation globally is the result of the use of wood as a fuel source. A study by the United Nations has documented that 83% of trees cut down are used as firewood. Another 20-25% of deforestation is the result of slash-and-burn primitive agriculture. In Central Africa, for example, IMF conditionalities have forced most countries' people to use wood as a fuel, since firewood does not require the use of foreign exchange, which the IMF insists be used solely to pay the foreign debt. As a result, most Central African countries obtain more than 90% of their energy from burning firewood! Most shocking, this is exactly the "sustainable energy" policy proposed by the environmentalists, who call for "biomass burning" to replace fossil fuels.

Although indiscriminate logging in certain parts of the world has indeed caused severe damage, logging accounts for only approximately 18% of deforestation. Given the massive

forest destruction resulting from existing “sustainable” energy and agricultural policies, a stop to all logging will not significantly halt deforestation. The solution is advanced energy production, including nuclear energy, and modern agricultural production methods—exactly the opposite of what the environmentalists propose.

IV. The roots of Eco-92

The sponsors of Eco-92 promote the myth that environmental issues first surfaced as a “grass-roots movement,” and that only with great sacrifice on the part of many concerned individuals everywhere were the governments of the world forced to take up the fight. The fact is that Eco-92 is the culmination of a malthusian conspiracy several decades long, which got its official start in 1972, with the simultaneous publication of the Club of Rome report *Limits to Growth* and the appointment of Canadian Maurice Strong as secretary general of the U.N. Conference on Human Environment, held in Stockholm, Sweden, that year. Club of Rome member Strong is today also the secretary general of UNCED.

The so-called Stockholm Conference was key to launching the global ecology movement in earnest. As Strong himself describes it, “The Stockholm Conference put environment on the international agenda. The Earth Summit [Eco-92] will move it into the center of economic policy- and decision-making.”

According to a U.N. briefing paper on UNCED, Strong is to be credited with the idea of assuaging developing sector sensibilities on environmental and population matters by “changing the political dynamic of the conference preparations to bring the concerns of the developing countries about natural resource management, poverty, and the need for more equitable patterns of development, to the fore.”

Strong, a Canadian oil millionaire with a long history of involvement with numerous high-level and well-funded environmental institutes, was also a commissioner for the World Commission for Environment and Development, or “Brundtland Commission,” set up by U.N. mandate in December 1983. The Brundtland Commission’s 1987 report *Our Common Future*, is considered a blueprint for the “Earth Charter” to be formulated during Eco-92. Its primary contribution, according to UNCED reports, was its argument that the environment had to become “a mainstream economic issue.” In fact, *Our Common Future* popularized the concept of “sustainable development.”

Funding for this international malthusian conspiracy comes from the same place as its policy line: the blueblood “establishment” foundations in Great Britain, the United States, and a handful of other countries. For example, the London-based International Institute for Environment and Development, which lent its name to UNCED and which is today deeply involved in preparations for Eco-92, is funded

by such leading Anglo-American banks and companies as American Express Foundation, Atlantic Richfield Foundation, Barclays Bank, Bankers Trust Foundation, Citibank, Morgan Guaranty Trust, National Westminster Bank, Security Pacific Foundation, Shell Companies Foundation, Standard and Chartered Bank, and Royal Dutch Shell. Its present chairman is Robert O. Anderson, a board member of Kissinger Associates, former chairman of Atlantic Richfield oil corporation, and a chief founder and patron of the Aspen Institute.

The Geneva-based Center for Our Common Future, a clearinghouse for the world environmental movement and the acknowledged “private” organizing body for Eco-92, is funded by several governments, the City of Geneva, the Gro Harlem Brundtland Environment Foundation, and the John D. and Catherine T. MacArthur Foundation headquartered in Chicago. The last is also one of the leading funders of environmentalist projects in the United States, and played a central role—together with the Ford and Rockefeller foundations, among others—in setting up and/or funding such organizations as the World Resources Institute, the Natural Resources Defense Council, Worldwatch Institute, Environmental Defense Fund, and so on.

V. Stopping Eco-92

But all is not proceeding as smoothly as Strong and his blueblood backers would like. There are growing signs that many nations—especially among the developing sector—are balking at the refurbished malthusianism that is being peddled. For example, Malaysian Prime Minister Dr. Mahathir Mohamad announced Aug. 16 that his country might boycott the Eco-92 conference altogether, on the grounds that it is a new form of imperialism. Similarly, the Brazilian Armed Forces, along with a number of congressmen and governors in that country, see Eco-92 as an explicit assault on their nation’s sovereignty, and have even threatened to go to war to protect the Amazon from being “internationalized.” A Group of 77 delegate to UNCED recently said the developing nations would not negotiate away “our permanent sovereignty over our natural resources” at Eco-92. And the Algerian delegate to UNCED warned that Eco-92 might usher in a new era of “green conditionality” that would inhibit economic growth in the Third World.

But it is not enough to protest one or another aspect of Eco-92, to try to “separate the good from the bad.” The Eco-92 Earth Summit must be canceled outright. Its underlying, malthusian premises must be emphatically and explicitly rejected. And the world community of nations should instead convoke an urgent conference to discuss how to bring about a True Fourth Development Decade, based on the inalienable right of all nations to sovereignty and economic development.

New Club of Rome report declares war on humanity

by Kathleen Klenetsky

In 1972, the United Nations convened an international conference on the environment in Stockholm, Sweden. The meeting succeeded in achieving the goals of its organizers: to give widespread credibility to the fraudulent idea that man's intervention on nature, in the form of scientific and economic development, necessarily leads to intolerable environmental abuse. That led to two decades of environmentalist assaults.

The conference, which was chaired by a Canadian named Maurice Strong, built on the arguments that had been put forth in a book published that same year called *Limits to Growth*. This was the first, controversial, and widely publicized report produced by the then recently formed elite neo-malthusian organization called the Club of Rome, of which Strong was a charter member.

Now, 20 years later, this same powerful zero-growth network is preparing a new assault against the human species. In Rio de Janeiro, Brazil next June, the U.N. will convene an "Earth Summit," an eco-fascist extravaganza whose immediate goal is to establish a supranational, environmentalist dictatorship.

Once again, Maurice Strong is heading the effort. And once again, the Club of Rome—a self-described prestigious organization whose members include Queen Beatrix of the Netherlands, Czechoslovakian President Vaclav Havel, and former U.S. President Jimmy Carter—has issued a manifesto which is intended to exert strong influence over the agenda of the Rio meeting.

'Man is the enemy'

Titled "The First Global Revolution," the new Club of Rome opus minces no words in putting forth its principal premise: "The common enemy of humanity is man," the study declares. All other problems are "symptoms," not

"causes," which are "caused by human intervention. . . . The real enemy, then, is humanity itself."

Thus, it is not surprising that the report demands the continuing depopulation of the Third World, and Africa in particular, along with draconian controls on any future industrial and agricultural development, and the enforcement of the "sustainable development" (i.e., zero-growth) economic model, which will ensure mass starvation and death throughout the world.

The report is meant to be a "blueprint for the 21st century," co-authors Alexander King and Bertrand Schneider declared at a press conference in Washington, D.C. Sept. 16. They confirmed that its publication was timed for maximum input into the Earth Summit.

A founding member of the Club of Rome, King is a top-ranking British intelligence operative who has spent decades working to subvert the idea of technological progress; Schneider is the Club of Rome secretary general. They told the press conference that "First Global Revolution" is the organization's most important initiative since *Limits to Growth*. Close to 1 million copies will be printed in 19 languages.

Club of Rome's 'new world order'

Since its founding in 1968, the Club of Rome has played a pivotal role in the drive to impose a global neo-malthusian order. This study represents its latest attempt to use quack "science" to justify policies that will mean mass misery and death.

This time around, the Club of Rome has picked up the two latest scientific frauds cooked up by the people-hating kooks in the environmentalist-zero growth lobby—"global warming" and the "greenhouse effect"—to justify its genocidal prescriptions.

Global warming and the greenhouse effect represent such a threat to the planet's survival, the Club of Rome report maintains, that it will be necessary to do away with the nation-state, "restructure" democratic governments, and erect new supranational institutions to enforce a draconian environmentalist regime throughout the world. This, King told the press, is the Club of Rome's "new world order."

The report specifically calls for setting up a U.N. Environmental Security Council, which would parallel the work of the U.N. Security Council, but in the area of the global environment.

Such an entity would be the equivalent of a global ecological police force, which would intervene to prevent countries from developing their economies by, for example, building large dams or steel complexes, on the grounds that such projects supposedly would pollute other nations.

"New environmental threats of a new order of magnitude and difficulty have been identified [such as the greenhouse effect, acid rain, and global warming] which demand quite a different approach" than a purely national one, the report asserts. "These reside in a number of macro-pollution phenomena, global in scope and beyond the capacity of individual countries to eliminate. . . . It is important that flagrant cases of destructive resource policies should be subjected to international discipline."

King and Schneider disclosed at the press conference that they have discussed their proposed Environmental Security Council with U.N. Secretary General Javier Pérez de Cuellar and several heads of state, and found a receptive audience. The study suggests that the Eco-Security Council proposal "could be a major outcome" of the 1992 Earth Summit.

The report also recommends forcing a drastic reduction in energy consumption worldwide. "It is urgent that a Worldwide Campaign of Energy Conservation and Efficiency be launched," it says. "It would be appropriate that the scheme be launched by the United Nations. . . . A corollary would be the setting up in each country of an Energy Efficiency Council to supervise the operation on the national scale."

The report applauds the idea of imposing a global energy tax, to drive down energy consumption levels in industry and agriculture, which will have the effect of driving down industrial and agricultural output as well. "The Club of Rome has proposed a study on the various suggestions for energy taxation for the purpose of controlling the energy in the North and of ensuring that in the South development should be on the basis of clean energy," according to the report.

Co-author Bertrand Schneider indicated to *EIR* that the Club of Rome hopes to buy off Third World nations which would otherwise oppose foregoing technologies that supposedly harm the environment, such as refrigerants based on chlorofluorocarbons (CFCs), by using the funds raised by the energy tax to finance environmental projects in these countries—which the group considers to be the only form of "development" the South needs.

Sovereignty, democracy must go

Well aware that implementing such stringent measures will inevitably provoke political resistance of the kind which has already started to emerge in the Third World against the Brazil 1992 meeting, the report launches a frontal assault against national sovereignty and the democratic system, on the grounds that these conceptions represent major obstacles to creating the supranational dictatorship, centered on a revamped and strengthened United Nations, which the Club of Rome wants.

"The very concept of sovereignty proclaimed as sacrosanct by all governments is under challenge and not only as a result of the development of regional communities," the report gloats. "Indeed, many smaller countries already have very little control over their own affairs in consequence of decisions taken outside their territories, such as the establishment of commodity prices or interest rates, or by economic policies modified to obtain IMF [International Monetary Fund] funding."

"Erosion of sovereignty," the report continues, "may be for most countries a positive move towards the new global system in which the nation-state will . . . have a diminishing significance."

The study cites the war against Iraq as a trend-setter for future assaults on national sovereignty: "A new concept has emerged . . . 'the right to intervene,' [which] was recently put into practice. . . . It consisted in a humanitarian operation within the state of Iraq in favor of the Kurdish people. Such a concept, if it were to be confirmed in the future, would represent a considerable evolution in international law, which for one would be more of a reflection of humanitarian considerations than of constitutional rules and nationalist self-centeredness."

It is also indicative of the ghoulish mentality of the Club of Rome that the study becomes positively ecstatic when it predicts that ethnic strife, such as that now occurring in such bloody fashion in Yugoslavia, will grow. The authors clearly anticipate that this will exacerbate the collapse of central governments and allow for unfettered intrusions on national sovereignty.

Although the study doesn't call outright for doing away with the democratic system, it harps on its many failures and insists that it must be "restructured" so as to increase the powers of non-governmental groups, such as the Green parties of western Europe, at the expense of central governments. "We must recognize the limits of democracy," co-author Schneider declared at the press conference. While this may sound like a prescription for more grass-roots democracy, it is intended by the Club of Rome to be a recipe for chaos and confusion.

With its study now circulating internationally, the Club of Rome is gearing up for a conference in Montevideo, Uruguay in November. There, Schneider confirmed, the question of whether the Amazon Basin should be internationalized, i.e., taken out of Brazil's control, will be a main item on the agenda.

Serbia gains time, while Croatia is betrayed by West

by Konstantin George

In the afternoon of Sept. 19, Britain's Peter Lord Carrington, chairman of the European Community's (EC) so-called international "peace conference" to settle the war in Yugoslavia, officially announced the failure of his mission. The announcement followed the breakdown of the "cease-fire" he had negotiated, which only formally went into effect at noon on Sept. 18. In reality, the Carrington mission was a failure from the beginning. By making no demands or conditions on Serbia at the outset, the peace conference had achieved only one result: For its brief duration, Serbian forces were given time to pursue their war of expansion to the point where Croatia has been partitioned into three parts.

During the Carrington peace mission, Serbian and Yugoslav Army forces had: 1) advanced to the Adriatic, cutting off more than half of Croatia's Dalmatian coastline from the rest of Croatia; 2) launched an offensive northwards along the Okucani-Pakrac corridor into Croatian Slavonia, roughly midway between Zagreb and the embattled cities of eastern Slavonia, cutting off Croatian forces there from the rest of Croatia; 3) all but completed the occupation of the strategic Banija region between Bosnia and the Croatian capital of Zagreb, capturing the key town of Kostajnica, and preparing for an attack on the vital rail, road, and oil pipeline junction in the city of Sisak.

The next EC failure

With the EC policy in shambles, the next policy failure is now taking shape: a plan for a so-called "military intervention" by the nine-member European defense organization, the West European Union (WEU), consisting of all EC members except Greece, Denmark, and Ireland.

The failure of the Carrington mission was immediately obvious. The cease-fire never existed. Fighting continued throughout Sept. 18 and into Sept. 19, including, for the first time since the war started, inside Zagreb, where the Yugoslav Air Force launched bombing raids and Yugoslav Army units, which had been surrounded by Croatia forces in Zagreb, shelled the city from their barracks. For the first time since the war started, the daily wailing of air raid sirens in a European metropolis, and civilians hurrying to cellars and shelters, has again become reality, not in some "far-off" place, but on the

European continent.

The reason for Europe's tragic inability to render effective assistance to Croatia and stop the Serbian offensive is not hard to find. Of western Europe's three main military powers, two of them, Great Britain and France, have tacitly backed Serbia all along, blocked any EC-wide move to recognize the independence of Slovenia and Croatia, and blocked any EC-wide policy of tough economic sanctions against Serbia. Beyond that, the Anglo-French policy has succeeded in preventing any effective economic or defensive military assistance for Croatia.

Deep-rooted British-Serbian ties

The British-Serbian axis runs deep. London's support for Serbia has little to do with its affinity for the present communist Serbian regime of Slobodan Milosevic. London's policy is to exploit the war to secure its domination of post-Milosevic Serbia through a restoration of the monarchy, represented by the London-based heir to the Serbian throne, Crown Prince Alexander. Britain knows that Milosevic will be ousted whether or not Serbia wins militarily, because Serbia is bankrupt. Should Milosevic "win" his war, the postwar euphoria will not last long. The devastated economy and social misery, now overshadowed by the war, will produce a popular revolt that will drive him out, bringing into power the pro-monarchy opposition. Should the war backfire and Serbia suffer a humiliation, the same result occurs. The monarchical restoration will not be long in coming. On Oct. 5, Prince Alexander will leave London to take up permanent residence in Belgrade.

Germany has been, in principle, committed to stopping Serbian aggression, securing international recognition of Slovenia and Croatia, and providing the financial and logistical backbone to any European "peacekeeping force" sent to Croatia, whether in the framework of the 12-member EC or the nine-member WEU.

However, the German government has succumbed to date to massive foreign pressure from the Western "Big Three"—the United States, Britain, and France—to confine its support for Croatia to lobbying for a consensus for recognition within the EC and the WEU. The German policy re-

mained, through Sept. 19, that Croatia and Slovenia should be recognized. But Germany will *not act on its own* to unilaterally recognize them as independent states. In his Sept. 16 White House meeting with George Bush, Chancellor Helmut Kohl was told, as he himself stated, that any military intervention or sanctions against Serbia were, for Bush, "not a theme" for discussion. A statement issued Sept. 18 by British Defense Secretary Tom King was just as emphatic: Britain would not send a single soldier to take part in a European peacekeeping force in Yugoslavia. Direct German military participation in any intervention has been ruled out by the German government, which has cited the ban on NATO "out of area" deployments in the German Constitution.

In this situation, French President François Mitterrand met Chancellor Kohl in Bonn on Sept. 18 to coordinate strategy for the next day's meeting of the nine WEU foreign ministers, which is considering sending a European peacekeeping force to Croatia. At a joint press conference where no questions were allowed, Mitterrand and Kohl agreed that such a mission should be undertaken, and Mitterrand announced that France would be willing to provide troops for it. However, the conditions that both leaders, who form the military core of the WEU, attached to what is falsely labeled a "military intervention," guarantee even under the best of circumstances that this force, envisioned as "lightly armed contingents patrolling a cease-fire" line, will merely prevent Serbia from further advances into Croatia. For Croatia, this "intervention," as presently conceived, would ensure its survival as a territorially truncated rump state.

The conditions for military intervention, dictated behind the scenes by Britain and others in the WEU, and specified by Kohl and Mitterrand, are that no troops may be sent without the "consent of the warring parties," meaning agreement by Croatia, Serbia, and the Army leadership. Croatia has accepted. On the eve of the WEU meeting, Serbia, in a statement by Foreign Minister Jovanovic, rejected any "foreign military presence."

Two outcomes are possible. Serbia may indefinitely reject a WEU force, or, after it has completely occupied the Croatian regions of Slavonia and Dalmatia that its Army has cut off from Croatia, it may then "allow" a WEU force to patrol the only remaining cease-fire line running north-south from the Hungarian border to the Dalmatian coast across the center of Croatia. In either case, the ludicrous conditions established by the EC and the WEU give the Milosevic regime of Serbia another blank check to do as it pleases.

The Serbian mobilization

The absurdity of the EC cease-fire approach does not lie in the fact of its immediate collapse as such. Even had it been nominally respected by the Serbian side, the interlude would have been of short duration. The most significant Serbian military deployments are those which lie *outside* the nominal domain of current front-line fighting. These are the extensive

preparations under way for the next series of offensives. During Sept. 15-17, the Serbian-run Yugoslav Army enacted a far-reaching callup to immediate active duty of Serbian reserve units. These included Serbian reserve units from Serbia; eight reserve units from the Serbian region of Vojvodina, directly opposite the front in Croatian Slavonia where the beleaguered cities of Osijek, Vukovar, and Vinkovci lie; Serbian units in Bosnia; and, for the first time, Montenegrin reserve units from an area opposite the southernmost Dubrovnik region of Croatian Dalmatia. In the latter two cases, these units will provide the necessary troop strength to invade and occupy the southern two-thirds of the Croatian coastal region of Dalmatia, which has been cut off from the rest of Croatia.

On Sept. 17, some 36 hours before the cease-fire took effect, the Yugoslav Navy began a total blockade of all seven Croatian ports. Two of them, Rijeka and Pula, lie to the north of the Serbian occupied part of Dalmatia; the other five—Zadar, Sibenik, Split, Ploce, and Dubrovnik—lie within the rapidly shrinking "pocket" still held by the Croatian National Guard in southern Dalmatia. Exposing Serbia's post-cessate-fire military designs, the naval blockade of Croatia has continued, with Serbia "agreeing," on paper, only to stop shooting.

Furthermore, in the last hours before the cease-fire formally took effect, Yugoslav Army units advanced from the Serbian-held Dalmatian hinterlands and reached the coast, and with it the vital coastal road, in four separate places. Thus, Dalmatia, already separated from the rest of Croatia, has itself been cut in four parts. During the entire day of Sept. 18, both before and after the cease-fire, fighting raged in the port of Split.

These moves are only a prelude to what will soon happen if the British-brokered "consensus" continues to rig the rules of the game in Serbia's favor. In the afternoon of Sept. 19, while the WEU foreign ministers were convening, a column of 70 Yugoslav Army tanks, plus scores of armored personnel carriers and trucks filled with additional infantry, were seen leaving their Belgrade barracks, moving in the direction of Slavonia. All indications were that a final offensive would soon be under way to storm Vukovar, Osijek, and Vinkovci, the centers of Croatian resistance in eastern Slavonia, and thus annex the entire region as the next *fait accompli* in establishing "Greater Serbia."

