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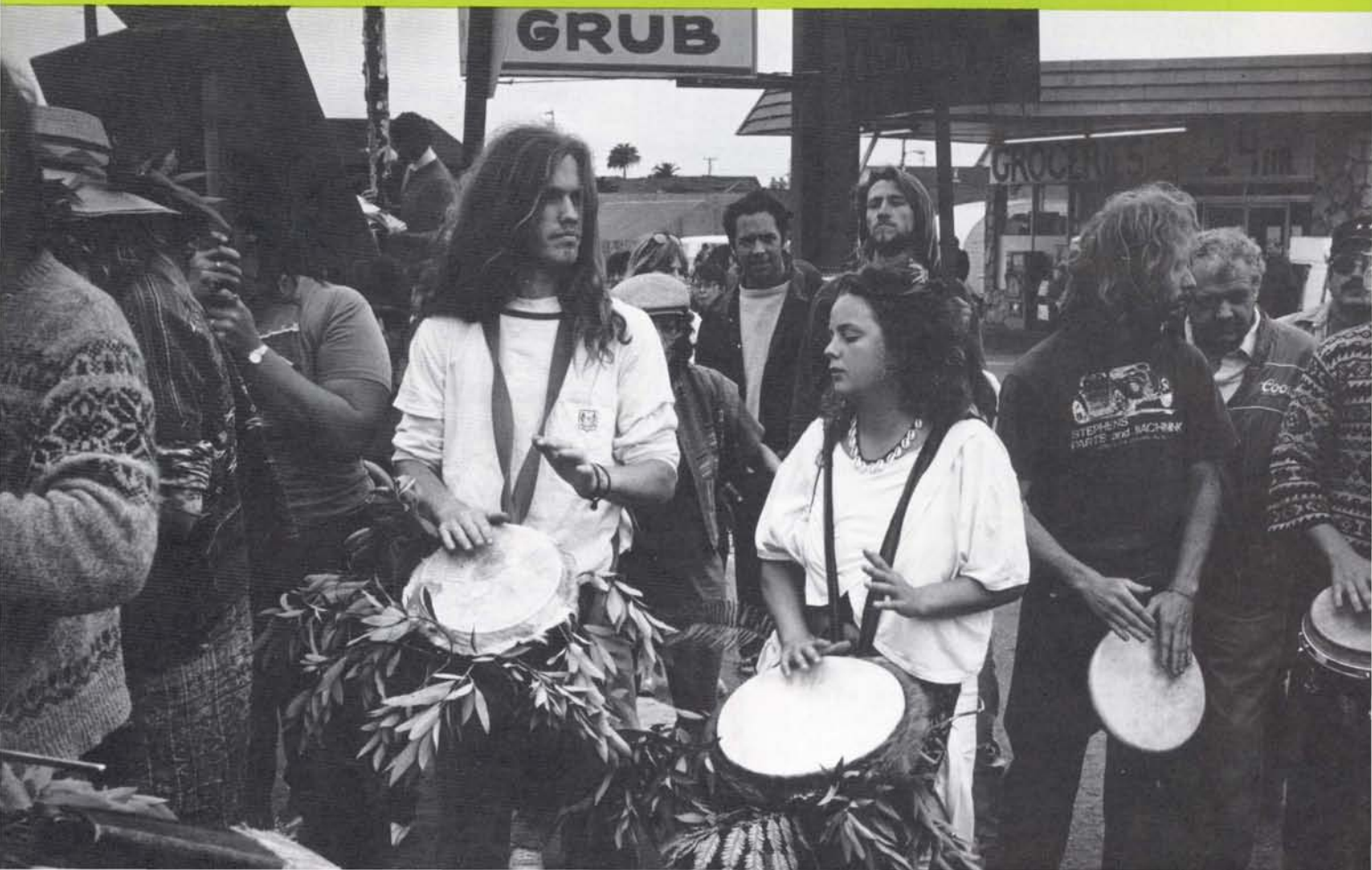
Executive Intelligence Review

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From the Editor

We received Malaysian Prime Minister Mahathir Mohamad's combative speech of Sept. 24, against the new world order at the United Nations, too late to include it this week; but it is so germane to the issue of whether there will be an opposition to Bush's universal pox, that I wish to bring it to your attention here and now.

Dr. Mahathir blasted the barbarism of U.N. police actions which starve a besieged nation into submission, and charged that "individuals in some developed countries consider it their right to tell us how to rule our country. If we don't heed them, then they consider it their right to destroy and overthrow our economy, impoverish our people, and overthrow our governments. These people latch onto various causes such as human rights and the environment in order to reimpose colonial rule on us. They are helped by the western media."

Malaysia has recently been a target of Earth First!—the band of filthy terrorists whose members adorn our cover this week—and other shock troops of the British royal family's "environmentalist" network, which is nothing but a criminal organization with high-level connections and power. (Real environmentalists are farmers and engineers, who care for nature by improving it.)

The *Feature* covers the Brazilian nationalists' campaign against the darling of the Prince Philip/Earth First! set, Minister José Lutzenberger. He's in hot water for organizing the takeover of a large chunk of Brazilian territory, the Amazon, by his wealthy foreign friends. This could be the rallying point to deliver a big defeat to the new world order. Also at the U.N.:

- India's foreign minister criticized the linkage between economic development aid and "non-economic considerations such as good governance, observance of human rights, environment, military expenditure, etc.," and urged a solution to the Third World debt problem.

- Ghana's foreign secretary warned that "the world ignores at its own peril" the "monumental problems" of Africa and called for reduction or elimination of both debt stock and debt service.

As our lead articles spell out, the behavior of the United States government on every front is an outrageous travesty of the principles written into our Declaration of Independence. It looks as though Americans may have to re-learn their founding fathers' message—from abroad.

Nora Hamerman

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Even 'experts' fret over October financial bust

by Steve Parsons

For the past month, the confident aura surrounding Wall Street's market resurgence has been spooked by warnings of an October bust, and the euphoria is mutating into jitters, if not impending panic.

As October approached, financial commentators have increasingly noted the obvious: The stock market is wildly overblown, with price/earnings ratios now averaging 20-to-1 and going higher. The Federal Reserve's cut in the discount rate on Sept. 13—which slashed interest rates to the lowest levels since 1973-77—elicited only the most temporary sigh of relief; within hours, many on Wall Street, and at least one member of the Fed's Open Market Committee, were saying that another round of interest rate cuts would be needed.

This barely suppressed panic bubbled over into a Sept. 10 *Wall Street Journal* headline: "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 massacres 'were generally bull-market years in which you got to the fall and had an over-bought market,' " said one analyst.

Echoing the *Journal's* jitters was Wilmington money manager Tony Hitschler, who told the *Philadelphia Inquirer*, "The stock market is very, very superstitious. . . . We just know October is going to be a bad month." Philadelphia stockbroker Paul Dannenbaum added, "I wouldn't be buying any common stock at this level, and that's a helluva thing for a stockbroker to say."

Europe disinvests in U.S.

More telling, however, is Europe's sober reaction to the U.S. depression and impending financial disaster. Germa-

ny's *Welt am Sonntag* newspaper of Sept. 22 quoted Banques Bruxelles Lambert monetary expert Roland Leuschel, who warns that another 1929-style crash, coming perhaps as early as this October, cannot be ruled out.

No one should believe the blather from U.S. experts about a "soft landing" last year, said Leuschel, noting a story about Michael Boskin, chairman of President Bush's Council of Economic Advisers: When Boskin told him last April that he saw light at the end of the tunnel, Leuschel responded, "Most likely that is the headlights of a train coming in your direction, and you're hoping you're not on the same track."

Leuschel cited the low savings rate; lack of consumer purchasing power in an economy in which two-thirds of expenditures are made by consumers; real estate and mortgage problems; and the immense U.S. indebtedness—the worst since 1929—as the reasons for fearing another crash this October at least as bad as October 1987.