The only hope in this desperate situation is that the shackles of "European" consensus politics be broken. Someone, possibly Germany, has to start this process by recognizing the independence of Slovenia and Croatia and rendering all assistance possible to these states.

The alternative is to accept the enormous consequences of failing to act resolutely. The fall or truncation of Croatia would only be the beginning of an expanding chain of Balkan wars of ever-increasing scope, creating—whether one or several years down the road—for the first time in over 50 years a pre-war situation for all of Europe.

'It is genocide going on against Croatia'

This interview with Zarko Domljan, the president of the Parliament of the Republic of Croatia, was conducted during a conference of the European Democratic Union in Paris Sept. 11-13. Mr. Domljan was one of the invited guests at this international conference, which brought together the heads of 24 Western, especially European, parties and many ministers and heads of state, along with President Peterle of Slovenia, and President Izetbegovic of Bosnia-Herzegovina. The majority of the leaders of the newly formed eastern democracies had also been invited, among them: Prime Minister Jozsef Antall of Hungary and his foreign affairs minister; Vice Prime Minister Baudys of Czechoslovakia; the prime minister of Slovakia; Prime Minister Jan Krzysztof Bielecki of Poland, and the presidents of three parties of the Baltic states. Russian President Boris Yeltsin also sent a representative.

The conference devoted the majority of its time to how to increase aid to the former U.S.S.R. and to the new democracies of the east, and the civil war in Yugoslavia and how Europe could intervene to resolve the crisis.

"One cannot force people to live together when they don't want it anymore. And we cannot tolerate, like today in Yugoslavia, for instance, that in the name of the principle of non-intervention, we allow massacres to be perpetrated without intervening," stated former French Prime Minister Jacques Chirac. Chirac called for a U.N., Western European Union, or CSCE political, humanitarian, and "eventually a military" intervention in the name of assistance to peoples in danger.

At the press conference of all the heads of parties, Domljan called on the international community to immediately support the independence of Croatia. It is as if we are in cage with a wild tiger, he said. Either we are allowed to open the door and leave, or else the European Community removes the tiger from the cage.

EIR: Can you give us an update of the present military situation in your country?

Domljan: The situation is complicated, because the Army is supporting the rebels in Croatia, and those rebels are supported by Serbia! Part of the Serbian population in Croatia is against the freely and democratically elected institutions in Croatia. They don't accept the Croatian Republic as their

homeland. They want to belong to "Greater Serbia," and it is impossible because they are far from Serbia; they live in Croatia and not in Serbia. So we insist that the borders cannot be changed by force.

At the same time we are prepared to give all the rights and privileges to Serbs living in Croatia according to European standards—and not only to Serbs, which make up about 12% of the population, but to all ethnic minorities. We are willing to give them cultural and political autonomy, the right to participate on all levels of government according to their percentage of the population, and even to guarantee local self-government in areas where the Serbs represent a majority of the population.

EIR: At the press conference of the heads of parties, you said genocide is being perpetrated against the Croatian people. Can you elaborate?

Domljan: We are exposed to open aggression from the Yugoslav Army, which is a declared communist army, and they want to reestablish communism in Yugoslavia. They are against multiparty elections; they say that the multiparty system is destroying Yugoslavia, and that capitalism is entering and occupying Croatia and Yugoslavia. They fight in the name and ideals of socialism; they defend socialism and the socialist system in Yugoslavia, and that is absurd in today's Europe. I talked about genocide because there are many villages which were destroyed completely, and the population either killed or expelled from their homes. Also cultural monuments, churches, kindergartens, and nursing homes were destroyed.

It really is genocide. We are not armed and we can't fight against the Army, which is one of the best equipped armies in eastern Europe after that of the Soviet Union. This is why I used the metaphor of the tiger—to be clear. We are put together in a cage with a wild tiger and the outcome of this battle is clear. We are not strong enough to defend ourselves, so either we open the door and leave the cage or we ask Europe to take the tiger out of the cage.

EIR: Are you asking for military assistance from Europe?

Domljan: Of course, but according to international law it is impossible before Croatia and Slovenia are recognized as independent states. So, we think that the only way to stop the aggression, and it must be stopped by all means, is the recognition of the independence of Croatia and Slovenia.

EIR: How do you explain the reactions of the Europeans and the West in general who have refused to give support to the independence of these two republics?

Domljan: That's a question of policy and diplomatic maneuvers, and we are against it. We are completely unsatisfied with the behavior of the European Community in general, and not only with the 12 [EC members], but more generally with the international democratic community, which only gives verbal and decorative support to Croatia.

British push 'Serbian monarchy' restoration

by Mark Burdman

British-sponsored plans for the restoration of monarchies in the Balkans are proceeding full-steam ahead, precisely as *EIR* had warned would happen.

Crown Prince Alexander II Karageorgevich, claimant to the putatively Yugoslav but actually Serbian throne, will be going to Belgrade on Oct. 5. His "return" (he has actually never been there in his life) is being organized by a recently formed "united bloc of Serbian opposition parties," led by Vuk Draskovic, chairman of the Serbian Renewal Movement. Representatives from the united parties met in Geneva on Sept. 7, and resolved to invite the crown prince. Then, at a press conference in Belgrade on Sept. 12, the opposition bloc issued a public invitation to Alexander to come to Belgrade. He accepted on the same day.

Sources close to the crown prince anticipate that he will be met by 500,000-750,000 supporters. He is to be greeted at the airport by the patriarch of the Serbian Orthodox Church and by the synod of bishops of the church.

Only two eventualities could derail the Oct. 5 plans, according to the crown prince's entourage in London. One is that the fighting and chaos in Yugoslavia spread to Belgrade itself. The other is that Serbian strongman Slobodan Milosevic, a Bolshevik demagogue who resents the opposition parties' prominent role in organizing the "return," would try to impede it. That, they say, is unlikely, since it would only backfire politically against Milosevic. In any case, a programmed shift from "Serbo-Bolshevism" to "Serbo-monarchism" would be in the interest of the Serbian political and military nomenclatura at this time.

Lord Carrington's complicity

One aide to Alexander reported that the crown prince met former British Foreign Secretary Lord Carrington, before the latter launched his diplomatic wrecking operations in Yugoslavia. Said this aide: "Carrington is very much favorable to the Oct. 5 visit to Belgrade. The crown prince will be putting himself forward as a 'man of peace,' capable of uniting all the conflicting parties. He is putting himself forward as the figurehead-leader of a new Commonwealth of Sovereign Yugoslav States."

This report eloquently testifies to Carrington's real aim in the so-called Yugoslav mission: to foster the conditions of

chaos and destabilization that would make a monarchical restoration not only palatable but desirable to Serbians and others living in the territory of the former nation of Yugoslavia.

The aide added that the British royal family is "discreetly supporting" the attempts by Alexander to restore his monarchy. This is hardly surprising, given the family ties of Queen Elizabeth and Prince Philip into the monarchical houses of the Balkans and neighboring areas. (Prince Philip was born in Greece, into the Greek royal family, although his parents and grandparents belonged to the Danish, Russian, British, and German royal households. His mother, in later years, became a Greek Orthodox nun.)

Prince Philip, international president of the World Wide Fund for Nature, is using his vast connections in the international environmental movement to reinforce such monarchical links, in part through the mediation of certain high-level forces in the Orthodox churches. On Nov. 5, he will be in Crete, where he will keynote a week-long Pan-Orthodox Conference on Environmental Protection, during which time he will meet with senior Orthodox Church representatives from Serbia, Bulgaria, Russia, Georgia, and elsewhere.

The monarchical restoration plans precisely complement the designs of the environmentalist movement. Both seek to impose a neo-feudalist world order. And indeed, once begun in Serbia, the trend will rapidly spread elsewhere. An aide to Alexander stressed on Sept. 18 that "anything can now happen, things are in such flux, even a return of the Romanovs in Russia."

Israel's Balkans card

Support for the crown prince is coming from other quarters. From Sept. 2-5, Alexander was in Israel, on the pretext of a visit to Jerusalem at the invitation of the head of the Greek Orthodox Church there, Diodorus. According to a report in the Sept. 6 *Jerusalem Post*, Alexander proclaimed that "Jews and Serbs have a lot in common."

Various Serbian sources report that Israel will politically support "Greater Serbian" claims, at least in the short term. They stress that Israel owes certain debts of gratitude to the Serbs, in particular because the Serbs worked in the late 1940s to engineer Yugoslav support for recognition of Israel as a separate state within historical Palestine.

Now, Israel is playing its own "Balkans card." Exactly overlapping the Crown Prince's arrival, was the visit of Romanian President Ion Iliescu to Israel, the first-ever diplomatic visit to Israel by a Romanian leader.

Another crucial source of support comes from the Greek shipping magnate and multi-billionaire John Latsis. Latsis is based in Britain, and is a financial benefactor of Prince Charles and Princess Diana. For several years, Alexander worked for him in Latsis's shipping and insurance combines. In recent months, Latsis has been the bankroller of Alexander's political efforts.

Bush promising communists a spot in post-Castro Cuban government

by Gretchen Small

Under the cover of sabre-rattling against the “last communist dictator” in the Americas, the Bush regime appears to have already initiated negotiations with Castro’s government. Under discussion is a “transitional government” which would attempt to prevent the total liquidation of the communist machine, as would necessarily occur if the looming anti-communist revolution in Cuba is allowed to proceed.

Even as the uprisings in the Soviet Union created the opportunity to bury communism worldwide once and for all, Washington sent a public message that it is still committed to bringing communists into power in *new* countries in Ibero-America. On Aug. 31, U.S. Ambassador to El Salvador William Walker, accompanied by Col. Mark Hamilton, head of the U.S. military mission to that country, and an aide to Sen. Paul Sarbanes (D-Md.), met with 10 commanders of the Farabundo Martí Liberation Front (FMLN) in the rebel stronghold of Santa Marta.

The FMLN guerrillas have long been the Castro regime’s strongest military allies in the Americas. The signal to Cuba was unmistakable: The U.S. still considers the communists viable negotiating partners.

They didn’t just meet. They sipped Johnny Walker Black scotch, discussed what “guarantees” the terrorists desired before they would agree to a cease-fire, and had photographs taken of their merry meeting. It wasn’t the first time Ambassador Walker had visited the FMLN in Santa Marta. In a July visit, he had brought along Rep. Joe Moakley (D-Mass.).

The Salvadoran government, which U.S. officials had not bothered to notify in advance of this negotiating session, demanded an explanation. None was given. Any idea that the U.S. was unaware of its ambassador’s doings was dispelled by a detailed report on the encounter which appeared in the *Washington Post* on Sept. 13, in which Walker defended his talks as “fruitful.” No protest was issued by the Bush administration.

A package deal

From the outset, the Bush administration treated Cuba, Nicaragua, and El Salvador as a single package, negotiating the makeup of new governments with the Kremlin. Nicaragua was the test case. Washington demanded that the Sandin-

istas legitimize their rule through calling national elections; Moscow pressured the Sandinistas to accept. Washington fully expected the Sandinistas to win, so much so that the terms of a new Nicaraguan-U.S. rapprochement, including a defense agreement, had already been negotiated between Sandinista representatives and the Bush administration when the Nicaraguan electorate upset those plans on Feb. 25, 1990, by electing Violeta Chamorro, candidate of the National Opposition Union (UNO), as President.

Washington has ensured, however, that winning the election did not bring relief from Sandinista rule. Under the personal direction of Venezuelan President Carlos Andrés Pérez—an ally of President Bush who pays Henry Kissinger to advise his government—Chamorro set up a coalition government. The Sandinistas retained control of the defense and security apparatus; the International Monetary Fund ran economic policy. A year and half later, the UNO finds its political base eroded, and itself subject to blackmail by the Sandinistas, whose military and political machine remains intact.

Now the same form of “coalition government” is being prepared for El Salvador, where the communists have yet to win power themselves. Washington and Moscow agreed that the United Nations be empowered to run “peace” negotiations between the FMLN and the government. The FMLN’s primary demands are that its political and military machine be protected, while the national Army is savaged, before they will agree to a cease-fire. They even demand that FMLN forces be incorporated “at all levels” into the national military—i.e., be given command posts. When the government refused this demand, U.N. Secretary General Javier Pérez de Cuellar took charge of the negotiations.

An article appearing in the Soviet daily *Pravda* on June 24 outlined the package deal which was expected to result. Bringing the FMLN into the government of El Salvador is viewed as a prior step for a Soviet-U.S. agreement over Cuba, *Pravda* wrote. “With the ending of the Salvadoran conflict, the chances of gradual normalization of U.S.-Cuban relations . . . will be sure to increase. . . . The White House has declared Havana’s traditional solidarity with Salvadoran partisans one of the chief obstacles in the way of setting up an official dialogue between the U.S. and Cuba.” That could

begin to bring the Soviet Union relief from "the very great cost of the anti-Cuban trade and economic blockade."

Wall of fear begins to crack

Now, it's Cuba's turn. Of all times to negotiate to save Castro, when his grip is weakening at an unpredictable rate!

The promise by Mikhail Gorbachov on Sept. 11 that Soviet military forces will be gradually withdrawn from Cuba was greeted with joy in the Cuban-American community. Even before the announcement, Cuban citizens had begun to protest over the phone to relatives in the U.S.—knowing full well that their calls are monitored by the dictatorship.

The Castro regime is so fearful of opposition even within its own ranks that it ordered the long-postponed Fourth Communist Party Congress, finally scheduled to begin on Oct. 10, be held behind closed doors. For the first time ever, all foreign delegations, journalists or diplomats, have been banned from attending.

Yet State Department officials are waiting for the congress, "looking for any clue that Castro or members of his inner circle are ready to take limited steps toward a market economy," London's *Financial Times* reported on Sept. 13. Last May, President Bush had used a Cuban Independence day address to outline conditions for improved U.S.-Cuba relations: that the Castro regime call elections, increase respect for human rights, and stop aid to insurgents in other American countries.

At the time, the Castro regime answered, "never," and filled its press with cries of "socialism or death." Has that line changed? The same *Financial Times* article reported that Raul Taladril, vice president of Cuba's State Committee for Economic Cooperation, now states that Cuba will "negotiate with the devil" to survive, and welcomed foreigners to invest in tourism and industry.

Pérez says, 'Trust Fidel'

Reuters news service reported on Sept. 13 that Venezuela's President Pérez had sent his foreign minister to Cuba, to "attempt to woo [its] leaders with the promise of oil in return for reform." Pérez's biggest asset is the fact that he is, in addition to being a personal friend of Fidel Castro, as Reuters noted, "a key ally in Latin America of President George Bush." The other carrot offered by the Pérez regime is investments by the regime's primary moneybags, billionaire businessman Gustavo Cisneros. Cisneros offers the advantage of owning extensive U.S. business interests linked to the Rockefellers, and having family ties in the Castro regime.

Pérez has been pressing Castro for some time to initiate reforms at the October Communist Party Congress, thus to ensure for himself a role in whatever government comes next. "I am sure that [Cuba's] leaders, led by Fidel Castro, will be reflecting upon . . . the reform which is needed in their country. I have confidence in them. We should give them time," he told journalists on Aug. 25.

The Cuban-American National Foundation

Another negotiating track for the Bush administration runs through the Cuban-American National Foundation. On May 20, the same day Bush offered terms for U.S.-Cuban relations, the chairman of the Cuban-American National Foundation, Jorge Mas Canosa, told the *Washington Times* that the foundation has been the intermediary for talks between members of Fidel Castro's inner circle and the U.S. government, on ways to convert the island's economy to a market economy. "They are very important contacts, at a very high level," Mas Canosa stated.

The foundation—a group of Cuban exile millionaires, many associated with the gambling and drug-running interests which dominated Batista's pre-Castro Cuba—is a straight U.S. intelligence operation. Bush's son Jeb is an adviser to the foundation, and so close to its president, Jorge Mas Canosa, that he refers to Jeb as "one of us," the *Washington Post* reported in 1986.

The outfit is also funded by the quasi-governmental National Endowment for Democracy (NED). The Summer 1990 issue of the NED's *Journal of Democracy* called for a "carefully drawn up political pact" in Cuba. If Castro's inner circle can convince him to call elections, they can "save themselves and in some cases even have a share" in the transition government, the *Journal* promised. The magazine added that this will ensure that "communists . . . still have the opportunity to regroup."

Mas Canosa has also been negotiating with the Kremlin. He told Madrid's *El País* newspaper in July 1990 that the foundation had promised Moscow that if the Soviets helped "reform" Cuba, "we, tomorrow, can guarantee their presence on Cuba. We want to have the best diplomatic relations with the Soviet Union, the greatest possible commercial ties. The only difference [with Castro] is that we will pay everything in dollars." The foundation announced in mid-September that a delegation visiting Moscow has worked out permission to open an office there.

The foundation has been sponsoring forums on the economic reconstruction of Cuba for U.S. multinationals. An adviser of Anpac Group, Inc., a Miami-based mining company which attended one such forum, told the *Wall Street Journal* that he expected changes in Cuba by 1992 which would be favorable to their interests. "Fidel will turn into a figure like the Queen of England, a symbol, rather than an executive of the Cuban government, and allow regional elections," he suggested.

Cuban nationalists will never tolerate these plans to sell off Cuban freedom before it arrives, Cuban exile Ernesto Betancourt warned in his syndicated column Sept. 7. "The Cuban-American Foundation claims to have buyers willing to pay \$15 billion for 60% of Cuba's assets. Nobody gave the foundation the authority to sell the island." The Bush administration's support for the foundation "discourages an internal solution. . . . Cuba can no longer be a Soviet surrogate; nor should it be an American colony. It is time to let Cuba be Cuba."

United States, China shadow-boxing over India

by Susan B. Maitra and Ramtanu Maitra

In a surprise move recently, Chinese Prime Minister Li Peng gave an interview to a visiting Indian delegation representing the official Press Trust of India (PTI), and emphasized the need to take the necessary steps to improve Sino-Indian relations. The gesture is unprecedented—Li Peng is the first Chinese premier to meet with an Indian press delegation in China—and becomes even more significant in light of a front-page story entitled “New Era in Indian-U.S. Ties Likely,” which appeared in the leading Indian English-language daily the *Times of India* on Sept. 8.

Interestingly, on Sept. 7, just four days before Li met with the Indian press, former U.S. Secretary of State Henry Kissinger, leading a high-level delegation consisting of two former U.S. ambassadors to China, a former U.S. assistant secretary of state, and two former undersecretaries, met with the Chinese prime minister. Kissinger, who was also in Hong Kong at the same time former British Prime Minister Margaret Thatcher was there to work out a deal with China over the 1997 transfer of Hong Kong, acts on behalf of Israel, Britain, and the Zionist lobby in the United States. His relationship to the surprise Chinese move is also moot.

In his talks with the Indian newsmen, Prime Minister Li Peng, alluding perhaps to growing Indo-U.S. relations as well as the collapse of the Soviet system and President Bush’s “new world order,” said: “China and India are two great nations. The two countries have large populations and vast territories. So we should adhere to our own policies in building our two countries. We should not be affected by changes in the world. Those changes have made the situation of the Third World countries and developing countries more grim. Therefore, in addition to dialogue between North and South, we should accelerate South-South cooperation.”

The Chinese prime minister also stated that “large countries like India and China should adhere to their own policies and should not be swayed by those changes” taking place on the global scene. In discussing how to improve Sino-Indian relations, the Chinese prime minister reiterated the old formula of increasing high-level as well as people-to-people contacts. Significantly, however, was his observation that high-level contacts held between the two countries will bear

fruit if the topic for talks includes “the establishment of a new international order.”

Li Peng’s statements appeared in the news media three days after a *Times of India* lead front-page story claimed that “far-reaching” plans were under way for closer India-U.S. ties. “Relations between India and the United States could transcend to a new level of understanding if far-reaching plans for expanded strategic cooperation between the defense forces are realized, as expected in the near future,” wrote the *Times*’s Washington correspondent Y. Adhikari.

The U.S. proposal

The lofty plans turned out to be a balloon floated by a U.S. Lt. Gen. Claude Kicklighter (ret.), former commanding general of the U.S. Army in the Pacific. General Kicklighter, who apparently visited India last April to hold talks with Indian officers supportive of his plans, has made a string of proposals to bring the two militaries together with the ostensible purpose of forming a strategic alliance. The proposals, which range from high-level visits by military top brass of both countries to combined training activities and joint participation in the Pacific Command’s joint committee level meeting, according to the *Times of India* report, were presented to Indian Army Chief Gen. S.F. Rodrigues during his recent visit to the United States. Rodrigues’s trip, and Indian Defense Minister Sharad Pawar’s recent remarks in the Parliament about the likelihood of “better cooperation [with the United States] in the defense field,” were cited in the article as possible indicators that the Indians are agreeable to the proposal.

Although the *Times of India* article, quoting U.S. officials, admits that “neither side wants to jump into bed with the other without carefully weighing the consequences and fall-outs,” it nonetheless leads one to the conclusion that it is only a matter of time before the proposal becomes reality. A series of joint symposiums in which the defense officials of both countries will participate, and an array of visits by top brass of both countries, according to Adhikari, have already been planned. “Importantly,” he states, “an Indian-U.S. Army executive steering council would be set up and it would

be headed by the vice chiefs of Army staff on the Indian side and the general of the U.S. Army Pacific on the U.S. side."

Was the story a 'plant'?

Notwithstanding the "optimism" conveyed by Adhikari, it is difficult to ascertain the accuracy of the report. Reliable sources here insist there is nothing real in the report, but is a "trial balloon." It is no secret that a number of U.S. generals, mostly of the World Anti-Communist League (WACL) type who had earlier trashed India for being a "Soviet stooge," have now become extremely active in an effort to rope India into a strategic alliance to exert pressure on the remaining communist bastion, China. It is also no secret that a section of the Indian Army, notwithstanding India's close defense relations with the Soviet Union, were fascinated by the American firepower exhibited in the Gulf war and are yearning to have some of that in their arsenal. Apparently, they see forging a military alliance with the United States as the best security from threats posed by both Pakistan and China.

It is another matter whether the proposal stands on its own merit. Interestingly, no leading Indian news daily has either reported or commented on this harbinger of a "new era." There are many reasons for such silence. First, the Indian political leadership is preoccupied with India's dwindling foreign exchange reserves and growing foreign debts, and is busy trying to garner as big a loan from the International Monetary Fund as possible while at the same time trying to stave off harsh IMF "conditionalities." The leadership is aware that if the minority government in New Delhi accepts such harsh austerity as the price for IMF loans, it may turn out to be a kiss of death. At the same time, efforts by Indian Finance Minister Dr. Manmohan Singh to unshackle the economy from strangulation of licenses and regulations, welcome as they are, are looked on suspiciously as an indication of India bowing to U.S. wishes.

Prime Minister P. V. Narasimha Rao certainly recognizes that the path toward better relations with the United States is a slippery one, and there is no need to make it downright treacherous by forming a strategic alliance with the United States. It is perhaps from this vantage point that the prime minister chose Bonn for his first formal overseas visit as prime minister, and overlooked both Moscow and Washington.

The only discussion of the U.S. proposal was an endorsement by one scribe of a think-tank devoted to strategic matters, the Institute of Defense and Strategic Analysis (IDSA) based in Delhi. In a commentary in *The Hindu*, the analyst argued that the Kicklighter proposal could act as a "major breakthrough to qualitatively transform the relationship" between India and the United States. The author, allegedly a former Naxalite, says that the absence of strategic cooperation with India remains "a huge gap in the larger dynamics of America's Asia strategy." He said filling this gap has become all the more important at a time of increasing Sino-

American tensions, the growing isolation of the Chinese leadership, and the possible "new assertiveness" of Japan in the Asia-Pacific region. According to the author, under such circumstances, exacerbated by the growing economic weakness of the United States which has constrained its military deployments, the United States needs a "great power" such as India to maintain strategic effectiveness in Asia through what is known as "cooperative vigilance."

A similar concept, which, however, excludes the United States, appeared in August in the Delhi-based *Sunday Mail*. The author, R.R. Subramaniam, another IDSA analyst, wrote that India must expand its presence in the Asia-Pacific region. Subramaniam pointed out that since China is in no mood to accommodate India in the Asia-Pacific region, India must develop military ties with Vietnam and Indonesia in order to function as an economic power in the region. He also said that such military ties will "demonstrate that she [India] can act as an antidote to China."

China-India relations

In such an environment, where the Anglo-Americans are trying to line up their new world order and Indian analysts are asserting a need for a strong military presence in the Asia-Pacific region to "act as an antidote to China," the statements of Li Peng will act as a damper. It is widely acknowledged by political analysts here that China, despite the border war with India in 1962 and its anti-India activities in the region, enjoys a wealth of good will in India. It is also said that Sino-Indian rapprochement, which must translate into peaceful cooperation between the two nations, will be overwhelmingly endorsed by the Indian people over an Indo-U.S. military alliance, to ensure India's security.

The reasons China enjoys such good will are few, but include long historical and cultural ties. In addition, both nations are economically staggering and have received little outside help. In recent days, both nations have worked together to counter the international environmentalists' attack against the two populous nations for allegedly being the major sources of environmental pollution. This cooperation became evident during the recent U.N. Conference on Environment and Development-sponsored conference in Geneva in preparation for the 1992 Earth Summit in Brazil.

However, Sino-Indian relations cannot change through one friendly gesture. The thorny border issue, where each accuses the other of occupying its territory, and increasing reports of China funding and arming secessionist movements in northeast India and instigating the Communist Party of Nepal and other Nepalis to carve out a chunk from the Indian Himalayan territory to form a "Greater Nepal," will not be overlooked by the Indians in responding to Li Peng's sudden gesture. It is expected that while the Indians will favor closer China-India relations, this will be conditional on Beijing showing a positive inclination to give up arming the subversives and anti-Indian elements in the region.

Did Menem really win Argentine elections?

by Cynthia R. Rush

Since Argentina's mid-term congressional and gubernatorial elections on Sept. 8, international and local press have claimed that the victory of President Carlos Menem's Peronist party represented a popular mandate for his government's free market economic reforms. The Peronists won overwhelmingly in 10 out of 12 provinces contested, including in the all-important province of Buenos Aires, where Vice President Eduardo Duhalde trounced opponent Antonio Cafiero. "The voters have thus overwhelmingly endorsed the economic reform policies of President Carlos Menem and his economy minister Domingo Cavallo," the *Financial Times* of London crowed on Sept. 10.

A better explanation for the victory might be that a population demoralized and disgusted by years of the International Monetary Fund's (IMF) austerity policies, and more recently by the extraordinary corruption and other scandals dogging the Menem government, went through the formality of exercising its "democratic right," without much caring about the outcome one way or the other. It didn't seem to matter to people that they elected a race car driver, Alberto Reutemann, as governor of Santa Fe province, or a monotone pop star, "Palito" Ortega, as governor of Tucumán province.

The word now being put out internationally is that with this tremendous electoral "mandate," the Menem government can quickly move forward, virtually unopposed, with the political and economic agenda which the Bush administration and the IMF have set for it: stepping up the privatization of state sector companies, increasing monthly debt payments to creditor banks, smashing the trade unions, and completing the "reform" program which will dismantle the institution of the Armed Forces. "The electoral process was amazing because of its correctness," Menem said on Sept. 9. The Peronists won, "because of what we are doing throughout the country."

A 'carapintada' plot?

But if the Argentine people gave Menem such a mandate, and if the future looks so rosy for Cavallo's free market plan, then why has Menem launched such a tirade against the nationalist wing of the Army (known as *carapintadas* or "painted faces," in reference to the camouflage paint worn by soldiers), whose leader is Malvinas War hero Col. Mohamed Alí Seineldín?

Under Seineldín's leadership, the *carapintadas* constitute an incipient nationalist resistance to George Bush's new world order, which Menem has wholeheartedly embraced. The colonel's defense of national sovereignty has also sparked resistance in other Ibero-American countries. A civilian appeals court has just given long jail terms to several key leaders of this nationalist grouping, including a life sentence for Colonel Seineldín, following their six-month trial for involvement in a Dec. 3, 1990 military uprising.

Yet even with the nationalist leaders behind bars, the government is now claiming that they are behind virtually every crime committed in the country—from kidnappings, to bank robberies and murders. Interior Minister José Luis Manzano charged on Sept. 14 that it is probably the *carapintadas* who have not yet been arrested "who are carrying out activities as common criminals," and are engaged in a campaign to "discredit the government."

Menem has even gone out of his way to lavish praise on Col. Aldo Rico, a long-time asset of the U.S. embassy, who won over 12% in his campaign for the governorship of Buenos Aires. In an undisguised attack on Seineldín, Menem stated that Rico, who had been involved in previous military uprisings, "realized that nothing can be gained through the use of force, and entered the democratic world and spoke with the people, and they did not turn their backs on him."

So great is the government's hysteria that it has accused Menem's estranged wife, Zulema Yoma, of being involved in a *carapintada* plot against the President. After a lawyer for Zulema announced that she was filing suit against the President for his failure to make alimony payments, Congressman Miguel Ángel Tomá charged that the former First Lady had held secret meetings with nationalist military leaders and was in league with them "to destabilize the democratic system." The weekly magazine *Noticias* put a picture of Zulema Yoma dressed in combat fatigues on its front cover, under the headline "Captain Zulema: The Carapintada Plot."

No to 'false democracy'

In a July interview with *Cronista Comercial*, jailed nationalist Capt. Gustavo Breide Obeid identified what is probably really bothering Carlos Menem. The phenomenon of *carapintadismo*, he explained, is "an act of resistance in the face of false democracy . . . it is an attitude which has spread to the rest of society and has exploded. When [the government] wants to dirty something which is a response to the system, they call it *carapintadismo*."

Menem undoubtedly understands that his touted "mandate" is not all that solid, and as the country's economic crisis worsens, as it must inevitably do under the IMF's intensified looting schemes, it is *this*, and not the *carapintadas*, which will discredit the government. Under these conditions, people will increasingly look to Seineldín's resistance movement as a political and moral alternative to Menem's "false democracy."

The demise of the 'Swedish model'

by Michael Ericson

Swedish political life was thrown into a state of shock after the Sept. 15 parliamentary elections. The Social Democrats, ruling the country for almost 53 of the last 60 years, received the worst election results since the 1920s with 38% of the total vote, a loss of over 5%. Prime Minister Ingvar Carlsson resigned Sept. 16.

For the last three years, the Carlsson cabinet has ruled the country by a "jumping majority," where the Social Democrats have formed a parliamentary majority by allying themselves on issues with one or another of the non-socialist "opposition" parties. The two parties, the liberals and the Center Party, which did lend their support to Carlsson on different occasions, made, respectively, their next to worst and worst electoral showing in history, both ending up with well below 10%.

The Green Party, failing to gain the 4% of the vote required, was thrown out of parliament, and the small Christian Democratic Party, gaining slightly more than 7%, was able to enter the Parliament.

Anti-establishment party wins seats

These results fit the pattern of what most political commentators had long expected, or feared. What has put them into a state of shock, however, is that for the first time in Swedish history, an anti-establishment, populist party managed not only to get into the Parliament, but also to become the swing factor. The 25 seats won by the members of the populist New Democracy will be needed for a majority (i.e., the 175 votes required) behind a legislative proposition from a non-socialist government, facing a combined Social Democratic and communist bloc of 154 votes of the total of 349 seats of the parliament.

On Sept. 17, Carl Bildt, the party leader of the conservatives, or the "moderates" as they call themselves, was assigned the task of trying to form a new governing coalition, as the leader of the biggest non-socialist party, with about 22% of the vote. No one can tell whether Bildt will manage to form a two-, three-, or four-party minority government, tolerated by a majority of Parliament. The leader of the liberal party characterized the situation as "the worst case scenario." Others have even talked about there being a national emergency situation, and the despised outgoing prime minister already talks about early elections. The fact that the Parliament now consists of seven parties, instead of the traditional

five, is not going to make things easier for the new government.

Few, though, have dared tried to understand the depth in the change of mood of the Swedish population that manifested itself in the elections. The Social Democrats appealed to voters on a platform for saving what they claim is "unique" with "their" Sweden, i.e., the infamous Swedish corporatist model. The almost 7% vote for the New Democracy, treated to a hate campaign in most of the media, was won on the basis of their populist platform of pro-growth rhetoric—for lowering taxes and cutting the state bureaucracy—but it was just one part of the vote against this Swedish model.

Some 20% of the vote can clearly be counted as an anti-establishment, anti-Swedish model vote, a pattern that is prominently visible in the local elections that took place at the same time. Most of that protest vote went to the small Christian Democrats, New Democracy, and other smaller parties, plus an abnormally high abstention rate. The Swedes revolted against the controllers of the creeping fascism of the Swedish model.

The numerically tiny forces in Sweden of the international movement associated with American statesman Lyndon LaRouche played a decisive role in catalyzing this fast-growing revolt. One example was how the Schiller Institute forced the extremely high food prices and agricultural policy to become an election issue. In the spring, the Social Democratic government, in an attempt to neutralize the food issue before the elections, lowered import tariffs on food and agricultural products. That would have pleased the free traders fighting for a General Agreement on Tariffs and Trade "trade liberalization" agreement. But the LaRouche movement intervened with a leaflet campaign around the "Food Price Hoax," explaining that the GATT deal, if realized, would kill both the farm industry and open a new wave of looting in eastern Europe.

In a situation where 500 Swedish kroner worth of food can be bought for the equivalent of 300 kroner in Germany, the leaflet pointed out that the consumer's budget fails to provide the nourishment needed at an affordable price. With over 100,000 leaflets distributed, food prices became an election issue, and one of the hardest hitting issues against the Social Democratic government.

The food policy campaign demonstrated that the LaRouche movement is a political force to be reckoned with. Its political arm, the European Labor Party (EAP), is in an excellent position to gain increased weight in the coming turbulent phase of Swedish politics. The EAP election platform took apart the Swedish model for "fascism with a human face" at the same time that it detailed the role of LaRouche and his political movement to shape a way out of the disastrous present world economic crisis. That platform can rapidly become the point of reference for lots of people, who, now with the Swedish model crushed, for the first time see a possibility to get some decent work done.

Demjanjuk case exposes U.S.-Israeli barbarism

by Joseph Brewda

The latest twist in the bizarre case of former Cleveland, Ohio auto worker John Demjanjuk has further revealed the criminality of the U.S. and Israeli justice systems. New evidence submitted in August to an Israeli court shows that Demjanjuk is certainly not the Nazi concentration camp guard "Ivan the Terrible." Yet, despite this new evidence, Demjanjuk is not being released.

Demjanjuk currently sits in an Israeli prison facing a death sentence following his 1988 conviction for war crimes allegedly committed at the Treblinka concentration camp during World War II. Demjanjuk insists that the charges against him are an instance of mistaken identity—as he has insisted ever since the U.S. government began deportation hearings against him in 1981. Demjanjuk, a naturalized American whose citizenship has been stripped from him, maintains that he is not the camp guard Ivan the Terrible, nor was he ever a concentration camp guard.

Not guilty, but 'guilty' anyway

Shortly following his conviction, Demjanjuk's attorney Yoram Sheftel demanded that the Israeli prosecutors' office release files in its possession which had been obtained from the 1986 Soviet trial of accused Treblinka war criminal Feodor Fedorenko. That trial, which resulted in Fedorenko's conviction, contained testimony from over 20 former camp guards as well as other witnesses—testimony taken beginning in 1944 when memories were still fresh.

On Aug. 14, shortly after the Israeli prosecution relented and handed over the files to Demjanjuk, his attorney presented new evidence before the Israeli Supreme Court. What did the files show?

In the 15,000 separate Treblinka documents submitted in the Fedorenko case, there was not one mention of John Demjanjuk. There are repeated references, however, to Ivan the Terrible.

According to the documents and related court testimony, Ivan the Terrible, in the period in question, was about 30 years old and had dark hair, dark eyes, thick lips, and a large scar on his neck. Demjanjuk was 22 years old. He has blue eyes, blond hair, thin lips, and no visible scars.

According to 20 guards, Ivan the Terrible's name was Ivan Marchenko. Marchenko's lover from that period also

testified that Marchenko was Ivan the Terrible. Moreover, among the documentation was a photograph of Marchenko at the time, which witnesses identified as being Ivan the Terrible in testimony taken in the 1940s, the 1950s, and the 1960s.

All this exculpatory evidence was in the hands of the prosecution throughout Demjanjuk's trial.

After the Israeli Supreme Court agreed to allow Demjanjuk's attorneys to submit this new evidence before the court, Demjanjuk was overjoyed. "I am going home," he exclaimed.

Not so fast.

"Is there a difference," chief prosecutor Michael Shaked asked, "if he [Demjanjuk] pushed a boy into the gas chambers of Sobibor or Treblinka?" Under the claim that Demjanjuk was also a guard at Sobibor—which Demjanjuk also denies—Israel still holds him in the solitary cell he has lived in for the last six years. Yet on what charge? Demjanjuk was never charged with any crime at Sobibor—not even that he was a guard there. Apparently he can be held on no charge at all.

Judicial atrocities

This latest judicial atrocity was not necessary to establish that the trial was a farce. After all, the main prosecution witness against Demjanjuk in the 1988 trial, Eliyahu Rosenberg, had previously submitted sworn testimony in 1945 in Germany reporting that he had personally assisted in killing Ivan the Terrible in 1943 at Treblinka.

"We went into the engine room where Ivan was sleeping," Rosenberg swore at the time in a 66-page statement that is housed in the Polish war archives, "and Gustav [another prisoner] hit him with a shovel on the head. And there he remained, lying for eternity."

The trial itself, one of the biggest media extravaganzas in Israeli history, was broadcast live throughout the country in an apparent effort to whip up the population into a frenzied "survivor" mood. The 1966 trial of Adolph Eichmann, the Nazi official who had been kidnaped by the Israelis in Argentina, was used for similar psychological purposes. The 1967 Israeli war against the Arab states followed shortly thereafter.

There never was any evidence against Demjanjuk, not since the day a Ukrainian Communist Party weekly in the United States began claiming he was Ivan the Terrible back in 1975, the first time he was so accused. But, politics at the time demanded that a "Nazi-hunting unit" be established at the Justice Department. "Nazis" are being protected, screamed then-Congresswoman Elizabeth Holtzman (D-N.Y.). And the so-called Office of Special Investigations was duly founded in 1979 within the Department of Justice. A curious unit, the OSI has more staff—some 60 personnel—than the total number of aging, and in some cases, senile, immigrants to America accused of having been war criminals. Demjanjuk was one of the OSI's first victims.

A nation that can pay for its own aid

by David Bryer

The author, Overseas Director of the relief agency Oxfam, recently returned from Iraq. This article first appeared in the English weekly The Observer on Sept. 15, and is reprinted here, slightly abridged, with the kind permission of Mr. Bryer and of The Observer.

A return to normality is what strikes one first in Baghdad. Beneath the vast portraits of President Saddam which dominate the city and its people, traffic hurtles along, shops are well-stocked and bomb damage has been largely repaired. But the air of well-being in the capital conceals a potential disaster for the mass of Iraqi people, as the economy collapses and hunger and disease take their toll—a toll which will escalate unless U.N. Secretary General Pérez de Cuellar's recommendation to honor the agreed amount of humanitarian aid is quickly implemented.

Iraq has become dependent on food imports over the years; 70% of all supplies come from outside the country. By 1990 this food was available to all through an unusually effective distribution system introduced during the Iran-Iraq War. But with the imposition of sanctions in August 1990, food through the system became rationed. At first it could be supplemented by buying on the open market, but prices have rocketed: flour by 20 times, sugar 14 times, tea 11 times, and rice 8 times. Wages have remained almost static.

A Baghdad housewife told us that the monthly ration for her family of six, costing 10 dinars, was enough for 10 days only. Food for the rest of the month has to be bought in the market at a cost of 150 dinars. Given that the government wage ranges from 100 to 200 dinars a month, and that rent, clothes, water, electricity also have to be paid for, she wondered how long they could survive by relying on loans and selling off their limited assets.

For others in southern Iraq, where the Shia uprising following the Gulf war caused as much destruction as the war itself, the situation is much worse. In the province of Misan this year's cereal harvest has been a disaster. As a result of the bombing of the electricity network in the war, farmers almost totally dependent on electrically pumped irrigation suddenly found themselves without water at the critical growing time. There are no spare parts available and the prospects for the October planting season are grim.

Inadequate food supplies and failing agriculture are now added to serious health problems. In the large town of Al Amarah smashed pipes and broken pumps have caused sew-

age to flow through the streets, forming vast lakes. Given that cracked water pipes lie within the sewage streams, it is no surprise that cholera, typhoid, and diarrheal diseases are being reported.