Leuschel's comments reflect Europe's virtual disinvestment in the United States over the last 18 months. According to U.S. Commerce Department figures released Sept. 20, foreign investment in the U.S. plummeted in 1990. Direct investment in U.S. businesses dropped 47%, from \$70.6 billion in 1989 to \$37.2 billion, while "portfolio investment"—i.e., investments in stocks, bonds, etc.—practically evaporated, nosediving 87%, from \$137.4 billion to only \$16.7 billion. While Japanese investment stagnated at \$16 billion, European companies invested only \$13 billion in U.S. firms last year, compared with \$40 billion the year before. By contrast, between 1980 and 1990, foreign holdings in the U.S. nearly quintupled.

Dollar is only a 'safe haven'

One little-recognized but crucial aspect of foreign disenchantment with the U.S. is the implication for the dollar. In

a biting column in the Sept. 23 *New York Post* entitled "The Dollar and Peace," John Crudele noted that just about the only thing preventing the dollar's collapse is global turmoil. "Its 'safe haven' role is about the only thing the dollar has going for it right now," Crudele wrote. Peace on earth is a good thing, but "it isn't necessarily beneficial right now for either the U.S. or its currency. And, by extension, the lessening of friction around the globe could turn out to be harmful to this country's stock and bond markets, and detrimental to the U.S.'s ability to finance its budget deficit."

"If international tensions lessen, the dollar goes down," Crudele quoted David Schoenthal, currency expert and executive vice president for Lehman Brothers. During the attempted Russian coup, the dollar rose by 4% within 48 hours, as investors fled to the dollar as a safe haven.

Crudele added that "U.S. interest rates are unattractive by world standards. The economy here is struggling and beginning to scare even the Federal Reserve. And the ongoing scandals involving this nation's savings and loans as well as the Treasury auction probe of Salomon Brothers are giving foreigners the jitters. Without a world crisis, there's little reason for foreigners to put their money into dollars. . . . The dollar—after a strong first half of 1991—has fallen around 8% ever since the Russian coup failed. . . . And faith in the Fed is likely to erode with each new interest-rate cut. . . . Foreigners will become more and more worried."

Crudele does not mention that the dollar would have dropped even further, were it not for some \$30 billion net profit from foreign tribute payments to the U.S. for Operation Desert Storm.

October is not necessarily the month for a crash, commented Crudele. "The day of reckoning for bonds might not come until early November when the Treasury attempts to pull off another of its massive quarterly sales of bonds. Interest rates may shoot up [and bond prices go down] if foreigners can't be convinced that there is a compelling reason to purchase bonds from us.

"But the trouble for stocks could come earlier. Forget that many stock experts consider stocks overpriced and dividend yields puny. Foreigners who invest in U.S. stock markets have other worries. If the dollar continues to fall [and interest rates decline], profits made on the stocks themselves could be lost when foreign capital is transferred back into their own currency."

U.S. economy ratchets down further

Foreigners aren't the only ones pulling their investments out of the United States. Big U.S. corporations are increasingly doing business with foreign banks, as well as insurance companies, while cutting their ties with U.S. banks, citing their concern about the reliability of U.S. banks as sources of credit, as well as their reliability regarding lending, cash management, and access to capital markets. Proportionally, twice as many big money-center banks as regional banks

lost business from corporations because of their financial condition, while only 4% of foreign banks lost business for that reason. By contrast, Swiss banks gained enormously, by a margin of more than 2-to-1 over other foreign banks.

At the bottom of all this is the deepening U.S. depression, which even doctored statistics can no longer cover up with the rubric "sluggish recovery." Auto sales continue to plunge for nearly every reporting period, the most recent being a 16.3% mid-September drop from the levels of one year ago. Factory orders for durable goods fell 3.8% in August. And the ballyhooed "recovery" in home sales this year is now nothing more than a hiatus in the relentless downward spiral. Home sales fell 2.1% in August, following a 7.5% decline in July—despite marked cuts in mortgage rates. In the bellwether California market, which accounts for about 20% of all home sales nationally, sales of existing homes dived 9.2% in August. This was the third straight month of decline, even though sale prices have been falling. Meanwhile, California's unsold inventory index, which measures the number of months it would take to deplete the supply of homes on the market, was up to 12.7 months in August from 11.2 months in July.