In a clinic in the town of Salam, where 30,000 people live on the edge of the marshes, there are the first tell-tale signs of the malnutrition diseases, marasmus and kwashiorkor; neither has been seen by health workers there for decades, but now 400 children under the age of two are coming to the clinic for supplementary feeding. It may not be long before the scenes come to resemble camps in Ethiopia or Sudan, rather than a once-prosperous oil state.

If life is difficult in the plains between the Tigris and the Euphrates, it is equally so in the mountains of the northeast, where over 1 million Kurdish refugees have returned to their villages from Turkey and Iran, while others are moving back from "controlled" villages established by the Iraqi government in the 1980s. . . .

There are indications that a joint Kurdish-Iraqi government approach to the distribution of food rations to the returnees can be set up. Currently food is being provided through the U.N. High Commission for Refugees, and Oxfam is helping with water supplies. But the U.N. mandate to provide humanitarian aid expires at the end of this year, and officials are concerned about what happens next. Renewed hostilities could lead to yet another Kurdish exodus to the mountains. Only a lasting political settlement will enable the Kurds to rebuild their lives.

Eight years of the Iran-Iraq War, followed by the Gulf war earlier this year, and the subsequent Kurdish and Shia uprisings, have had a devastating impact on what used to be a reasonably well-off country. . . .

The U.N. Security Council has already agreed to allow the sale of Iraqi oil to the tune of \$1.6 billion into an escrow account to pay for humanitarian food and supplies, as well as war reparations. The Sanctions Committee will oversee oil sales, and monitor distribution of these supplies. But according to a report by the secretary general of the Security Council last week, almost completely ignored by the media, it will be too little too late. He has recommended raising the ceiling on oil sales to \$2.5 billion for two reasons: The \$1.6 billion will cover barely half the minimum relief supplies recommended by Prince Sadrudin's mission in August, because deductions for war reparations, monitoring, and other costs leaves it short by \$800 million; the report also points out that because the oil income has to go into the escrow account in three separate slices and build up to \$520 million before any money can be released for humanitarian supplies, relief will not reach ordinary Iraqis for two to three months.

Iraq can pay for the shortfall (unlike poorer, famine-hit parts of the world), if it is allowed to sell more oil more quickly, as recommended by Pérez de Cuellar. But time is running out for most ordinary Iraqis, who face a winter of growing hunger and spreading disease.

Kissinger Watch

by M. T. Upharsin

Fat Henry's globe trotters

According to his secretary on Sept. 15, Henry Kissinger has gone on a globe-trotting tour of indefinite duration and destination, except that the secretary confirmed the trip had taken him back to the P.R.C., where he met with the Butchers of Beijing whom Kissinger has defended.

Perhaps his long absence may be explained by reports from sources on the House Banking Committee that it had begun to question staff members of his global influence-peddling firm, Kissinger Associates, about their knowledge of financial deals with the Bank for Credit and Commerce International (BCCI), Banca Nazionale del Lavoro (BNL), and the LBS Bank of New York. This included a letter to Kissinger with seven questions from committee chairman Henry Gonzalez (D-Tex.), which was sent on Aug. 1, right before Kissinger left.

Kissinger and former Kissinger Associates president, now deputy secretary of state, Lawrence Eagleburger, have escaped these investigations, but that may change now that Gonzalez has begun to ask his questions. Rather than being "above suspicion," these two are more likely to know why these banks have been implicated in drug- and gun-running, assassinations, and espionage.

Kissinger, who admitted that he was a British agent in a May 10, 1982 speech at Chatham House in London, started his travels after an August overnight "love boat" cruise to honor former British Prime Minister Margaret Thatcher, organized by Thatcher loyalist Lord Sterling, chairman of the P&O shipping company. During the cruise, Kissinger dazzled the "Iron Lady" with a *tour d'horizon* speech, and later a twirl around the dance floor, according to publicity accounts. When *EIR* questioned her secretary

after the cruise whether the "Iron Lady" was still suffering bouts of depression verging upon a mental breakdown, the secretary said she had gotten over them and Thatcher had once again begun "to work a lot."

Meet me in Beijing

From Sept. 7-14, Henry, Maggie, and her successor, John Major, overlapped one another in travels to Hong Kong and Beijing. On Sept. 7, according to U.S. Embassy reports in Beijing, Kissinger met with P.R.C. Foreign Minister Qian Qichen and on Sept. 8 with Premier Li Peng. Kissinger's delegation included: two former U.S. envoys to China, Leonard Woodcock and Arthur Hummel; former Assistant Secretary of State for East Asian Affairs Richard Holbrooke; two former undersecretaries of state; and Michael Oksenberg, who was the NSC architect of President Carter's policy to give the P.R.C. a nuclear weapon and ICBM capability. A dozen other fellow travelers probably included his many business associates, whom he earlier advised to make multibillion-dollar investments in China.

On Sept. 11, while Kissinger was still in Beijing, Thatcher arrived on a mission so "secretive," that even Communist Party head Jiang Zemin expressed puzzlement, according to the London *Times*. And, she met with the other officials with whom Kissinger had just met, reporting that China will not follow the Soviet trend.

However, both were pursuing the trail of Prime Minister John Major, who, a week earlier, had been the first Western head of state to visit Beijing since Tiananmen. Major had signed a "concessions" policy for smooth integration of British banking and ports in Hong Kong with the mainland, pursu-

ant to Thatcher's 1984 negotiations to turnover the Crown Colony by 1997. Kissinger himself had been the principal architect of the Chinese "free trade zones," on the Hong Kong model. They proved disastrous, because the real economy of Hong Kong is heroin and drug-money laundering, not production.

After the visits of the three Anglo-American leaders, China not only reiterated that it would open "free trade zones" in southern provinces, which include the "Golden Triangle" opium/heroin zone, but it also announced a "free trade" policy for some cities, that would permit slave labor production areas in cities along the coast and interior.

A chunk of the 'Red Fat Cat'

From their rendezvous in Beijing, Kissinger and Thatcher surfaced on Sept. 12 to give a press conference together in Hong Kong. While she was there with Fat Henry, Li-Kai Shing, who is known as "the Red Fat Cat," extended Thatcher free hospitality at his hotels.

Henry and Li have more in common than their girth. Sir Y.K. Pao shares membership with Li on the board of the Hongkong and Shanghai Bank, which dominates "Golden Triangle" heroin money flows; Li is also a member of Chase Manhattan's international advisory board, where Kissinger is deputy chairman. There are allegations that Li is the source of mysterious cash that enabled Conrad Black's Hollinger Corp. to pay several times the value of the London *Daily Telegraph* and *Jerusalem Post*, which Hollinger directed to back Thatcher's calls for a Persian Gulf war. Today, Thatcher is a foreign policy adviser to Hollinger, while Kissinger is a board member.

U.S. handing power to narco-terrorists

Charging "human rights violations," the U.S. refuses to back Peru's Army against Shining Path.

Peru's murderous Shining Path (Sendero Luminoso) guerrillas, who model themselves on Cambodian killer Pol Pot and the Khmer Rouge, have reached new heights of barbarism with the assassination in August of three foreign Catholic priests. This brings to nine the number of foreign Catholic priests and religious workers murdered by Sendero since 1987. The recent killings represent an effort by the narco-terrorist group to drive foreign priests out of the country, where they provide a crucial presence as well as social assistance in remote areas all but forgotten by the government. Eighty percent of Peru's priests are foreigners.

The U.S. State Department, Pentagon, Congress, and human rights lobbyists have spent recent months shrieking about "human rights violations" committed by the Peruvian Army in its pursuit of Sendero. The U.S. Congress has held up \$95 million in military assistance to Peru's Armed Forces, and scads of congressmen have descended on the country to dictate to President Alberto Fujimori's government the conditions it must meet to be "certified" before any funds can be released.

Yet, there is a deafening silence from these same groups when it comes to the atrocities committed by Shining Path. Few in Washington have denounced the murders or the fact that the group is now threatening to kill the coordinators of soup kitchens, often the only source of food for slum-dwellers on the outskirts of Lima. Don't these qualify as human rights violations?

The answer lies in the fact that

Washington's policy toward Peru has nothing to do with human rights, but rather with the bankers' plan of wiping this impoverished country off the map in pursuit of a policy of usury and debt collection. The rest of the world is rejoicing in the liberation of eastern Europe and the former Soviet Union from communism. Yet in the case of Peru, everything the U.S. demands—above all adherence to the International Monetary Fund's "free market" austerity policy—is causing any national institution which might offer resistance to the communist Sendero's onslaught to crumble.

The purpose of Washington's vociferous human rights campaign in the case of Peru is to dismantle its Armed Forces, which, as ill-equipped and impoverished as it may be, represents one of the country's few important remaining institutions.

That this is U.S. policy was revealed in an article in the Sept. 16 *Christian Science Monitor* by Holly Burkhalter, Washington director for Human Rights Watch, one of the groups monitoring the Peruvian Army. After accurately reporting on Sendero's latest crimes, Burkhalter went on to claim that "grievous human rights abuses by the Peruvian Armed Forces and police themselves make it difficult for foreign governments to support them in the war against Sendero."

Burkhalter makes the outrageous claim that the Army has killed almost as many people as Sendero has, and warns that any international assistance to counterinsurgency efforts will simply "enhance Sendero's strength." The only way to prevent Peru from becom-

ing another Cambodia, she says, is to guarantee "human rights reform" within the Army. That is, by granting supranational organizations such as the Organization of American States (OAS) or the U.N. the right to go into Peru to "monitor and protect human rights"—and do away with what remains of sovereignty in the process.

The Peruvian Armed Forces and police "must also make dramatic changes in their practices so as to be worthy of international assistance against Sendero Luminoso," Burkhalter concludes.

Official Washington is following the vicious policy Burkhalter outlines. Henry Kissinger's clone Luigi Einaudi, now U.S. Ambassador to the OAS, met at the Pentagon earlier in September with the head of the Peruvian Armed Forces' Joint Command, Gen. Arnaldo Velarde Ramírez. Together with special White House adviser William Price and Assistant Secretary of State for Narcotics Affairs Melvin Levitsky, Einaudi told the Peruvian general that even though they all wanted to "help," only the U.S. Congress could make the final decision on release of funds.

The Sept. 9 edition of Peru's *Carretas* magazine reported that visiting U.S. congressmen indicated they wanted to "condition" aid to Peru's Armed Forces; an aide to Rep. Donald Payne (D-N.J.) explained that this would likely include the policy known as "tranching"; that is, aid is released in dribs and drabs, or tranches, and the country must satisfy arbitrary "human rights" criteria to be approved for the next installment. In El Salvador, this has led to gradual cession of power to the communist FMLN guerrillas. If applied to Peru, Sendero will march to power virtually unopposed. Then, Peru will indeed be ruled by what one Catholic priest has called "the sons of darkness."

International Intelligence

Lebanon's General Aoun scores Western betrayal

Gen. Michel Aoun, the Lebanese commander who was ousted by Syrian military forces one year ago and forced to flee into emigration in France, charged in an interview with the French daily *Le Figaro* on Sept. 7 that he had been abandoned by the immoral *realpolitik* of the West.

"It was 7 in the morning when the Syrian offensive started," he said. "I immediately realized that the Syrian troops were attacking from all sides and I told myself that in order to do that, they had to have had the Western green light. No means were left to defend the small strip. I thought it was wiser to avoid the bloodbath."

Aoun believes he was "naive" concerning the United States. "I could not believe that the U.S. would have double standards," he said. "Often people would tell me: 'They sold Lebanon to Syria in exchange of [President Hafez] Assad's support for their Iraq war.' I always answered: 'It's impossible, come on. Morally, they can't do that.'"

The evening before the Syrian attack of Sept. 27, 1990, General Aoun knew that everything was over. "When the Israelis and the Americans declared officially that they were against any military intervention, I really got scared. There was a Pontius Pilate smell in all this. They were washing their hands in advance. I understood then that something was going to happen."

"Everybody has dumped me," Aoun said. "Everybody but the Lebanese people." And when asked why he didn't accept some *realpolitik*, Aoun responded: "I don't like that word. *Realpolitik* is the politics of people who have no criteria nor references. I think that if one has no moral criteria, one cannot think correctly."

Serbian chauvinists attack the Pope

There was a "violent demonstration" outside the papal nuncio's office in Belgrade, in which the Pope was in the demonstrators'

"target sights," according to the Italian daily *Corriere della Sera* of Sept. 9. The size was not large, only several hundred, but, as *Corriere* indicates, it was hardly "spontaneous," and was staged to make an impression on foreign audiences, as several of the slogans and signs were in English.

Demonstrators accused the Pope of being the "dark protector of Catholic Croatia," with signs reading, "Wojtyla is the leader of the Croatian assassins," and, in reference to the World War II Croatian fascists, "Wojtyla Ustashi!" They carried an effigy of the Pope with a swastika in his hand.

This was all calculated to provoke a religious war atmosphere, as the demonstrators then moved loudly to a Serbian Orthodox Church for a ceremony. The church leadership, however, has been trying to avoid such a turn of events.

As one Serbian source told *EIR*, "Whether [Serbian communist leader Slobodan] Milosevic organized this or not, it corresponds to the official propaganda of Milosevic and the feelings he has been trying to whip up against the Vatican. If he didn't necessarily organize it, he certainly inspired it."

Iraq releases data on medical 'catastrophe'

The Iraqi Health Ministry released new data early in September showing the level of genocide currently inflicted on the Iraqi population by the U.S.-imposed 13-month blockade and embargo.

The ministry reports that as a result of the shortage of medicines and related necessities, 16,000 Iraqis stricken with cancer have not been able to have either effective treatment or any at all. More than 14,000 children under five have died due to lack of medicines. Only 690 Iraqi patients received urgent eye operations in the first three months of 1991, due to the acute shortage of medicine, anesthetics, etc. There were 6,012 eye operations in Iraq in the same period in 1990. As a result of the inability to operate, the number of new cases of blindness in Iraq has increased 1,000% in the past

six months, as compared to the same period in 1990.

There were 1,118 miscarriages in Salah al-Din province in western Iraq alone since the embargo, attributable to the blockade. Moreover, there have now been 1,640 reported cases of cholera in Iraq since the blockade, after virtually none in the previous period. The actual number of cholera cases is necessarily vastly greater than can be reported, due to the breakdown of health monitoring because of the war and blockade.

Iraq puts a challenge to the Non-Aligned

Iraqi Foreign Minister Ahmad Hussein told a meeting of the Non-Aligned Movement in Ghana early in September that the aggression against Iraq is unprecedented in history and constitutes a clear example of a new phase of imperialism and an attempt against the non-aligned countries' sovereignty, territorial integrity, and economic infrastructure. He raised the challenge that NAM opposition to the attempts to destroy Iraq and to starve its people will show whether or not the movement is ready to defend the principles it embraces.

Hussein charged that the United States has now begun to implement the second phase of the U.S.-Zionist scheme to consolidate Israel's annexation of Palestinian territories.

He concluded that the meeting convenes under very critical circumstances that require NAM to assert the principles on which it was founded and reconsider its position in light of these principles, the last of which are the decisions made at the eighth summit conference held in September 1989, particularly that on the attempts of some superpowers to restore their hegemony and to control the non-aligned countries and exploit their economic resources.

The Iraqi delegation presented the conference with a proposal to end the economic siege imposed on Iraq. The draft calls on the international community to pressure the U.N. Security Council to take urgent mea-

sures to lift the embargo. It also calls on those countries that froze Iraqi assets to release them so that Iraq can buy the necessary food and medicine for its people.

Colombia's Parejo warns of terrorist attack

Former Colombian justice minister and ambassador to Switzerland Enrique Parejo González said in a radio interview on Sept. 11, that a terrorist attack could be carried out against him, like the drug mafia assassination attempt in 1987 which came within a hair of claiming his life. Parejo, who receives no security protection from the Colombian government, is hated by the cocaine cartels for his role in trying to shut them down.

"The situation in our country is paradoxical," he said. "Those of us who have wanted to serve our country with disinterest, loyalty, and trying to comply with the law, are living in clandestineness. We have to hide because the state does not guarantee our security. . . . It is paradoxical and painful that those who have wanted to be society's servants have to hide ourselves so that the criminals don't murder us, while the criminals can choose their own jail, their own wardens and guards, and furthermore are able to receive unlimited visits and give unlimited interviews."

Parejo added that in all the concessions the César Gaviria government has granted the drug cartel, "They were never obliged to give information so that their criminal organizations could be dismantled; no determination was made regarding their vast fortunes, which remain intact and continue to serve to corrupt the national life. No extradition was established, to the benefit of the narcos."

Pankin and Baker vow to stop arms to Afghanistan

Soviet Foreign Minister Boris Pankin and U.S. Secretary of State James Baker agreed on Sept. 13 to stop supplying arms to the

Afghan communist government and to the Afghan rebels by the end of the year. Baker claimed, according to a report in the London *Guardian* on Sept. 14, that this agreement would clear the way to close "U.S.-Soviet" relations. Since the Soviet Union no longer exists, it is unclear what exactly this means.

Baker and Pankin claimed that the end to arms supplies would be followed by a cease-fire and cessation of arms supplies from other sources. The two agreed to support "a democratic process in Afghanistan." President Najibullah of Afghanistan expressed satisfaction over the statement, but his position has been severely weakened, especially by the threat of famine in Kabul.

U.N. Secretary General Javier Pérez de Cuellar had warned several days before that the rebel groups not launch a frontal attack on Kabul, which he said would lead to a bloodbath.

Italian prime minister criticized by Church

Italian Prime Minister Giulio Andreotti was criticized by a Catholic Church official for planning to visit the Beijing-approved "bishop" of Shanghai, Reuter reported on Sept. 14. The Shanghai bishop is a member of the government-backed Chinese Catholic Patriotic Association, which does not recognize the authority of the Pope or the Vatican.

"I am sorry to have to say that our prime minister is not doing a service to the Christians of China by visiting the Patriotic bishop of Shanghai," Father Piero Gheddo said in an interview with the Catholic weekly *Il Sabato*.

Gheddo, head of the Asia News agency, which specializes on the Church in China, said Bishop Aloysius Jin Lu Xian had been installed "by the Chinese Communist Party and not by the Pope." He said eight bishops were missing and believed held in "re-education" camps, and many others have been arrested.

Gheddo said that while in Shanghai, Andreotti should meet the city's Vatican-recognized bishop, Joseph Fan Zhongliang, who was arrested for several weeks in June.

● **FORMER LEBANESE** President Amin Gemayel, during a visit to Washington, told the *Washington Times* of Sept. 15: "A creeping annexation of the country by Syria is taking place. Unfortunately with the blessing of the international community. . . . The situation now is similar to the Munich agreement which allowed Hitler to take over some parts of Europe."

● **JOINT MILITARY** exercises of the German and Soviet armies have been proposed by Matvei Burlakov, the chief commander of the Soviet Western Group of Forces, at a press conference at his headquarters in Wunstorf, eastern Germany, on Sept. 9. No official proposal has been presented by the Moscow defense ministry so far.

● **SENIOR NATO** officials were hosted by the Moscow General Staff Academy for a seminar on defense strategy, a spokesman for the NATO Defense College in Rome announced on Sept. 16. "The purpose of this visit is to exchange views in the new spirit of cooperation between NATO, the central and eastern European states, and the Soviet Union," he said.

● **CHINA** must serve as a counterweight to U.S. influence in the Middle East, said Iranian parliamentarian Saeed Rajaei Khorasani, the chairman of the Parliament's Foreign Policy Committee, according to the Iranian news service IRNA. While Khorasani was putting forth this proposal, a Chinese delegation was visiting Iran.

● **VIETNAMESE** Foreign Minister Nguyen Manh Cam completed a visit to China in mid-September, which paved the way for renewed relations and a probable summit between Vietnamese Communist Party Chief Do Muoi and his Chinese counterpart Jiang Zemin. The settling of the Cambodia problem has paved the way for such a rapprochement.

Clearing the air about the cold fusion controversy

by Marjorie Mazel Hecht

Fire from Ice: Searching for the Truth Behind the Cold Fusion Furor

by Eugene F. Mallove

John Wiley & Sons, New York, 1991

334 pages, hardbound, \$22.95

If you want to learn the truth about cold fusion—the science and the politics of its tumultuous two-year history—read this book.

Author Eugene Mallove, chief science writer at the Massachusetts Institute of Technology News Office, started out as a skeptic after the initial March 1989 announcement by Martin Fleischmann and Stanley Pons. As the battle lines were drawn and the sticks and stones began to fly, he found the subject “irresistible,” and he began to chronicle the experiments, the theory, and the intrigue.