Layoffs increasing

This is intersecting an intensifying wave of layoffs. Each day sees new headlines of corporate layoffs, such as 5,500 from Union Carbide and 1,800 from Lays, which are hitting everything from manufacturing to law firms. Indicative of the real level of unemployment is that what meager job openings do occur are besieged by applicants. In Norfolk recently, three companies offering 750 jobs were swamped with nearly 17,000 applicants standing in lines for hours.

Since the Bush administration and the economists cannot admit that the mythical "recovery" never happened, the media are spewing forth the nonsensical line that the "recovery" is being impeded by yet another inexplicable drop in "consumer confidence." They trot out the latest survey by the Conference Board, showing a third consecutive month of declining optimism, to the most negative readings since the 1982 recession. Only 11% of those contacted by the survey believe business conditions are "good," the survey showed; more than four times as many say that they are "bad." Their conclusion: that the vicious consumer is "unwilling" to spend the money that he doesn't have, because he is "hoarding" it—in savings accounts that are dropping like a brick! *Business Week* termed this the "FUD Factor"—fear, uncertainty, and doubt.

Office of Management and Budget director Richard Darman commented Sept. 22 that the recession really ended this summer; it's just that consumers don't know it. Sen. Phil Gramm (R-Tex.), however, summed up the view of his constituents: "It may well be that the economy turned the corner last month, but it sure didn't leave any skid marks when it turned."

Bush's Medicaid rules threaten lives

by Linda Everett

For several months now, a host of U.S. state legislators, national health and hospital organizations, and child advocacy groups have sent up warning signals about the crisis in state Medicaid programs. In June, an American Hospital Association state-by-state survey found that as few as five states were able to reimburse hospitals what it costs to care for Medicaid recipients, and many pay as little as 53% of the costs. In July, a federal judge threw out Washington State's Medicaid payment system, because it so inadequately pays hospitals for the care of Medicaid patients. In August, just weeks after a federal advisory panel called for expanding Medicaid to cover 10 million more Americans who live below the poverty line, the National Governors' Association urged the federal government to take full responsibility for the costs of long-term nursing home and institutional care for the elderly, disabled, and mentally incapacitated—Medicaid services the states find increasingly difficult to cover.

Now along come the Bush administration's new rules, which will eliminate \$3-5 billion in federal Medicaid matching funds to the states by banning the methods many states use to boost their dwindling Medicaid funds. This, at a time when Medicaid is the fastest-growing portion of state budgets. State spending on Medicaid increased 19% last year, and will top 25% this year.

How the states make ends meet

Under the Social Security Act, the federal government pays 50-80% of a state's Medicaid program, which provides health and hospital care to the poor. New federal mandates now require states to extend Medicaid coverage to all children below the poverty level and to the elderly poor. Rather than cut critical health care services, dozens of states utilized alternate fundraising strategies. By taxing hospitals and other Medicaid care providers and raising voluntary hospital donations, states could supplement the shrinking general revenues normally used for Medicaid expenditures. These funds either go back to the providers as payments or they go toward life-saving programs like Vanderbilt University's Medicaid Center in Tennessee, the region's designated Level I trauma center, burn center, and Level III Perinatal Center, which provides high-risk obstetrical care and the only tertiary pediatric facility in the region. The taxes assure that hospitals with a disproportionate number of medically needy or uninsured

patients receive a higher payment rate which more truly reflects the real costs of providing care. These increased Medicaid expenditures by the state mean the federal government must provide a higher reimbursement rate as its share of the program.

The administration characterizes such revenue-raising strategies as scams by which states reap billions in extra federal funds every year. Citing the growth of the federal Medicaid budget from \$41 billion last year to \$52 billion this year, Richard Darman, director of the Office of Management and Budget (OMB) announced in April that he was sending out "SWAT teams" of federal budget and health officials to investigate state Medicaid practices. Instead of acknowledging that the 27 million people now served by Medicaid are expected to increase 25% by 1995, Darman and Health and Human Services (HHS) Secretary Louis Sullivan formed a task force that denounced the revenue-raising methods as *the* cause of the growth of the federal Medicaid budget. While Secretary Sullivan was out targeting "unconstrained" state Medicaid costs, the Bush administration's 13-member advisory panel on health care policy, which Sullivan appointed, recommended that the administration expand Medicaid spending to allow hospital and physician care for 10 million more Americans living below the poverty line and who have no health insurance.

'Child abuse or neglect'

In a July 10 press conference, National Governors' Association (NGA) Executive Director Raymond C. Scheppach rejected Darman's claim that state revenue-raising methods account for a quarter of the growth in federal costs in the nine-state study by the OMB. The issue, Scheppach said, was the federal government's requiring states to expand Medicaid coverage, and then, telling the states how to fund the expansion. Carol Herrman, commissioner of Alabama's Medicaid Program, told reporters that if OMB's regulatory measures are successful, "you will have cataclysmic results in the health care system." She said that banning hospital donations and provider taxes would mean Alabama would have to cut more than \$728 million.

Sidney Johnson, executive director of the American Public Welfare Association, stressed, "We're not talking about tinkering around the edges. We're talking about major health programs for poor Americans." Ohio State Rep. Thomas Needles said, "The simple fact is, some hospitals would close." Programs like Maryland's kidney disease program, which keeps alive 3,000 people with end-stage renal disease, will collapse. Robert Sweeney, president of the National Association of Children's Hospitals and Related Institutions, characterized the result of OMB's ban on state revenue raising as "child abuse or neglect, raised to the government level."

While the OMB-HHS campaign focused national attention on the dedicated taxes and voluntary donations as "illic-

it," the fact is they are explicitly allowed by Congress under current law. The Health Care Financing Administration simply continued the OMB-HHS campaign by producing new rules that double-crossed Congress and the states, ignored existing law, and completely reversed budget agreements that Gail Wilensky, administrator of HCFA, made with Congress last October. But the rules, published in the Sept. 12 *Federal Register*, go well beyond simply stemming growth of the Medicaid budget. The OMB has seen to it that the new rules so restrict states' funding mechanisms that states will go backwards to *decreased* federal reimbursements.

The rules are so sweeping, they change the original statutes upon which Medicaid rules were originally written 25 years ago. Since 1965 states were allowed to utilize inter-government and intra-government agency funds for Medicaid, a practice which the new rules now appear to qualify or ban outright. The rules are so ambiguous, that no one in the states or Congress or, it appears, even in the administration, seems to know what revenue-raising options are allowed. In addition, states can expect to spend heaps of time and taxpayers' money while federal investigators examine each state's revenue-raising methods, hospital by hospital.

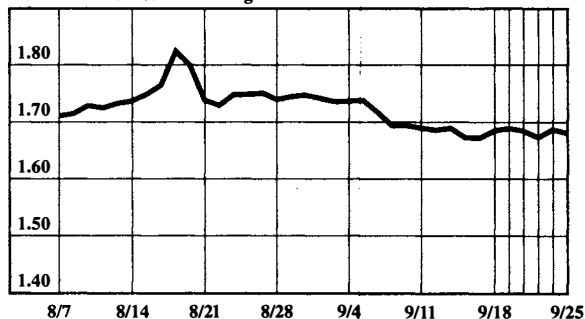
Recognizing that the new regulations will wipe out hundreds of Medicaid-funded programs which provide the only medical care available for millions of people, over 45 national organizations, including the National Association of Public Hospitals, the American Nurses Association, the National Association of Manufacturers, the Association of Retarded Citizens, and the American Association of University Affiliated Programs for Persons with Developmental Disabilities, have joined the National Governors' Association's unanimous call to Congress to fight the administration's rules. Given the rules' immense impact on programs serving children, who make up more than half of the 27 million people receiving Medicaid benefits, the American Academy of Pediatrics, the Association of Maternal and Child Health Programs, and the Children's Defense Programs, among others, have signed on and are expected to give testimony in the Sept. 30 Committee on Health and the Environment hearings held by Rep. Henry Waxman (D-Calif.).