Mallove is well qualified and well situated to tell this complex story. He knows many of the scientists involved, he knows the “hot” fusion program, and he knows how to write about science for non-scientists as well as for scientists. In fact, he seems to delight in making scientific concepts understandable and even exciting.

Most important, Mallove did what the title of the book says: He sought for the truth behind the furor. It is clear from the initial publicity for the other two recent books on cold fusion (one by Frank Close and the other by Gary Taubes), that Mallove’s commitment to tell the *full* story makes his book unique.

In the preface, Mallove lets the reader know that after reviewing the mounting evidence he is “persuaded that it provides a *compelling* indication that a new kind of nuclear process is at

work. . . . that the evidence is *overwhelmingly* compelling that cold fusion is a real, new nuclear process capable of significant excess power generation . . . [and that there] is yet no *proved* nuclear explanation for the excess heat.”

This does not mean that Mallove presents everything done by Fleischmann and Pons in glowing terms. For example, he criticizes some of the initial claims they made as “extravagant” and takes issue with how they handled certain aspects of the politics. However, for Fleischmann and Pons as well for as a host of other scientists both pro and con cold fusion, Mallove presents enough of what they actually said—material from transcripts of scientific presentations and interviews—for the reader to draw his own conclusions.

From the beginning

The book starts with some basics on fusion reactions and the history of hot fusion, and then moves chronologically through the first 18 months of the cold fusion saga.

For those not familiar with the cold fusion players, Mallove provides ample information on who’s who, what experiments they conducted, what the results were, and what reaction (political reaction, that is) their results produced. There is a table summarizing the 80 or so research groups that produced positive results—heat, tritium, neutrons, gamma rays, and helium.

Even for those who have followed cold fusion and read some of the technical papers, the book offers much new detail on cold fusion’s beginnings. For example, there is a straightforward account of the work of Steven Jones at Brigham Young University and his relationship to Fleischmann and Pons. The scientific criticisms leveled at the cold fusion experiments are fully described—along with the part missing from most other reportage of cold fusion: the scientific rejoinders.

The cold fusion conferences, the scientific sessions (for

example at the American Society of Mechanical Engineers, or the American Physical Society), as well as the Department of Energy's review panel are fully reported, including some of the more interesting back and forth at the podium. There are several pages, for example, on the scientific exchange at the Department of Energy's Santa Fe meeting in May 1989 between cold fusion researchers like John Bockris at Texas A&M and cold fusion attackers, like Nathan Lewis of the California Institute of Technology.

Of particular interest to me—especially because reading the original technical papers is admittedly difficult—is Mallove's recounting of the development of cold fusion theories by MIT's Peter Hagelstein. Hagelstein, known for his brilliant work at Lawrence Livermore National Laboratory on the X-ray laser, began to believe that cold fusion was possible "after he discovered a possible way around the Coulomb barrier." Mallove treats the reader to some of the dialogue between Hagelstein and his critics at an MIT meeting.

'Science' and 'Nature' act shamefully

Finally, there is a good account of bad behavior: that of certain scientists who played a leading role in attacking cold fusion, and of the science press, specifically the journals *Science* and *Nature*. Having seen some of this shameful behavior in person, I think Mallove is too kind in describing the worst of the "skeptics"—the vicious, piggish, lying reporters and their counterparts in the scientific community.

Why such malice toward this promising new discovery? Mallove offers many reasons, but he falls short of seeing the total political picture in which a technological advance that would spur growth is willfully suppressed, not by individual accident but by malthusian design. Because of this, he also has trouble characterizing the role of *Fusion* magazine, *21st Century*, and Lyndon LaRouche in the fight for science.

Mallove does, however, usefully point out, both at the beginning and end of the book, how science really works, including these basics: Science does not proceed by majority rule, and one cannot throw out experimental results because current theory suggests these results are "impossible."

Mallove leaves the reader with an optimistic view of the future of cold fusion, and indeed he should. In the months since this book was written there have been many exciting new results and new theories. In fact, I am sure of two things: that Eugene Mallove is already writing the next installment of the cold fusion saga, and that the skeptics are going to have to eat a lot of hat.

Mallove and the case of MIT

The saga of cold fusion at the Massachusetts Institute of Technology (MIT), where Dr. Mallove was chief science writer for the past five years, is a case study of how science should not work. Mallove resigned from MIT in June, because he felt that he could no longer represent the university, given its "tragic and indefensible abrogation of academic

standards" on the issue of cold fusion.

An alumnus of MIT with degrees in astronautical engineering and environmental science, Mallove over the past two and a half years became intrigued enough with the cold fusion phenomenon—and with the dishonest response to it from the scientific establishment—to write his book.

Mallove's 17-page resignation letter catalogues MIT's brutal and dishonest response to cold fusion. Among the incidents he reports is that a review article he prepared for MIT's magazine *Technology Review* was dropped, after being scheduled as a cover story, because an MIT senior physicist found it too positive. The same physicist told Mallove that he had "50 years of experience in nuclear physics and I know what's possible and what's not. . . . I don't want to see any more evidence! I think it's a bunch of *junk* and I don't want to have anything further to do with it."

Mallove comments, "I'm profoundly embarrassed that we have such closed-mindedness here on scientific issues."

Another incident Mallove relates concerns disparaging statements about Pons and Fleischmann ("possible fraud," and "scientific schlock") by MIT's Ronald Parker in May 1989 and printed in the *Boston Herald*. Parker claimed he did not say those things, and Mallove issued an MIT press release with Parker's denial. Then a year later Mallove heard a tape recording where Parker indeed said what the *Boston Herald* writer had reported—and more.

Fudged data at MIT?

The most egregious incident involves the MIT Plasma Fusion Center's own cold fusion experiments in 1989, which were reported as negative at the time and used to make the case that Fleischmann and Pons's experiment could not be replicated. The actual data from the experiment as published by MIT show nothing of interest in the heavy water and light water cells. However, the processed but unaveraged data presented in an unpublished graph dated three days prior to the published version indicates that there was some excess power in the heavy water cell.

The question Mallove asks is "why do we see no evidence of this possible excess power in the graphs that are in the final report and the published paper? The inescapable answer seems to be that the averaged data for the heavy water was *moved down an arbitrary amount* so that it now has more the appearance of the null result in the case of the light water averaged data. Interestingly, the light water averaged data seem to be consistent in level with the corresponding curve of raw processed data; that is, it has not been moved down."

Mallove was promised by Parker in June an answer to his questions on the MIT cold fusion experiment and access to the raw data, but as of mid-August, nothing had been provided him. Mallove has now requested a formal investigation.

Marjorie Mazel Hecht is managing editor for 21st Century Science & Technology magazine.

German masterwork of 1510 must be seen in Christian Humanist light

by Nora Hamerman and Richard E. Welsh

The Isenheim Altarpiece: God's Medicine and the Painter's Vision

by Andrée Hayum

Princeton University Press, Princeton, N.J., 1989
199 pages, hardbound, illus., \$29.95

Professor Hayum's study deals with a world-famous art work now in the museum of Colmar, France. Celebrated in its own day, the multi-panel Isenheim Altarpiece of 1510 by Mathis Gothart Nithart (commonly called "Gruenewald"), underwent a long period of neglect, but interest in it revived so much in the present century that it crops up in every survey course in the history of Western art, where it is usually billed as a forerunner of modern "expressionism," that form of insane cultural pessimism which broke out in central Europe along with Nazism and Communism, and whose practitioners were mostly Nazis, Communists, or other kinds of unwholesome kooks.

This book's final chapter is a nicely ironical account of the critical history of the altarpiece, including the way in which it got adopted for various bizarre "nationalist" and cultish interpretations over the past century. But most of the small volume is an effort to put it back into its own time, with the twist that the author sees a parallel between the healing program to which the Isenheim altarpiece was originally associated, and the desperate circumstances which confront us in the AIDS epidemic today. By blocking out the possibility of scientific optimism, either then or now, Miss Hayum lands us right back in the camp of cultural pessimism. We shall propose an alternative interpretation, one more consonant with the presumed outlook of a major Christian artist at the height of the German Renaissance.

The Isenheim altarpiece was destined for a monastery of the Antonite order (founded by the Eastern holy man St. Anthony), in Isenheim near Colmar, in Alsace. The monastery's primary goal was the care of a plague-like disease which often went under the name of St. Anthony's Fire. The author quotes a description of the symptoms of this horrible disease, dating back to the 11th century: "The intestines eaten up by the force of St. Anthony's Fire, with ravaged limbs,

blackened like charcoal; either they die miserably, or they live more miserably seeing their feet and hands develop gangrene and separate from the rest of the body; and they suffer muscular spasms that deform them."

It was in 1597, at the University of Marburg—located about halfway between Isenheim and Gruenewald's death-place, Halle—that the source of St. Anthony's Fire was finally discovered to be alimentary. It turned out to be caused by ergot, a fungus which grows especially in rye after a damp season and a bad harvest. Ergot poisoning causes gangrene and convulsions, and also, due to a close chemical relationship to LSD, psychedelic hallucinations. If today's anti-pesticide ecology freaks win their battle to return to chemical-free "organic farming," the world could witness a return of such hideous diseases as ergot poisoning, on a large scale.

Three layers

In the practice of northern Europe, altarpieces were composed of multiple folding wings, which closed and opened to form a series of views appropriate to different seasons of the liturgical year. Some time after 1500, the artist who became known to history as "Gruenewald" was commissioned to paint a series of panels which can be folded to form three principal views, around a sculptured wood shrine of St. Anthony which had been made around 1490. The three views are:

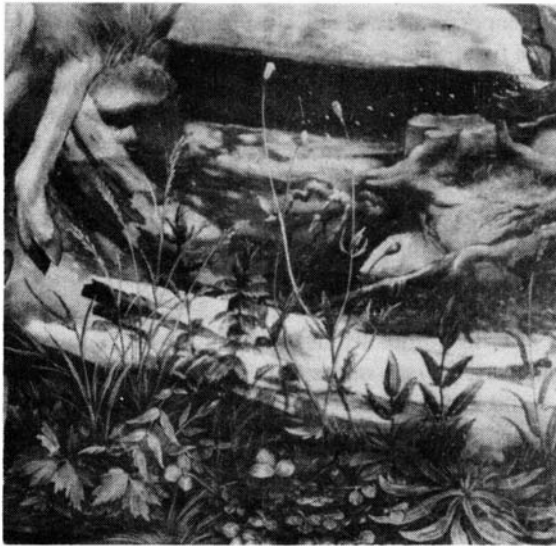
1) First, the preexisting sculptured shrine was flanked by two scenes from the life of Saint Anthony.

2) When these wings are closed, a new set of panels is revealed, which depict the *Madonna and Child*, and the *Incarnation Tabernacle* in the central section, plus a new set of wings, with the *Annunciation to Mary* on the left, and Christ's *Resurrection* on the right.

3) When these wings are also closed, the ultimate state of the altarpiece is revealed. In the center is one of the most painful *Crucifixions* painted in the entire Renaissance. The wings in this view portray the two saints associated with curing the plague and other dire illnesses, Sebastian and Anthony, and below is the *Lamentation* over the dead Christ.

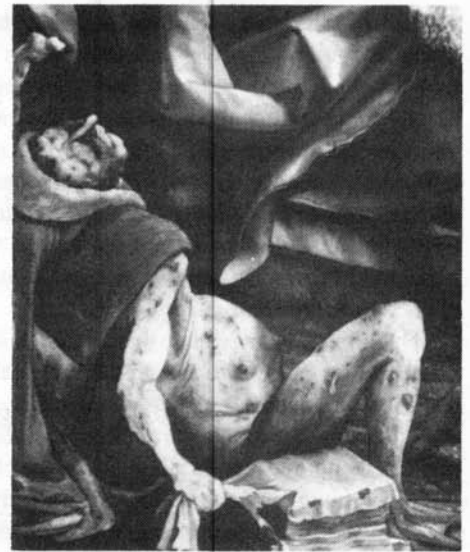
Hayum presents these three views as phases of a healing program, and she has a lot of acute observations about how this works.

In view 1, the left-hand scene, *The Meeting of Saints*

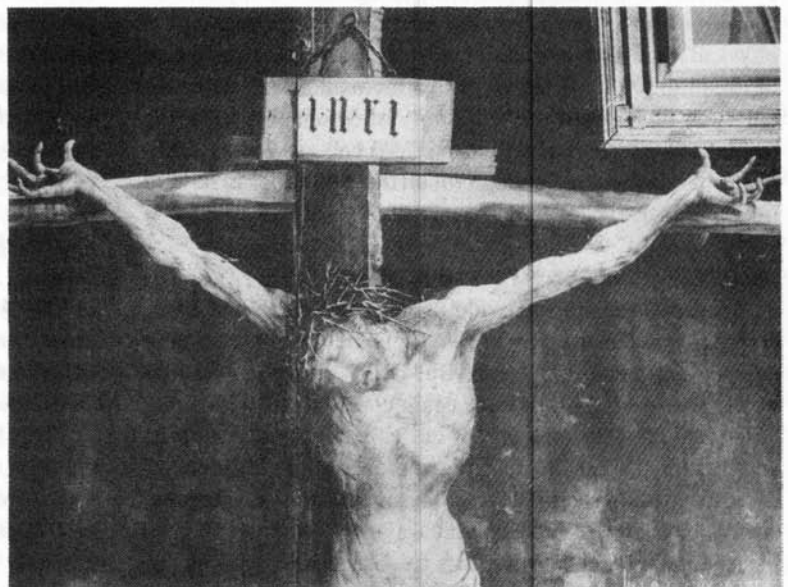


Medicinal plants were depicted with the precision of a botany textbook by Mathis Nithart "Gruenewald" in this detail from "The Meeting of Saints Anthony and Paul."

Ergot poisoning, "St. Anthony's Fire," causes gangrene, convulsions, and also vivid hallucinations. This image of a victim in "The Temptations of St. Anthony," was apparently used for diagnosis.



The famous Crucifix of the Isenheim Altar. The physical sufferings of the body of Christ contrast to the incandescent Christ of the Resurrection in another panel.



Anthony and Paul, shows the gamut of available herbal remedies to relieve suffering known in the early 16th century, with botanically precise renderings of the plants comparable to contemporary drawings by Leonardo da Vinci. The right-hand scene, *The Temptation of St. Anthony*, includes in the foreground one "demon," separated from the tormentors of Anthony, showing the symptoms of a person afflicted with St. Anthony's Fire. Hayum observes that this figure was used to assist in diagnosis! According to documents, patients admitted to the Antonite hospitals were taken into the chapel the day after admission and examined to see if their disease was the "infernal fire"—in front of the altarpiece.

In view 2, the approach is clearly different. The most extraordinary feature is the radiant, "inorganic" colors. Hayum notices that three angels play three different sizes of viols, and cites a late-15th-century treatise on the effects of music

by Johannes Tinctoris, which says that "music lifts sadness, chases away demonic forces, causes ecstasy, helps in the contemplation of the supernatural, and cures the sick." Indeed, the use of three viols reflected a very up-to-date notion of the idea of a tripartite harmony in the universe, for which viols were the standard musical symbol.

In view 3, the *Crucifixion* scene contains, in addition to the usual figures of the Virgin Mary, St. John, and Mary Magdalene, an admonishing St. John the Baptist at the foot of the cross. On the cross hangs an intensely suffering, diseased Christ. Certainly on the eve of the Protestant Reformation, when the issue of the real presence of Christ in the Eucharistic sacrament was a hotly debated point in Germany, this hyper-realistic image of the bodily suffering of the Redeemer was a startling reminder of the Passion in which Christ was scourged, mocked, and forced to carry his heavy cross up

the hill of Golgotha, and then hung on the cross for long hours in agony—hardly the usual crucifix in which Christ looks as though “he had just stepped out of a bubble bath,” as one 20th-century theologian puts it pungently. Hayum, who devotes a whole chapter to the significance of the painting for the Catholic doctrine of the Eucharist, also notices that the center line of the panels “amputates” the arm of Christ in the *Crucifixion*, and his legs in the *Lamentation* panel below. Amputation was one of the standard remedies applied to St. Anthony’s Fire.

Hayum summarizes her thesis: “Each state of the altarpiece addresses itself to the problem of disease and healing in a special manner. The open state, with the narrative scenes of St. Anthony, presents the condition of disease, along with medical techniques for its alleviation. The closed *Crucifixion* state, outlining a phenomenology of death, allows for the possibility of divine intervention and of identification with the divine. The middle state arms us against the mysterious sources of infection, offers the alternative route of psychophysical treatment, and shows us a gloriously imagined estate of the future. . . . Whereas at this moment academic medicine was taking root in the vicinity of Isenheim [at Basel], the path of disease was still mysterious enough and its manifestations devastating enough for all these methods to be held in comprehensive awareness and trust.”

Science versus environmentalism

In short, the spiritual side of the altarpiece’s message, communicated especially in view 2, is seen as contrasting to the physical healing process. But is this really so? Hayum writes that today, AIDS once again confronts us with a disease that seems to overwhelm our capacity to deal with it, and that this makes the multiple approaches of the Isenheim Altar more understandable. She lays much stress on the presence of astrological and alchemical symbols and paraphernalia in this, and other, paintings by Gruenewald, citing for example the astrolabe, which was used for charting horoscopes.

But wait a minute! The astrolabe, an instrument used to take the altitude of a star, was also used in navigation and astronomy, and its development over the century was a crucial ingredient in one of the greatest breakthroughs of the era—the navigation of the deep ocean sea, which led to Columbus’s and other voyages of discovery. Moreover, in Catholic theology, consulting astrologers is seen as sinful; St. Augustine, whose rule the Antonite order had adopted in the 13th century, puts astrology at the top of his list of mortal sins, before murder, stealing, and adultery—evidently categorizing it as the worship of false gods, forbidden by the First Commandment of the Decalogue.

Hayum’s own account of the few facts known of the life of the artist seems contrary to this “magical” thesis, as well. Mathis Gothart Nithart (“Gruenewald”) most likely born in Würzburg in 1475-80, died in Halle in 1528, and was the

rough contemporary of Raphael. Besides being a painter, she reports, “he functioned as supervising designer and engineer for the rebuilding of Aschaffenburg Palace. Other documents mention his being consulted as a waterworks expert. He was apparently involved in the manufacture of paints, later of soap—a career thus bearing some comparison to Leonardo’s in its diversity, its combination of art and engineering or technology; in a relative small painterly output; and even in the ill-fated history of some of his works.”

As a Leonardo da Vinci-like figure, Mathis Nithart was not only offering to the afflicted patients at the hospital in Isenheim an artistic map of their physical and spiritual healing; but could well have been involved in research that was destined to help fight disease in new ways.

Had Hayum not confused science with quackery (in calling the astrolabe an “astrological” device), she might have been able to identify or suggest further rich relations between art and both science generally, and scientific medicine in particular. With the information at hand we can only speculate, but that information is very suggestive. In the period of the Renaissance, there were two major areas of scientific development, each of them crucial both for the progress of knowledge as such, and for the technological advancement of society. These were, first, the complex of geometry, astronomy, optics, navigation, and cartography; and second, metallurgy, chemistry, physiology, and medicine. Each owes its inspiration to the great Cardinal Nicolaus of Cusa (1401-64); and Nicolaus, in turn, came out of the Rhineland movement that apparently nurtured Gruenewald as well, called variously “the New Devotion,” or in its institutional form, the “Brothers of the Common Life.”

The Brotherhood, a lay organization, concentrated its energies on founding and staffing schools, and, like the Antonite order, hospitals. Among those whose early education or affiliation can be traced to the Brotherhood are Nicolaus himself, Erasmus, and—most important for extending our understanding of Gruenewald—the chemist, physician, and surgeon known as Paracelsus. This is where Hayum’s “astrology” looms up as a stumbling block, for the accusation of “magic” is precisely the means by which Paracelsus’s true contributions to science have been obscured from his own day to the present.

Suppose, for example, that the startling, almost fluorescent colors of the Isenheim altarpiece in fact represent the spectral emissions of chemical processes—particularly where the heating of metals might be involved? One of the signal contributions of Paracelsus to medicine was the demonstration that certain metals, in proper compound form and in proper dosage, served as cures for some diseases far more efficaciously than any of the prevalent herbal remedies. (In particular, he developed a fairly effective cure for syphilis, which, by the early 16th century had become the new “plague” of Europe.)