In a total disregard for state fiscal realities, HCFA's regulations go into effect on Jan. 1, 1992, halfway through most states' fiscal year. Maine Gov. John R. McKernan, chair of the NGA's Committee on Human Resources, said, "This will have the severest of consequences for state budgets and has the potential to dramatically curtail existing services now available, and reduce the numbers of people now eligible for Medicaid services." But, that matters little to an administration intent on creating as many hurdles as possible to stop the flow of critically needed funds to the states. As Robert Sweeney of the National Association of Children's Hospitals and Related Institutions told *EIR*, Darman and the OMB are like fighter pilots who never see the faces of the victims they kill.

Currency Rates

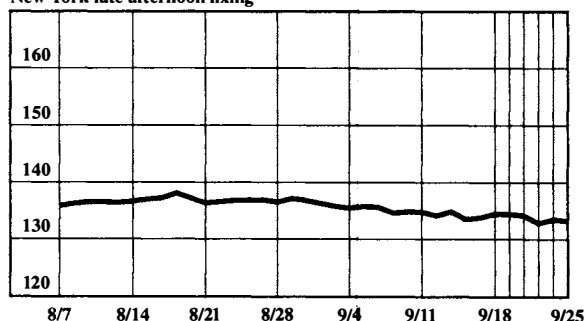
The dollar in deutschemarks

New York late afternoon fixing



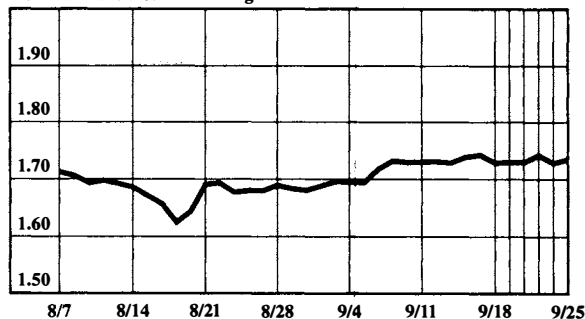
The dollar in yen

New York late afternoon fixing



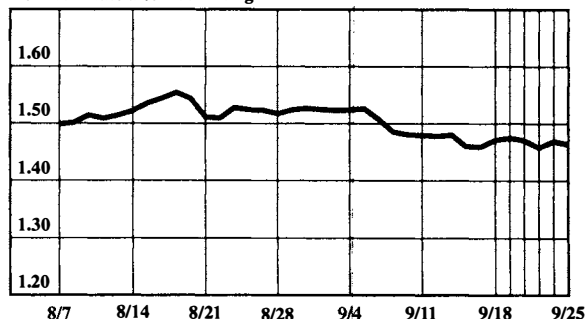
The British pound in dollars

New York late afternoon fixing



The dollar in Swiss francs

New York late afternoon fixing



Iowa meeting launches U.S. drive for Eco-92

by Leif Johnson

Public hearings began in Des Moines, Iowa on Sept. 22 to kick off the U.S. campaign for the so-called Earth Summit, or Eco-92, scheduled to take place in Brazil in June 1992. The open hearing was followed by three days of closed meetings, attended by selected Third World diplomats and hosted by liberal establishment luminaries such as Elliot Richardson. The open hearings were supposedly designed to get grassroots "input" before a panel of government experts, who would then take their views to the U.N. committee preparing for the summit.

The principal topics were energy and "sustainable agriculture," the policy of returning to labor-intensive agriculture, which will have the effect of reducing world food production and population levels, the latter being the major goal of the Earth Summit.

An atmosphere resembling a family gathering of elderly peaceniks, world federalists, and Bush supporters predominated at the gathering, masking its genocidal intent. Environmentalists of the unwashed and disruptive variety were not in evidence. Leaders of the Iowa United Nations Association (sponsors of the event), Isaak Walton League, Presbytery of Des Moines, World Federalists, Sierra Club, American Association of University Women, Iowa Peace Institute, Trees Forever, YWCA, Audubon Society, and the *Des Moines Register*, coupled with Iowa officials and academics—about 175—communed in the State House to hear themselves testify before a panel of government and other experts, including representatives of the Council on Environmental Quality, the Departments of State, Energy, and Justice, the U.S. Agency for International Development (AID), and Kathy Sessions of the United Nations Association. Sen. Al Gore (D-Tenn.) and Maurice Strong, secretary general of the U.N. Conference on Environment and Development (UNCED), were the featured speakers.

The athletic Senator Gore

Senator Gore presented himself as a fundamentalist preacher, recently converted to an "environmentalist mission." "The problems are population, technology, belief structure," he said. "People ask, how realistic is 'appropriate

technology' and sustainable development? I ask them, how realistic was it two years ago that communism would end?" He jumped around the podium demonstrating his points with giant charts. "The air today has six times the chlorine molecules that it contained when I was born (1948), and the ozone layer is 10% thinner in Iowa than it was 50 years ago."

His remarks referenced the well-publicized and scientifically unsupported theory that the release of chlorine into the atmosphere from the breakup of chlorofluorocarbons (CFCs) is destroying the Earth's ozone layer and causing the surface to heat up. He leapt from floor to table to attempt to show that there was a correlation over 150,000 years between rising carbon dioxide levels in the atmosphere, and the temperature of the Earth, stressing there might be a difference of opinion about why this is so, but the correlation cannot be denied.

This theory, called "global warming," or the "greenhouse effect," is unsupported by data, and the computer models purporting to graph the trend have proven incapable of predicting future climate, because they deal with so many unknown variables. During an informal interchange after his speech, Gore confessed that he lacked respect for the scientific tradition associated with Plato—perhaps why he didn't mind using phony scientific theories to bolster his political priority of reducing the world's population. Gore said: "First there was Socrates, who laid the basis for Plato, and then Aristotle. Plato started the whole problem: dualism."

The kooky Maurice Strong

Following an afternoon panel on energy, Maurice Strong, member of the Club of Rome and secretary general of UNCED, which is sponsoring the Eco-92 conference in Brazil, was introduced for a keynote speech by Edmund Muskie (see p. 32, for a profile of Strong). He said that wasteful and destructive production in developed countries, and overpopulation in undeveloped countries, are causing environmental risks. The complete integration of environment and what he called "development" must be the basis for every issue on the agenda at Eco-92. "Every country has got to review its incentives, taxes, subsidies, and policies, to make sure they work toward sustainability. Human cultural, social, and ethical values must be changed."

Strong said there must be a new "eco-industrial policy." "Energy policy is at the heart of this transition. Enjoying the better life has made us the biggest security risk to the planet. People in the developed world must change their life-styles."

His closing remarks demonstrated some anxiety about the prospects for the upcoming summit. "If the conference fails in '92, when will the leaders of the world ever get together again? It must either be a resounding success, or the biggest failure in history."

Underlining this fear, perhaps, was the fact that input from the audience was limited to five minutes at the end of each session, and only written questions were accepted.

CIA: Don't build up former East bloc

by Gabriele Liebig

The Bush government flaunts its intention to give no aid worth mentioning to rebuild the former Soviet Union, even after recent momentous changes. But the motives are new: Whereas up to now the excuse was that one should not throw money “down the drain,” but should “await further reforms,” now the CIA, in a new study, has named a motive that comes closer to the truth. With western support, the now semi-independent republics could turn into a “new economic superpower”! This process should be nipped in the bud, not encouraged, says the CIA.

Two years ago the U.S. secret service set up a “Directorate 5,” which exclusively deals with economic competition to the U.S.A. These CIA economic experts have now drawn up a paper for Bush analyzing the medium- to long-term development outlook of the former Soviet republics. According to the German daily paper *Leipziger Volkszeitung* of Sept. 4, the CIA concluded, “With the aid of western states a new economic structure with profitable firms and transport routes will arise. The inevitable result will be the birth of an economic giant and direct competition in the world market against the United States.”

It takes no great genius to recognize that this study is less a reaction against existing aid measures from the European governments, which are barely under way, than a warning against implementing Lyndon LaRouche's “Productive Triangle” plan for reconstruction, based on the creation of a high-speed rail network and other infrastructure in the heart of Europe, with links into the old East bloc, as well as northern and southern Europe, the Mideast, and Africa.