However, it was not simply the use of metals as such

which distinguished the medicine of Paracelsus (skilled as he was in that); rather, it was the novel conception that each disease represented a specific entity, or better, a specific disordering process spread by a specific form of "seed"—this centuries before the development of the germ theory of infectious disease. Obvious as this may seem now, in its day this was a most subversive doctrine, challenging the authority of Aristotelian medicine which declared all disease to be simply an "imbalance" of the mythical four bodily "humors." Prevailing treatment therefore sought simply to drain off the presumed excess humors (by bleeding or induced vomiting), or to supply the deficient ones (by the appropriate compounding of herbal and other medicines—generally useless). Paracelsus and his theories were suppressed in their time, but a century later, bore fruit in the founding of modern chemistry by Jean-Baptiste Van Helmont, who with his students, produced and named the first known gases (as distinct from the Aristotelian "element" called "air"); proved digestion to be a chemical process (not the Aristotelian "cooking"), dependent on substances now known as enzymes or catalysts (then called "ferments"); initiated a program of experimental physics and chemistry first outlined by Nicolaus of Cusa; and established the first university chemistry laboratory.

However, just as Hayum calls the astrolabe an "astrological" rather than an "astronomical" device, so Paracelsus has been termed a "magician" or "alchemist" rather than a chemist and physician. Therefore, when Gruenewald incorporates "alchemical" representations into his painting, as Hayum demonstrates, we can reasonably conclude that his intentions are not magical at all, but strictly scientific—which she does not recognize (or recognizing, does not allow).

In fact, Paracelsus himself spent two years at Colmar, a mere 15 years after Gruenewald's work had been completed, and otherwise frequented much the same Rhineland circuit. Like Gruenewald, he was skilled in industrial technologies (otherwise referred to by Hayum as "alchemy, that occult branch of science dealing in material transformations"), processes under intensive study and development at that time by Leonardo in Italy, and by the metallurgical establishments of Germany. Therefore, it is most intriguing, that the "alchemical" symbols in the Isenheim altarpiece occur in the middle of the three sequential forms of the painting. Whereas the herbal medicines are shown in the first, outer portrayal (the meeting of Saints Anthony and Paul, and St. Anthony's Temptation), the "alchemy"—the processes of material transformation at the cutting edge of science and technology—are shown within the sequence from Annunciation through Incarnation to Resurrection (which are also the panels with the most incandescent colors). In other words, we can see these panels as the unity of those processes which transform both man and the universe from lower to higher levels, both in man's ability to transform nature, and in the transformation of man himself through Christ. That, indeed, is the vital legacy of Christian Humanism.

Books Received

Peace Without Hiroshima: Secret Action at the Vatican in Spring, 1945, by Martin Quigley, Madison Books, Lanham, Md., 1991, 173 pages, hardbound, \$22.95.

Inquisition: The Persecution and Prosecution of the Rev. Sun Myung Moon, by Carlton Sherwood, Regnery Gateway, Washington, D.C., 1991, 705 pages, hardbound, \$29.95.

Silent Coup, The Removal of Richard Nixon, by Len Colodny and Robert Gettlin, St. Martin's Press, New York, 1991, 507 pages, hardbound, \$24.95.

A Very Thin Line, The Iran-Contra Affair, by Theodore Draper, Hill & Wang, New York, 1991, 690 pages, hardbound, \$27.95.

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Protests target 'free trade' backers in North America

by Marcia Merry

Last May, the Senate voted by only a margin of 20 votes to extend the mandate for congressional "fast track" approval of proposed "free trade" treaties to be negotiated by the Bush administration for a North American Free Trade Agreement (NAFTA) from Canada through Mexico, and for a global GATT (U.N. General Agreement on Tariffs and Trade). This vote came after an extended period of bitter debate, and the count was 59-36 in the Senate; and 231-192 in the House of Representatives.

Now, after four months of worsening economic conditions, there are signs of increased labor and farm opposition, strikes, and other mobilizations that could potentially blow apart any "free trade" deals in the works, with or without Congress's "fast track" procedural authorization.

In the U.S. there was angry testimony and contempt expressed for free trade at a round of five showcase public hearings on NAFTA in August and early September, convened by the Office of the U.S. Trade Representative. Federal authorities intended these occasions as a gesture toward "public involvement" in discussing NAFTA, but instead the hearings were forums for rage at the economy, the advocates of free trade, and Washington in general.

In Canada—supposedly the willing partner in the two-year-old free trade treaty with the United States—September opened with a wave of government and transit worker strikes over lagging wage rates, joblessness, and the poor economy.

Reacting to the angry mood, Rep. Richard Gephardt (D-Mo.), the House Majority Leader, released a statement in early September, calling for "new thinking" on NAFTA in "the area of free trade." Gephardt last May had played a decisive role in getting the controversial "fast track" passed in Congress, as he betrayed his self-professed labor and farm constituencies and supported Bush's demands for fast track. Gephardt's new statement rationalizing NAFTA is a new sellout bid. But he may not get away with it so easily this time.

Anger at NAFTA hearings

In Texas, the two days of hearings Aug. 26 and 27 opened to a picket line by state AFL-CIO members opposing NAFTA. On the second day of the hearing, U.S. Trade Representative Carla Hills's representative David Weiss pronounced that "the purpose of these hearings is not to decide whether we should have a free trade agreement. We have already decided that. The purpose is to get input into what goes into that treaty." However, he was sternly corrected by Harley Schlanger, *EIR*'s Houston bureau chief, who has run for Senate on the Democratic ticket, who reminded him that there is no decision yet for a treaty, and it is up to the Senate.

Schlanger reported on his own findings about the miserable living and working conditions of the *maquiladoras* in the U.S.-Texas border region, and referred to sections of the *EIR* special report released last June, "The North American Free Trade Agreement: George Bush's Auschwitz Below the Border."

On Sept. 9 in Cleveland, Ohio, labor leaders also spoke out strongly against the proposed pact, and union members rallied outside the hearing. United Auto Workers (UAW) Region 2 director Warren Davis testified and pledged his members' support for strike activity against any plant which planned a move to Mexico. He said that 500 jobs have been lost to General Motors workers in Cleveland alone, due to free trade with Mexico. Davis described the conditions in the *maquiladoras* as a "cesspool of toxic wastes, ground water contamination, and air pollution." He said that the UAW is planning a campaign to bring renewed focus on the slave labor conditions there. There is also reportedly a UAW commit-

ment to back a resolution by Sen. Don Riegle (D-Mich.) to demand point-by-point congressional consideration of any proposed treaty, instead of the current "fast-track" rubber stamp procedure. Also testifying in Cleveland was Ohio Rep. Marcy Kaptur (D), who spoke of 100,000 jobs lost to Mexico. She has since released an open-letter invitation to Carla Hills to come to Ohio and tour with her the areas devastated by job loss to Mexico.

On Sept. 11, hearings in Boston at City Hall were another scene of confrontation. Gov. William Weld, the scion of the Boston banking family White Weld, proudly described himself to the panel as someone who had "always been a free trader." Though newly elected, Weld is widely hated for his continuation of debt service to the New England banks while he has been slashing the budget. Typical is the situation in Chelsea, the town that went bankrupt and is in state receivership. There, schools opened a week late, and chaos reigns under Weld's debt service priorities.

Weld was interrupted in his address to the hearing by activist Bill Ferguson, who denounced Weld for bailing out the banks, and waved a copy of the *EIR* exposé on NAFTA. While police were called to eject Ferguson, members of the panel and the audience rushed to make sure that they got their personal copies of the report.

There is also anti-Washington action in the making on the farm front. As of October, dairy farmers in at least 15 states are planning some form of strike action against the low prices they receive for raw milk—a policy that the Bush administration maintains is essential for "free market" competition.

'Free Canada, trade Mulroney'

On Sept. 16 in Ottawa, a crowd of over 20,000 people were on hand to greet the convening of the Canadian Parliament, and prominent placards included the demand: "Free Canada, Trade Mulroney!" This demonstration came as part of a first-ever national strike by the 155,000 members of the Public Service Alliance of Canada, the government workers union. The issue is wage levels, but "free trade" has become a specific target as well.

Canadian Prime Minister Brian Mulroney—called "Lyn' Baloney"—was last elected to office by a hair, on a platform favoring the U.S.-Canada Free Trade Agreement, now two years old and rightly blamed as part of the cause of the worsening economic conditions on both sides of the national border. Mulroney is in very hot water.

Since on Sept. 18, officials of Canada, the United States, and Mexico submitted briefs on proposed tariff reductions for a future continental free trade treaty, the Canadian strike wave is troublesome for George Bush's intended free trade timetable. Canadian labor leaders estimate that at least 350,000 jobs have been lost in Canada since the start up of the U.S.-Canada free trade treaty in 1989, and the economic conditions for thousands still employed are deteriorating rapidly. The Canadian government workers strike began on

Sept. 9, and the same week, a strike of 8,600 transit workers in Toronto stalled transportation for 500,000 commuters.

On Sept. 16, Mulroney rejected the option of using mediation in the government workers' strike, and his Conservative Party introduced strike-breaking legislation to impose a wage freeze ("Public Sector Compensation Act"). The measure calls for a year-long wage freeze; then a wage limitation for the following year of 3%. Strikers carried signs reading, "Zero Percent Won't Pay the Rent," and "Mulroney Mocks Collective Bargaining."

This picture of the rage sweeping Canada has been played down by the major media to U.S. audiences, in deference to Bush. The administration is pursuing its free trade demands despite all expressions of public disfavor. On Aug. 21, Carla Hills told a Seattle press conference that labor standards do not belong in a trade treaty. However, the public protest mood has caused some shifty maneuvering by the "Bush Democrats" and their labor collaborators.

Gephardt's 'new thinking' on NAFTA

House Majority Leader Richard Gephardt delivered a ludicrous formulation to justify supporting NAFTA, in a speech Sept. 10 at the Institute for International Economics. Crooning about how "a well-negotiated treaty creating a free trade area from the Yukon to the Yucatan would be in the deep self-interest of the United States," Gephardt then tried to pour oil on waters. He stressed that he will ensure that Congress considers everyone's concerns. He said, "I believe the NAFTA is an example of new thinking in the area of trade. We have brought labor and corporate representatives, environmentalists and the defenders of workers rights all under one tent. And, we have given Congress a concrete basis for rejecting a bad agreement, which should foster a more constructive dialogue between the Executive Branch and Congress as the negotiations continue. These breakthroughs mean that the NAFTA may provide a model for future trade agreements that produce the results we want without the polarizing political disagreements that so often thwart our common purpose."

Gephardt specified that his way of protecting workers is not to oppose the treaty, but to pass "legislation to provide incentives for U.S. corporations to abide by Mexican labor and environmental standards." What if they don't? Gephardt said, "We'll help Mexico to enforce it by allowing stockholders to sue the company for opening it up to potential liability." Most union members who have heard this have some choice words for the idea that "the right to sue" will protect you from slave labor.

Lane Kirkland, AFL-CIO national president, has been superficially critical of the proposed NAFTA, but behind the scenes has been backing the deal. To try to protect Gephardt from his Missouri labor constituency, Kirkland reportedly put out the word that St. Louis unionists must continue to back Gephardt, or they might get something worse!

Kohl urges Americans to aid Soviet Union and republics

by Brian Lantz

German Chancellor Helmut Kohl presented a major policy address at the University of California at Berkeley Sept. 13. By what have become normal standards of diplomatic protocol, Kohl's remarks were direct, speaking clearly to the enormous potentials and dangers that exist in the aftermath of the attempted Moscow coup. The chancellor's address could not have come at a more urgent moment.

Kohl, the first German chancellor to address the California university since Chancellor Konrad Adenauer, called on the United States to join in offering major economic aid to the Soviet Union and the newly formed republics. Further, he demanded that recognition of Slovenia and Croatia as independent nations now be considered. In his concluding comments, he appealed directly to the students in the audience to learn from the history of the past century in order to make the most of the potentials that have now emerged after a century of war and other horrors. Kohl soberly warned that Germany cannot meet the crisis of eastern Europe alone.

The chancellor clearly intended his remarks to reach the ear of George Bush. But, he went "over the head" of Bush, whose administration is publicly refusing to aid the former East bloc nations. It is important therefore to note that on more than one occasion, Kohl departed from his text so as *not* to mention the President.

Kohl received an exceptionally warm response from his Berkeley audience, including a standing ovation at the conclusion of his speech. His address was preceded with fanfare, including a color guard and processions of gowned professors representing all departments and university graduating classes dating from 1925. It was attended by an estimated 4,000 people, including students, interested citizens, and media. Kohl's address was the official centerpiece of the university's fall convocation.

One can say that even the weaknesses of Kohl's remarks are instructive. Reflecting the pressures that Germany is under, squeezed by the Anglo-Americans on the one hand and the collapsing Soviet empire on the other, outside of general notions regarding European integration Kohl mentioned nothing that even faintly reflected recognition of the need for a massive East-West infrastructure program, as envisioned in the European "Productive Triangle" proposal of Lyndon LaRouche and the Schiller Institute. At one point, in the context of urging the completion of the General Agreement

on Tariffs and Trade (GATT) negotiations, Kohl added that German economic recovery after World War II had occurred "by fighting protectionism"—an odd misreading of history.

Certainly millions, particularly in eastern Europe and in the Russian confederation, hope that Chancellor Kohl will rise to the great demands that now rest with him, and find the allies in the capitals of Europe and the U.S. who will share those world historic responsibilities. Weaknesses notwithstanding, Kohl would do us all a favor. Are we listening?

Documentation

Stabilizing the East means peace for the whole world

Excerpts from German Chancellor Helmut Kohl's Sept. 13 address in Berkeley, California:

Thirty-one years ago the University of California honored one of my predecessors, Konrad Adenauer, the first chancellor of the Federal Republic of Germany. Never before in history, Konrad Adenauer said then during his visit to California, had a victorious nation helped the defeated to such an extent as the American people had aided the Germans. At that time our country was still divided, and an end to this division was not in sight. . . .

Today I am here as the first head of government of a united Germany to thank you for everything that the American nation has done for the good of Germany. . . .

The recovery of political unity in free self-determination for us Germans coincided with the end of the East-West conflict, at the focus of which the Germans had been for over 40 years. Today we jointly face the new challenges of securing political and economic, social and ecological stability in those European countries which have after decades liberated themselves from the yoke of communist tyranny and want to establish a liberal economic and social order.

Probably nobody in the West is more familiar than we are with the terrible legacy of the communist rulers: an uncompetitive and moribund economy, dilapidated towns and villages, transport links in a disastrous state, and a highly polluted environment. But above all the tyranny left deep wounds in the heart of the people. The people in the eastern part of Germany must now gain faith in themselves and each other as well as confidence in life under a new, liberal system.

Optimism and a pioneering spirit are the decisive prerequisites for the success of the reconstruction work ahead of us. Even more than economic factors, it was this creative spark that passed from America with the Marshall Plan to Europe and Germany over 40 years ago. The Marshall Plan was the American response to an epochal challenge. Today we can build on that encouraging example. . . .

For us Germans, one of the most urgent tasks on the agenda for the 1990s is to eliminate the disastrous legacy left by over 40 years of communism in the [former] G.D.R. Reconstruction in the eastern *Länder* [states] is a pioneering task in two respects: It is a pioneering task because it is unprecedented in history. It is also a pioneering task because its success is of great importance—and this far beyond my country's borders. It will be a source of hope and encouragement for the Hungarians, Poles, Czechs and Slovaks, for the Romanians and Bulgarians, for the Albanians, and not least for the peoples in Yugoslavia, the Baltic states and the Soviet Union.

All of them face far more difficult starting conditions than the Germans in the former G.D.R. . . .

I know that some people take a very gloomy view of the situation in the new *Länder*. It is not my intention to embellish it. But every day I discover that the people there want to work; they want to use the opportunities afforded by freedom. My message to you is *we will make it*. . . . Thanks to the newly emerging enterprises and a new infrastructure, the eastern part of Germany will become one of the world's most modern industrial sites in the 1990s. . . .

On Aug. 21, the citizens of the Soviet Union achieved a great victory for democracy, freedom, and justice. Their determined resistance caused the coup to fail miserably. This was exactly 23 years after freedom had been crushed by tanks in Prague. August 21, 1991 will go down in history as a belated triumph for the people who had then tried to stop those tanks in Prague. . . .

After the failed coup in the Soviet Union, the tracks were laid for extensive democratic renewal. Historic changes resulted above all for the three Baltic republics. Estonia, Latvia, and Lithuania, which had been forcibly annexed by Stalin acting in collaboration with Hitler, have regained their freedom and independence. In reestablishing diplomatic relations on Aug. 28, the Federal Republic of Germany also gave expression to the desire to resume the tradition of peaceful relations reaching far back into the Middle Ages.

Despite all our delight and satisfaction at the historic



EIRNS/Stuart Lewis

German Chancellor
Helmut Kohl

victory of freedom and democracy, the motto now cannot be "business as usual!" Not least we owe this to the men and women who risked and lost their lives during the days of that Russian "August Revolution." The recent developments give rise to the conclusion that *we*, the Western nations, must now jointly provide swift extensive aid to the Soviet Union so that it can progress further towards democracy and a market economy. The emerging union and the republics must now develop a self-contained economic program. Only in this way can a reliable framework be provided for effective—and additional—Western involvement.

In providing aid for the Soviet Union and the reformist countries of central, eastern, and southeastern Europe, my government has time and again pressed for fair international burden-sharing. This major task cannot be left to only a few in Europe alone. All industrial nations should participate in accordance with their potential because democratization and economic reorientation in those countries are in the interest of the entire Western world. Freedom, democracy, the rule of law: all of this *will mean peace for the whole world*.

Since 1989, Germany has supported the reform process in central, eastern, and southeastern Europe with over DM 90 billion (\$50 billion), over DM 60 billion of this going to the Soviet Union alone. We are thus providing 56% of all Western aid to the Soviet Union and 32% of Western assistance to the countries of central, eastern, and southeastern Europe. And allow me to be very frank with you here. With all of this we have already reached the limits of our potential. Alone we shall not be able to carry the whole burden. Nevertheless, we shall participate in further multilateral efforts.

However, financial assistance alone is not sufficient. There is a prospect of lasting success only if we actually achieve new, comprehensive economic partnerships, open still further our markets for those countries, and support the reform countries extensively in reorganizing their social and economic systems by providing advice and technical aid.

Recognize Croatia and Slovenia

The conflict in Yugoslavia continues to be a source of great concern for all of us. In view of the large-scale military activity of the last few weeks, and the horrible pictures we see almost every day, the main priority is to ensure that all use of force is stopped immediately without qualification. When dialogue and harmonious coexistence are no longer possible, we must, in line with our understanding of the right of self-determination, consider the question of recognizing under international law those republics which no longer wish to belong to Yugoslavia. But it is equally true, that experience shows, with tanks alone you cannot keep a nation together. The international community, particularly the Europeans, will continue to work towards a peaceful solution on the basis of the Charter of Paris. . . .

Allow me, at the end of my lecture, a more personal word, to the guests, to the students who are here today. This affords me a very good opportunity to me to speak to young Americans.

When I came into this auditorium just now, I thought back to the days when I was 18 or 20 years old. That was around 1948, 1950. The deutschemark had just been introduced in 1948 and our country was destroyed to an extent that is almost unimaginable today. We were at the end, quite literally, not only in the material sense but also reached the bottom of our morale. The shame, the crimes of the National Socialists was known all over the world. In this time, the

Americans were the first to extend their hand, a hand of friendship, but first a hand of assistance and then the hand of friendship. And against this background, this spirit, and also through the sheer strength displayed by the people of the day, we were able to build up our country again, just as we will build up the eastern part of our country.

But in those days the young people, the students, the pupils, had a dream. A dream to regain Germany's unity and, as Churchill said in 1947, to unite Europe and build Europe. There were many setbacks. There was a lot of pessimism, skepticism. Nevertheless, we have now at least partly reached this aim and I predict that in a few years time the dream will have finally come true.

And you see that this is indeed a dream come true. In these '90s that are, actually, at the close of the century, a century that saw many, many people die in wars and are in our conscience, and saw despair, destruction, tears. But that now, finally, and on a much happier note, now we have a chance to address, at least a bit of the imbalances of the past and the problems of the past and what is coming now, what is really opening up now, is your time, your age. Whoever is 20 or 22 years of age just now will probably live to see the middle of the next century.

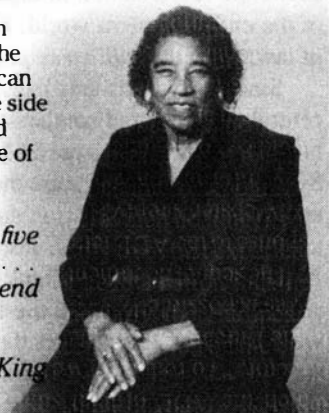
You should try to look back at the history of this century and learn from the experience that we have made. Peace, freedom, the rule of law and democracy are indispensable prerequisites for personal happiness. And that is your chance.

Bridge Across Jordan

by Amelia Platts Boynton Robinson

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Bush's phony tiff with Zionist lobby

by Joseph Brewda

President George Bush held a White House press conference on Sept. 12 to announce his "principled" effort to enforce a 120-day delay on a congressional vote that would grant Israel \$10 billion in housing loan guarantees. Bush says the delay is necessary to help secure a Mideast peace conference, even if it means a confrontation with Israel. The White House had previously promised several Arab states that it would pressure Israel following the Gulf war, but has instead supported the Anglo-American puppet state on all issues.

But behind Bush's theatrical performance, there lie strategic and political calculations that have nothing to do with "standing up to the Zionist lobby."

"I'm going to fight for what I believe," Bush stated, slamming both hands on the lectern for emphasis, "and it may not be popular politically [to delay the vote], but that's not the question here, whether it's good 1992 politics."

Bush referred to supposedly strong Zionist lobby pressure against the delay: "We're up against very strong and effective groups that go up on the Hill. I heard today that there were something like a thousand lobbyists on the Hill working the other side of the question. We've got one lonely little guy down here doing it," the U.S. President said in reference, naturally, to himself. Bush is even reportedly considering a nationwide television address to give him a forum to say that the U.S. will not be pushed around.

Baker works things out with Shamir

Shortly following the supposed U.S./Zionist confrontation, Secretary of State James Baker flew to Jerusalem to meet with the Israeli leadership. At a Sept. 16 press conference following his meeting with Prime Minister Yitzhak Shamir, Baker said that there had been a satisfactory conclusion of the dispute.

He reported that resolution had the following components. First of all, "we would agree that we would not ask for further delay beyond January." Second, the White House would lobby for the acceptance of the \$10 billion guarantee by Congress in January. Third, the U.S. would "restate" its commitment to the principle of providing Israel with aid to help settle Soviet immigrants. Fourth, the administration would "solicit housing aid" from "other countries"—mean-

ing Europe. Finally, Baker reported that the United States would reimburse Israel from out-of-pocket costs resulting from the 120-day delay. Hardly an ungenerous package.

But the next day, the U.S. press claimed that Baker had also secretly threatened the Israelis that if they did not stop constructing Jewish settlements in the Occupied Territories, they would get nothing. The media talked of a showdown.

Oddly, the Israelis are not so worked up over the issue. "There is a firm recognition in U.S. society and in all sectors of the administration that the United States owes this aid to the great enterprise of absorbing immigrants," Shamir told Israeli state radio on Sept. 6. "We only disagree on the timing," he said.

On Sept. 8, Israeli state television authoritatively reported that "the political echelon in Israel does not reject the compromise the U.S. administration is now proposing. . . . The assessment is that the Americans are putting off the discussion of aid to Israel to make it easier to obtain Arab agreements" at the upcoming peace conference.

Politics as theater

There are two major considerations weighing on the White House, which motivate the current tiff or apparent tiff, Washington commentators and observers report.

First of all, there is the concern to sustain the new Mideast empire that the Americans and British created through their Gulf war. The United States just bombed Iraq to smithereens, with the support of many Arab states. It has just signed a deal with Kuwait acquiring basing rights there, thereby ensuring that the U.S. will militarily dominate the region's oil fields indefinitely. To get Arab support, Bush had promised some Arab leaders that he would finally get tough with Israel after the Gulf war. These Arab leaders—Egyptian President Hosni Mubarak—for example, fear that without such high-profile U.S. pressure on Israel, they will appear to be nothing but U.S. puppets. To sustain Anglo-American imperial ambitions, consequently, some Israeli demands might indeed have to be sacrificed.

On the domestic front, some Democratic party circles are harping on the theme that while Bush is obsessed with foreign policy, he has no concern with domestic issues. Recently, Sen. Thomas Harkin (Iowa), a contender for the Democratic presidential nomination, complained that the "real threats" to America, are not "halfway around the world," but "halfway down our streets." Fighting foreign giveaways makes Bush look good in this regard, syndicated columnists Evans and Novak report, saying that for Bush the spat with Israel is a "win/win" situation.

Then there is the related concern to rally support from those Americans who think that all of our domestic problems must have a foreign origin. Cheap shots against the "Zionist lobby" are useful to this end, especially when they hide the fact that the "Zionist lobby" is based in the United States and Britain, not in Israel.

Thomas hearings avoid key issues

by Edward Spannaus

Sounding the alarm about the dangerous direction that the Rehnquist-dominated U.S. Supreme Court is taking, a prominent criminal attorney told *EIR* a few weeks ago: "There's only one kind of nominee who would make a difference. He or she would have to be the kind of jurist who would not only dissent, but who would go to the people, who would sound the alarm. . . . If Paul Revere were available, I'd support him."

At the conclusion of five days of questioning by the Senate Judiciary Committee, it is quite clear that Clarence Thomas is no Paul Revere. But it is even more obvious that the Senate Judiciary Committee wouldn't know what to do if Revere were to appear before them; they would probably have their aides draft a prepared speech denouncing him as "out of the mainstream."

The Thomas hearings were an incredible exercise in avoiding serious constitutional issues while pandering to the news media and "politically correct" popular issues. Until the last day of the hearings, only a handful of questions even came near to the overriding issue of this country's descent into a police state under the Hobbesian hand of Chief Justice William Rehnquist. (See *EIR*, Sept. 13, 1991, "Justice Rehnquist Led the U.S. Into a Police State.")

In fact, it was only in the area of criminal procedure that Thomas broke out of the bland, pre-packaged straitjacket into which his Bush administration handlers had tried to stuff him. Thomas repeatedly repudiated his previously professed belief in natural law, and he reappraised Oliver Wendell Holmes as "a great judge" and a "giant," despite his own earlier attacks on Holmes for "scoffing at natural law."

Backs Thurgood Marshall

On the final day of his interrogation at the hands of the Judiciary Committee, Thomas made a remarkably precise endorsement of the alarm sounded by retiring Associate Justice Thurgood Marshall last June. On the last day of the Supreme Court's 1990-91 term, Marshall issued a powerful dissenting opinion in the case *Payne v. Tennessee*, in which he blasted the Rehnquist-dominated majority bloc for its eagerness to throw out precedents protecting basic constitutional rights.

Marshall had charged that the new Rehnquist bloc "declares itself free to discard any principle of constitutional liberty" which the Court had previously recognized over the

dissenting votes of four justices, and with which the new majority (the old dissenters plus two) now disagrees.

"Power, not reason, is the new currency of this Court's decision-making," said Marshall, who went on to say that "all decisions implementing the personal liberties protected by the Bill of Rights and the Fourteenth Amendment" are now up in the air, and dependent on "nothing more than the proclivities of the individuals who *now* comprise a majority of this Court." Marshall identified a "hit list" of decisions which Rehnquist intends to overturn in the next few years. These endangered precedents include major constitutional rulings in the area of criminal procedures, as well as rulings involving First Amendment and privacy rights.

This was the context in which the Thomas hearings were held. During the first three days of the hearings, there were no more than a dozen questions asked in the area of criminal law and procedure, although this issue has played a prominent role in previous confirmation hearings. And these questions were all from Republicans or conservative Democrats, who expected Thomas to toe the Rehnquist/Justice Department "tough on criminals" party line. Among the committee's prominent liberals, Patrick Leahy (D-Vt.) and Paul Simon (D-Ill.) didn't ask any questions on criminal procedure until the last day or so; Edward Kennedy (D-Mass.) and Howard Metzenbaum (D-Ohio) never touched the police-state issue at all.

But even in his answers to the few questions posed in the first days of the hearings, Thomas had clearly begun to distance himself from the Rehnquist line. Thomas, for example, defended the *Miranda* ruling and the exclusionary rule—anathema to most "conservatives"—as pragmatic steps to prevent constitutional violations and to prevent misconduct by law enforcement officials. When asked about the overturning of precedents, Thomas hinted at his disagreement with the Court's actions in the last term.

On the final day of the hearing, in response to questioning by Senator Leahy, Thomas called the Marshall dissent "a very stern admonition," saying that "you cannot simply, because you have the votes, begin to change rules, change precedent." Then, in a direct shot at Rehnquist, Thomas said that he couldn't look at himself in the mirror if he had made a decision "that willfully."

A short while later, Sen. Arlen Specter (R-Penn.) asked Thomas explicitly if he agreed with the Marshall dissent. In keeping with his pattern of not commenting on current cases, Thomas said tactfully that it would be inappropriate for him to agree or disagree, but that "I was certainly affected by it." He added that a judge's personal opinions, or his "clout," should not be the basis for making decisions.

Holmes vs. natural law

Readers of the Sept. 13 *EIR Feature* were probably among the few people who understood Thomas's retort to Kennedy, when the senator attempted to pin Thomas down

on the obvious inconsistency between his earlier attacks on Oliver Wendell Holmes and his current praise for him as “a giant of our judicial system.” Kennedy read quotations cited by Thomas in a 1988 speech attacking Holmes for “scoffing at natural law,” and then read Thomas’s own statement that “if anything unites the jurisprudence of the left and the right today, it is the nihilism of Holmes.”

While still avoiding the philosophical issue, Thomas deftly replied: “Much of this perhaps resulted from some concern about some statements like that in *Buck v. Bell* of Justice Holmes” (referring to Holmes’s infamous 1927 pro-sterilization ruling). When Kennedy tried to pursue the matter, Thomas said, “I have some concern about statements like ‘three generations of imbeciles are enough.’ We certainly would have some problems with that.”

Documentation

Following are excerpts from the questioning of Clarence Thomas by the Senate Judiciary Committee, as transcribed by EIR:

In response to a question by Senator Leahy (D-Vt.), on the subject of stare decisis (precedent):

Thomas: Justice Marshall’s dissent in *Payne v. Tennessee* I think is a very important admonition, and that is, you cannot simply, because you have the votes, begin to change rules, to change precedent. That’s not a basis for doing it. I think it’s a very stern and necessary admonition to everyone, all of us who are judges. On a personal level as a judge, at the end of a day, if I made a decision in a case that willfully, I could not say to myself in the mirror: “I have acted consistent with my oath, and in the way I see my obligations as a judge.”

Simon: I’m in a minority on this committee, in thinking that the death penalty is reserved for those of little means, that it means if you have enough money, and you hire the best attorneys, you never get the death penalty. The second reality is that it is much more likely to be applied to minorities. If you’re black, hispanic, Asian, you’re much more likely to get the death penalty. We have executed in this country literally hundreds of blacks for killing whites, but so far as I and my staff have been able to determine, only two whites have ever been executed for killing blacks. If you were on the Court, and if the circumstances were such that you felt that economic circumstances dictated a lack of qualified counsel for someone who received the death penalty, or you are persuaded that the fact that a person is a minority was a factor in receiving the death penalty, what would your attitude be?

Thomas: Senator, it would be similar to the attitude I have now, that I have expressed here. I don’t know of any judge who could look out the back window of our courthouse and see busload after busload of young black males, and not be worried, and not be concerned, and not be troubled. I think it’s only exacerbated by the fact that it’s the death penalty. As I’ve noted earlier in these hearings, one of the reasons that it’s so troubling is that it is a very fine line between my sitting here, and being on that bus. And I think that any judge who has that obligation and that responsibility reviewing those cases, should be concerned if the death penalty is imposed based on socio-economic status and certainly imposed on the basis, or at least a large extent, disproportionately on the basis of race. It is certainly something that I am concerned about at this point and would continue to be concerned about as a judge.

Specter: [I] heard you say Justice Marshall’s decision was a “stern admonishment.” Were those the words you used?

Thomas: “Stern admonition.”

Specter: Do you agree with Justice Marshall’s dissent?

Thomas: . . . I think it would be inappropriate for me, Senator, to agree or disagree with it. . . . I was certainly affected by it. I agree with his statements concerning *stare decisis* to the extent that I suggested here. I think that judges should be *very* concerned that their personal opinions are not the basis—or their *clout*—is not the basis for making decisions.

Specter: Do you agree with Justice Marshall’s assertion that “power, not reason, is the new currency of this Court’s decision-making”—his opening statement in *Payne*?

Thomas: I would, Senator, refrain from agreeing or disagreeing with that. I agree that we should be concerned and be aware of the principle of *stare decisis* and that we should guard against making decisions as judges based on the number of votes we have.

Specter: Well I won’t press you further on it then, but let me ask if you agree that property and contract rights have no higher status than personal liberties, because the majority opinion put property rights, contract rights, on a higher level, saying that *stare decisis* should be followed, that is, a precedent should be followed, and more attention should be changed in not making a modification, if there were property rights or contract rights, contrasted with personal liberties. Would you at least put personal liberties on the same level with property and contract rights in following precedents?

Thomas: The answer to your questions, Senator, is yes. I don’t understand the quote, it makes no—the statement, I think in Justice Rehnquist’s opinion, it makes no sense to me, but . . . my answer to your question would be yes.

FBI stall protects ADL's 'Get LaRouche' snitches

by Scott Thompson

The Federal Bureau of Investigation (FBI) is using a bureaucratic "stall and appeal" strategy to block the release of scores of documents that would prove Bureau collusion with the Anti-Defamation League of B'nai B'rith (ADL) in the 1989 railroad jailing of Lyndon LaRouche and in the decades-long persecution of the political movement he founded in the mid-1960s. The concealing of such evidence of government criminality under the guise of claims of secrecy or national security is explicitly forbidden under Executive Order 12356.

Officials at the Bureau's Washington, D.C. headquarters have clamped down on regional offices that had been releasing damning documents showing the FBI-ADL "Get LaRouche" collusion. Two such documents called "airtles," provided by the New Orleans and Chicago FBI field offices, were released early this year in compliance with Freedom of Information Act (FOIA) requests first filed by this news service way back in 1985.

In one document provided by the New Orleans field office to *EIR*, FBI Director William Webster ordered every FBI field unit to establish liaison with the ADL, going so far as to provide an internal ADL telephone directory to enable the Bureau officials to locate their local ADL counterpart.

That airtel was transmitted on Feb. 4, 1985, just months after Boston U.S. Attorney William Weld had initiated a witch-hunt federal grand jury probe of publications and political committees associated with LaRouche. The Boston grand jury probe represented a major escalation in a "Get LaRouche" campaign that had been initiated in August 1982, when Henry Kissinger sent a personal letter to William Webster demanding that the FBI investigate the LaRouche movement.

In January 1983, Director Webster formally ordered such a probe, after Kissinger cronies on the President's Foreign Intelligence Advisory Board, including notably Leo Cherne, Edward Bennett Williams, and David Abshire, backed up the former secretary of state's demands for an "investigation" by making wild accusations about LaRouche having "foreign intelligence" links.

According to internal documents from the ADL's so-called Civil Rights Division, Kissinger's complaints to Webster were crafted with the active cooperation of League attorneys. Moreover, one of the FBI Intelligence Division members, W. Raymond Wannall, who took part in the probe

ordered by Webster, is shown in a March 22, 1974 document released by the FBI (100-530-511) as having then been responsible for the appointment of a regular special agent in the New York FBI field office to be "liaison" to FBI headquarters in that city.

FBI and ADL meetings confirmed

Shortly after the New Orleans office released the Webster airtel, the Chicago field office declassified and released a related FOIA document, dated March 18, 1985. The document, No. 44-0-634B, from the Special Agent in Charge of the Chicago region to Judge Webster, referred to the director's Feb. 4 order to "establish a liaison as well as a line of communication so as to receive any allegations of civil rights matters from the ADL."

The Chicago SAC memo confirmed that a meeting had taken place between FBI officials and regional ADL people. Although the SAC memo made no explicit reference to LaRouche, it did confirm that the ADL had told the FBI "that it has conducted extensive information gathering on certain hate groups in America such as . . . the Lewis Farrakhan [sic] group," and would make their files available to the Bureau on a regular basis. The file name for the ADL black propaganda and libel feed into the Bureau was listed as "ADL information concerning civil rights matters."

The lid comes down

When the FOIA office at FBI headquarters in Washington learned of the New Orleans and Chicago document releases to *EIR*, immediate moves were taken to block any further releases by field offices.

Claiming that the documents in question, in the words of one official, "never should have been released since [they] reveal FBI informants," the boys at the J. Edgar Hoover Building in Washington ordered a "classification/declassification review" of the entire ADL file and established a screening procedure at headquarters before any further damaging papers could be released. The boss of the FOIA office staffer who complained about the released documents admitted to *EIR* that it would take a "long, long time for classification review ever to be finished."

As the result of this maneuver, all FBI documents from at least 1985 onward that dealt with the Bureau's collusion

with the ADL are being centrally held up from release. Neither regional office nor headquarters communiqués are being further processed in compliance with the six-year-old *EIR* FOIA request.

A lot to hide

Lyndon LaRouche has said on a number of occasions that were the government to release the millions of pages of documents presently being squirreled away under phony claims of national security, he would be instantly freed from jail. The paper trail of the FBI-ADL conspiring to shut down the LaRouche political movement and throw its leader into jail for the rest of his life, constitutes one key feature of that government file.

Indeed, among the trickle of FBI documents released to date concerning the ADL, many of the redactions reflect the Bureau's official classification of ADL officials as "informants" and "sources."

Although the ADL has a long history of collusion with the FBI, during the long reign of J. Edgar Hoover as FBI director, the Bureau was careful not to get itself too tangled up with the League. The major exception to that rule was during World War II, when the ADL flooded the FBI with information on alleged Nazi spies, at least some of whom were no closer to the Nazis than holding membership in America First or other groups opposed to the United States entering the war. Yet, the FBI continued to accept ADL reports at face value until an Assistant Attorney General ordered them to stop, claiming that ADL information was often little more than gossip.

As late as the 1960s, the FBI files were replete with references to top ADL officials being linked to the Soviet Union and communist front groups, as well as to organized crime. Dory Schary, the national director of the ADL from 1963, was listed in FBI files as a member of several Hollywood Communist Party fronts, and as an intimate friend from childhood of Jewish organized crime boss Abner Zwillman.

Due to these notorious links of the ADL chairman, Director Hoover always rejected League requests for him to speak at its public events.

The Webster era

By the time Judge Webster took over the Bureau during the Carter administration, however, all of those cautions had been thrown to the wind. Judge Webster became a frequent speaker at ADL conventions, and a regular recipient of ADL awards.

As early as 1979, shortly after Webster was named FBI director, he was already meeting personally with top ADL officials to discuss how to "get" LaRouche.

Investigations by this news service at the time revealed that Justin Finger, then the head of the ADL's Civil Rights Division, along with the League's new chairman, Burton Joseph, had met with FBI Director Webster to pressure him

to take action against the LaRouche political movement.

Finger told an interviewer in early 1979 that the Webster meeting had focused largely on the U.S. Labor Party, the party on whose ticket LaRouche had campaigned for President in 1976:

"I mentioned U.S. Labor Party and he wouldn't commit himself and wouldn't go into details with me, but it was very clear to me from what he said and what he did not say that this is an active investigation and that they are watching these people very closely because I said to him 'Look . . . we're saying . . . these guys are crazy and they are capable of acts of violence in their nuttiness.' . . . He indicated that he was aware of the organization and they were also concerned. . . . We have a full exchange of files."

EIR complained to then-Attorney General Griffin Bell about the ADL-FBI pact against LaRouche and his associates, but it was the FBI that was ordered to carry out the investigation of its own director, and so no evidence of the arrangement turned up.

However, documents finally released to *EIR* this spring, in the last of the FOIA disclosures before the FBI bureaucratically froze the process, proved that indeed such a pow-wow had occurred.

FBIHQ Main File Number 100-530-518 is a letter from Justin Finger to William Webster dated Jan. 9, 1979, in which the ADL official summarized the meeting with the director: "To reiterate, we are ready to be of such assistance to the Bureau, within the area of our competence and authority, as is possible."

The sequel document, Number 100-530-519 is Webster's response to the ADL letter, memorializing the working meeting. Webster's reply is dated Feb. 5, 1979, and reads in part: "Any information which you might wish to share with us should be communicated to Deputy Assistant Director James O. Ingram at FBI Headquarters. . . . With respect to security measures for your prospective headquarters in New York, I suggest that you contact Assistant Director Neil Welsh at our New York office. He will be pleased to assist you."

Webster addressed this letter to Nathan Perlmutter, who was then national director of the ADL and who FBI officials in New York report helped organize the meeting in 1985 that caused Director Webster to issue his airtel ordering FBI-ADL liaison. An FOIA request for the Bureau file of Nathan Perlmutter after his death was denied in its entirety by the FBI on the basis of exemption loopholes applied to FBI informants.

The handful of FBI papers revealing the collusion with the crime-infested ADL that have been released to date only serve to underscore LaRouche's assertion that a full disclosure would reveal sufficient evidence of government criminality to win him his immediate release. Such disclosures would also lay the basis for sending many senior FBI and ADL officials to jail for a long while, for their wild abuses of government power to conduct a private war against a great American patriot.

Dodd bill would allow Iraq to buy medicine

Sen. Chris Dodd (D-Conn.) introduced a resolution on July 8 which calls for transferring a portion of Iraq's frozen assets in order to meet immediate medical and humanitarian needs. The resolution is a counterpart to the House Resolution 168 introduced by Rep. Timothy Penny (D-Minn.).

The resolution is co-sponsored by Sens. Paul Wellstone (D-Minn.), Paul Simon (D-Ill.), Alan Cranston (D-Calif.), Claiborne Pell (D-R.I.), James Jeffords (R-Vt.), and Edward Kennedy (D-Mass.).

Citing the spread of disease and destruction of infrastructure, the resolution also calls on U.N. donor nations, including the United States, to "fulfill their pledges made to the U.N. in response to its appeal for \$400 million in emergency humanitarian assistance in Iraq."

Senate defies Bush, lifts abortion counseling ban

The Senate on Sept. 12 approved legislation which nullifies an administration ban on abortion counseling and referrals at federally funded family planning clinics. The action may foreshadow a veto fight with the Bush White House over aid to abortion counseling.

Although both the House and the Senate have voted to suspend the ban, which was attached to the human services appropriations bill for fiscal 1992, it is unclear whether either chamber could muster the necessary two-thirds vote required to override a possible veto (the votes were taken without a roll call).

Capitol Hill sources indicate that the administration would lose the vote in the Senate and would not have the

votes to sustain a veto in the House. Bush must now either back away from his commitment to veto the measure, exposing his "pro-life" stance as mere political posturing, or suffer the first veto defeat of his presidency. As a congressman, Bush was the prime proponent of population-control measures.

Aspin would use U.S. military to aid East

House Armed Services Committee Chairman Les Aspin (D-Wisc.) proposed to use U.S. military troops for flying humanitarian aid into the Soviet Union, at a Capitol Hill luncheon on Sept. 12. During upcoming conference committee negotiations on the Defense Appropriations bill, Aspin intends to put forward a proposal for the transfer of \$1 billion from the defense budget to be used at the discretion of the President for humanitarian aid to the Soviet Union.

Aspin argued that because of the budget agreement, this money can effectively only be taken from the defense budget. He implies that by not sending humanitarian aid to the Soviet Union in their "first winter of freedom," there could be serious complications and the danger of more instability in this nuclear power, necessitating even greater defense spending.

Aspin warned in particular of a scenario in which rebel groups in the Soviet Union gain control of a Soviet nuclear weapon, or in which, in the midst of widespread chaos and disorder, "disaffected Soviet troops" illegally sell nuclear weapons to international terrorist groups or to foreign nations.

Aspin insisted that such aid must be delivered by U.S. military troops "to the points of distribution in the So-

viet Union" (a proposal which caused some consternation among the attendees at the luncheon), because of the lack of infrastructure and transportation in the U.S.S.R. Aspin referenced "Operation Comfort," where U.S. troops were used for the distribution of aid to the Kurds.

Aspin insisted on maintaining the ABM treaty, suggesting, however, that negotiations be set up with the Soviets to amend the treaty in order to allow several more ABM sites in order to "get complete coverage of the United States in an ABM system." When one of the guests at the luncheon suggested a renewed effort for a Strategic Defense Initiative in order to provide total defense of the population, Aspin mumbled that the SDI is no defense against someone who wanted to smuggle a nuclear device into the United States. With leading SDI researchers present in the audience, Aspin was, however, careful to add, "But it's back to the drawing board on a lot of issues."

Funds cut for NATO air base in Italy

The Senate Appropriations Committee on Sept. 12 passed an \$8.4 billion Military Construction bill for FY 1992 that prohibits funds for a new NATO air base in Italy, a base that has been deemed critical for European defense.

The chairman of the subcommittee on military construction called the proposed air base at Crotone, Italy "an extravagance," saying that in light of Pentagon decisions to close dozens of bases in the United States, the administration could not justify building a new one in Italy because of the alleged diminished risk of war with the Soviet Union.

The committee proposal will now

go to conference committee with the House. The House Military Construction bill provides \$158 million for the U.S. contribution to the NATO budget, while the administration asked for \$358 million.

Dems propose increased unemployment benefits

The House voted 283-125 on Sept. 17 to provide up to 20 weeks of additional benefits to jobless workers. In the vote, 234 Democrats joined with 48 Republicans to approve the legislation.

Congress passed a similar bill last year. It was signed by President Bush, but the benefits were killed when the President refused to declare a budget emergency, which was required to override budget constraints and fund the extended benefits. The White House insists that there is no recession, and therefore no added benefits are required.

According to Democratic sources, 2 million Americans have exhausted their unemployment benefits so far this year and nearly 300,000 more lost their jobs in the last six weeks. This legislation would make permanent changes in the unemployment compensation system and cost \$6.5 billion over the next five years. It would waive the requirements of last year's budget agreement.

Rep. Brown proposes 'debt for science' swaps

Rep. George Brown (D-Calif.), chairman of the House Committee on Science, Space, and Technology, proposed to replace "debt for equity" schemes being imposed on Mexico, with "debt for science," in a commentary in the Sept. 12 *Los Angeles Times*.

Brown proposes the creation of an endowment of up to \$20 million for cooperative research with Mexico—money which the Congress has appropriated but which the administration has refused to spend. The money Mexico would spend on infrastructure and science programs would be "matched" by U.S. funds for reduction of Mexico's debt.

Brown argues that promotion of "economic growth built on research and development" would help to solve the problems which Mexico now has of underemployment, emigration, and a "brain drain." Such a policy, Brown argues, would be beneficial to both the U.S. as well as to Mexico. A "free trade agreement," Brown warns, "will never be fully realized without substantially increased levels of scientific and technological cooperation between Mexico and the United States." Brown will be meeting with government and science representatives during a four-day trip to Mexico starting on Sept. 18,

JEC urged to adopt 'industrial policy'

Adm. Bobby Inman (ret.) urged that the Defense Advanced Research Projects Agency (DARPA) be turned into the National Advanced Research Projects Agency, or "NARPA," in testimony to the Joint Economic Committee in mid-September. Inman, according to the Sept. 14 *New York Times*, briefed the committee on the Carnegie Commission on Science, Technology, and Government study, for which he headed the task force on science, technology, and economic performance.

The proposed agency would support higher risk research not only for the military, but that which could benefit other government agencies, with

expected commercial applications. The Bush administration has strenuously opposed a policy in which the government would support R&D for industry. Former DARPA head Craig Fields was fired over this "dual-use" issue last year.

The Carnegie study also recommends that the National Security Council expand its role to include economic as well as traditional "national security" factors. This is based on the view that the economy is a crucial aspect of national security, and that technological advance is crucial for the economy.

At a conference in Washington on global competitiveness, Inman warned the audience not to fool itself into thinking the U.S. economy was healthy, as the jobs created over the past decade in service "industries," for example, pay 50% of the industrial wages people used to earn. Households only survive today, he said, because most women are also working.

Washington to Baltimore maglev funded by Senate

The Senate approved \$500,000 on Sept. 17, to be used toward the development of a magnetically levitated train running from Washington, D.C. to Baltimore, Maryland. The measure is part of the Surface Transportation Act which is now before Congress which authorizes a total of \$750 million for the development of the maglev system in the Northeast corridor. The Baltimore-D.C. route is to be part of a more general network through the Northeast corridor going from Washington to Boston.

A prime proponent of the project is Sen. Barbara Mikulski (D-Md.), who sees this as a necessary link in creating greater industrial activity in the Baltimore-Washington corridor.

CIA ineptness in East revealed

"Stasi Files Reveal CIA Two-Timers," was the title of a front-page article in the Sept. 12 *Washington Times*. "Most East Germans," reported the *Times*, "recruited by the CIA as spies since at least the early 1950s were double agents secretly loyal to the Stasi intelligence service." The assessment is part of a top-secret CIA report based on an analysis of Stasi files.

According to the *Times*, "The double agents helped the Stasi—which worked closely with the Soviet KGB—learn the identities of CIA officers and the nature of the U.S. agency's operations, one intelligence official said. They also gave the CIA false intelligence."

It is not clear whether the CIA report is an admission of a counterintelligence failure or an attempt to damage-control some of the more explosive details surrounding the Iran-Contra affair. *EIR* has been the only publication so far to expose the working relationship between the CIA, Oliver North, and East German intelligence official Alexander Schalck-Golodkowski, the former head of the East German export company IMES who oversaw all weapons transactions from the East bloc, including shipments arranged by the CIA for the Contras.

Pro-drug Schموke wins mayoral reelection

Kurt Schموke, the drug legalization advocate, won the Baltimore Democratic Party mayoral primary Sept. 13—effectively winning reelection. The results were a testament to the political vacuum and the destruction of the traditional constituencies of the Democratic Party.

John Ascher, running on a platform associated with Lyndon LaRouche, had denounced Schموke as "morally incapable of governing any city, at any time," because of his support for dope legalization. Ascher received 1,000 votes (1%) and came in fifth

in a field of eight contenders.

Only about 30% of the total registered voters voted in the election, meaning that Schموke was elected by approximately 10% of all those of voting age in Baltimore.

The campaign was characterized by pathetic attacks on Schموke by the two leading contenders in the race, former mayor Clarence "Du" Burns and former States Attorney William Swisher. Burns meekly mentioned Schموke's wanting to debate the issue of drugs while Swisher highlighted Schموke's call for tougher criminal laws in all of his commercials with the sound of a jail cell closing. The local news media was filled with stories of how area voters were put to sleep by the election campaign, which was reflected by the sparse attendance at some of the more publicized campaign events. The media blacked out the Ascher campaign.

George Bush said to be another Herbert Hoover

"Bush is in a comparable situation to Herbert Hoover at this point in his reelection process," noted senior British America correspondent Alastair Cooke in a commentary on BBC Sept. 15. Cooke has been BBC Washington correspondent since 1934, and is regarded as being close to the British Foreign Office.

Cooke continued his analogy by noting that in the period 15 months before the 1932 U.S. elections, Hoover was enormously popular, seen as a world leader who was dealing with complicated foreign problems in Europe; he was not then blamed for the U.S. domestic economic problems, and the Democrats appeared sure losers. But then, Cooke recalled, the Democrats seized on the idea of sticking a label to the growing "shanty towns" of unemployed which had grown up outside Washington and other cities. They labeled them "Hooverilles," the press picked it up, and from then on it was "Herbert Hoover's depression."

Similarly today, Cooke said, George Bush is enjoying enormously high popularity in the polls, especially on foreign policy. He is not yet seen as responsible for the

nation's growing economic problems, and the Democrats appear doomed to another disastrous presidential race. "But between now and November 1992 we can expect that this domestic economic situation will increasingly become the albatross around Bush's neck. We will see growing domestic discontent even erupting into riots all more and more directed against the man in the White House, George Bush."

Noriega trial opens with tainted jury

U.S. District Judge William Hoeverler completed selecting a jury in the Miami, Florida trial of Panamanian leader Gen. Manuel Noriega on drug-trafficking charges Sept. 14, by refusing to rule jurors off the panel who showed bias and prejudice against the accused.

Hoeverler permitted someone to remain in the jury pool who spoke out saying, "I know Noriega for violation of human rights." Hoeverler said, "There will be nothing about this case that has anything to do with politics. The case will be tried exactly according to the evidence."

The prosecution opened its case alleging that Noriega benefited financially from the Medellín Cartel drugs which were allowed to pass through Panama, and that Carlos Lehder, the former head of the cartel, would confirm this. According to *Newsday*, Lehder, now serving a life sentence in U.S. prison, has agreed to testify under the witness protection program. Lehder reportedly signed an agreement with the U.S. government on Sept. 13 in which the U.S. has agreed to ease the terms of Lehder's life sentence. He will be released much earlier, but how much earlier is not reported.

Environmentalists on junk mail ecology costs

The ecology lobby's "junk mail" was the subject of a segment on ABC News on Sept. 10. Anchor Peter Jennings pointed to the

loss of millions of trees every year as junk mail floods the nation's mailboxes. Only 10% is ever read and only 5% is responded to, said Jennings. So who's the greatest culprit? "Ironically, the environmentalists account for a large percentage of the junk mail, which is killing the nation's forests," Jennings said.

Lawyers for the National Resources Defense Council and another ecology group who were interviewed, were defensive. The segment concluded with the observation that, in their efforts to cut down their junk mailing, the ecologists are selling their lists to other groups, to make money, and are thus in fact increasing the flood of junk mail.

District considers hiding cause of death

The Washington, D.C. City Council is considering legislation that would conceal from the public the deceased's cause of death, the Sept. 9 *Washington Times* reported.

The bill would revise the city's death certificates, issuing them in two parts: a pronouncement of death, and a medical certification of cause. The first part would be available for the public record. The second, listing the cause of death, would be made available only to physicians, police, and the federal government.

The bill would also authorize hospice nurses, rather than physicians or medical examiners, to make a death pronouncement at home.

The *Washington Times* reports that the bill has been prompted by "privacy concerns of the families of people who have died of AIDS-related illnesses." But the advantages of the legislation for the secret government and the euthanasia lobby are significant.

Columnist points to Democrat's ties to BCCI

Columnist Warren Brookes pointed out that Sen. John Kerry's (D-Mass.) hearings into the Bank of Credit and Commerce Interna-

tional (BCCI) scandal have the earmarks of a careful coverup, since he has failed to call financier David Paul as a witness.

Paul was the controller of CenTrust, a savings and loan which will cost more to bail out than Keating's Lincoln Savings and Loan collapse, and which was a principal conduit of BCCI money into the U.S. and Democratic campaign committees, Kerry's included.

In testimony before the House Banking Committee on Sept. 11, Democratic Party powerbroker Clark Clifford denied that he knew that BCCI secretly controlled First American Bankshares, the *Washington Times* reported. Clifford, who was chairman of the First American until his recent resignation, did not convince some members of the committee. Rep. Toby Roth (R-Wisc.) commented to Clifford, "You have been in bed with BCCI for 10 years and you say all you got was a backrub."

The not-so-veiled reference is to Sen. Chuck Robb (D-Va.), who denied that he had an extra-marital affair with a former Miss Virginia, but admitted they shared a hotel room where she gave him a "back-rub."

William Weld seizes Chelsea, Massachusetts

Massachusetts Gov. William Weld has implemented his plan for the bankrupt municipality of Chelsea, adjacent to Boston. Weld has used emergency powers granted by the state legislature to abolish the office of mayor, reduce the board of aldermen to an advisory capacity, and appoint a "czar" to administer austerity cutbacks in the poverty-ridden neighborhood. "I'm just waiting for the tanks to roll into the streets," Alderman Jim Mitchell told the Sept. 13 *Boston Herald*.

Chelsea, like other Massachusetts municipalities, is unable to raise taxes because of Proposition 2½, passed in 1980, which forbids tax increases not approved by voters. Its \$9.5 million deficit in a \$40 million budget has provoked school closings and municipal shutdowns. Weld's czar, James Carlin, is now empowered to set municipal budgets and re-open municipal contracts, with no input from any elected body.

Briefly

● **'GOVERNOR Moonbeam,'** former California Gov. Jerry Brown, has sought advice on his bid for the Democratic presidential nomination from Jude Wanniski, considered the founder of "supply-side" (aka voodoo) economics.

● **U.S. PRISON** conditions have declined over the last 10 years while Soviet prisons have improved, the human rights group Helsinki Watch said in a report released at a conference in Moscow in mid-September. The two nations are the "superpowers" of incarceration, holding over 1 million prisoners each, it said.

● **L. DOUGLAS WILDER** of Virginia, the first elected black governor in the U.S. since the Civil War, announced Sept. 13 that he will run for the 1992 Democratic presidential nomination. Conceding that he is the "longest of long shots," Wilder said his campaign seeks to make "America greater than it is."

● **GEORGE BUSH**, who said earlier this year that only ill health would prevent him from running for reelection, pronounced himself in "perfect health" Sept. 13 following a medical checkup. According to the Sept. 14 *Washington Post*, the Bush campaign plans to spend \$26 million in the primaries alone—even though Bush has no Republican challenger.

● **JIMMY CARTER** recently told a Democratic Party politico that the forthcoming book by former National Security Council staffer Gary Sick on the October Surprise, contains "explosive" new revelations implicating then-Vice President Bush's adviser Donald Gregg in the delay of the release of U.S. hostages from Iran, Evans and Novak reported.

● **VICE PRESIDENT** Dan Quayle, in Nigeria Sept. 13, the first stop of his tour of several African nations, rejected any debt write-off for the desperately poor and disease ridden African nations. "The debt must be paid," he insisted.

Paganomics under attack

It is becoming more and more clear that the 1992 "Earth Summit" planned to be held in Brazil next year, is by no means a guaranteed success in its design to impose eco-fascist policies globally. Opposition is growing throughout the developing sector to Anglo-American plans to reintroduce colonialism through an international agency mandated to "protect the environment."

In Brazil itself, the situation is particularly hot. The highest ranking officer, Chief of Staff of the Armed Forces Gen. Antonio Luíz Rocha Veneu, issued a statement complaining, "There are increasing signs of the First World wanting to interfere in the way Amazonia is being administered."

This was reported in the Sept. 15 London *Sunday Telegraph*, along with a statement by Brigadier Socrates Monteiro, chief of the Air Force, who was even more explicit. Monteiro called upon the Brazilian Congress to boost the military budget in order to defend the sovereignty of Amazonia at any expense.

This followed an outburst by Brazil's Environmental Secretary José Lutzenberger, who called his nation's military leaders "jerks" for opposing the planned supranational violation of Brazil's sovereignty.

Then, on Sept. 19, Brazilian congressmen intervened to call for the resignation of Secretary Lutzenberger. They cited evidence presented by *EIR's* journalist on the scene, Lorenzo Carrasco. This was immediately picked up by Brazil's leading national daily, *Folha de São Paulo*, which ran a six-column article headlined: "Congressional Investigation Commission Wants Lutzenberger's Resignation." They cited evidence given by Carrasco to the effect that Lutzenberger receives money from the pagan Gaia Foundation, a charge which the secretary denies.

Undaunted by the growing demand that he resign from office, Lutzenberger has escalated his attack upon nationalist forces by asserting that Brazil has no right to the Amazon. "Everything that is good on the planet," he said, "belongs to the whole world." Thus, he is on record admitting that he is willing to turn over a major

region of Brazil to foreign interests.

Of course, it has not escaped Brazilian nationalists that the bleeding-heart concern for the environment being expressed by Prince Phillip and the ecology crowd, is the perfect cover for a resource grab by multinationals that would come into the area under the protection of the supranational police force. This is precisely the model followed by the British Empire, for example, which exploited India while pretending to offer the Indians a higher civilization.

Ironically, one major feature of the Earth Summit is a violent attempt to defame the evangelization of the New World and the discovery of the Americas by Christopher Columbus.

Should the Earth Summit succeed, should patriotic Brazilians be forced to back down, there will be a cultural reversal of far more momentous consequences than a mere land grab. The Gaia Foundation and its backers, such as Britain's pagan Prince Phillip, intend to extirpate Christianity—not only from Brazil, not only from the developing sector, but from the face of the Earth.

This is an attack upon five hundred years of Western Christian civilization. This is the truth of George Bush's "new world order," which has already shown a more callous disregard for human life than even Hitler's evil regime. This is the kind of immorality which will admit to the burying alive of thousands of Iraqi soldiers, without apology, and is willing to starve Iraqi men, women, and children, condemning millions to death from hunger-related disease and the lack of adequate medical supplies.

The Earth Summit should not be allowed to occur, in Brazil or anywhere else. But that is not sufficient. The forces who planned this pagan monstrosity must be exposed and prevented from gaining success in imposing their imperial designs upon this globe. The exposure, and hopefully the forced resignation, of Secretary Lutzenberger will be a good first step in that direction.

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