The CIA sees the republics emerging out of the Soviet Union not as a sinkhole, but as “expanding countries” with the best potential for development. No region on earth is richer in petroleum, coal, uranium, gold, silver, and strategic minerals. Farming could, with a small investment, achieve higher yields than in the United States. Moreover, the average Soviet high school graduate knows more than his U.S. counterpart.

The expected Soviet “economic miracle” will be sped up by the Russia's geographical and cultural proximity to Europe. Any western “development aid” will hasten the former Soviet Union's growth into an economic giant and competitor to the United States.

Despite the upheaval in Moscow, the Bush administration is sticking to the COCOM list of high-technology goods which cannot be exported to the Soviet Union. Bush even promised a government loan guarantee of \$315 million, which the Russians could use to buy U.S. grain, but no single U.S. bank would back the loan. Four European banks jumped quickly into the breach.

Yugoslavia—foretaste of things to come

The ugly truth about the strategic clash between Europe's interests and what the U.S. intelligence establishment has defined as “U.S. national interests,” can no longer be hidden. This conflict is the real basis of Serbia's war of aggression against Croatia. Bush and Baker gave the green light because they wanted this “wound in the body of Europe.” Thanks to the British government and French President François Mitterrand, a truly European intervention has been sabotaged for months. If Europe's impotence can be proven—as chaos, war, and floods of refugees are unleashed against the West—investors will lose the desire to invest in eastern Europe.

The horrors in Yugoslavia are just the prelude to what is in store against the former Soviet Union. Mere speculation? Consider the following quote from Prudential-Bache's *Wall Street Newsletter* of Aug. 21, gloating over the potential for coups and civil wars: “The biggest European trade development after the hardline coup will be the movement of refugees from East to West. . . . I forecast that . . . diminished excitement about future prospects in Europe and that the coup will make the United States a more interesting place to invest.”

The Bush administration's interest in stopping the rebuilding of eastern Europe corresponds to the policy Harvard Professor Jeffrey Sachs and the International Monetary Fund call economic shock therapy. This includes immediate convertibility of the currency, lifting of all price controls, and privatization of all companies—a formula which has plunged Poland into chaos. Former Russian Prime Minister Ivan Silayev, who now heads the economic transition committee for the Union of Sovereign States, has ruled out such a shock treatment.

But neither Harvard, nor the IMF, nor the CIA and the Bush administration are going to slacken their determination to impose the IMF chaos policy. They are still ruthlessly pushing the Polish regime to keep up the Sachs mania. After an IMF delegation visited Warsaw and Polish Prime Minister Jan Bielecki traveled to Washington, the new Central Bank chief Marek Dabrowsky said that the new Polish government—after the Oct. 27 elections—will have no choice but to pursue the austerity plan for at least 18 months more, even at the risk of “uncontrolled social unrest.”

President Lech Walesa said on Sept. 11 in an interview with *Le Monde* that he feels the West is playing Poland like an idiot: “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.”

A concrete proposal for solving the collapse of the world economy

Helga Zepp-LaRouche, the president of the Schiller Institute in Germany, addressed the Conference on a More Democratic United Nations in Vienna, Austria on Sept. 18. Organized by the International Progress Organization (IPO), some 120 delegates of varied political colorations met for three days of discussions. The common denominator of the participants was opposition to the United Nations being taken hostage by the Permanent Five members of the Security Council—i.e., as the Soviet Union has de facto ceased to exist, primarily the United States—and opposition to the Gulf war.

Mrs. LaRouche called for the convening of a conference of governments and Non-Governmental Organizations on the subject of a True Fourth Development Decade (see last week's EIR for the text of the Schiller Institute's proposal to this effect). After her presentation, it was suggested that she introduce a resolution calling for such a conference. About one-third of the representatives voted for it—not enough to pass, but a good sign of the potential for such a call.

The following is the full text of her speech.

The consequences of the world economic crisis have reached unbearable dimensions for the overwhelming majority of humanity. Most people in Africa, Asia, Latin America, even China, the former Soviet Union, and Eastern Europe, in fact also the poor of the United States, live under conditions of inhuman poverty and suffer hunger and inadequate health care and housing.

This massive deficit in provisioning the human population living today on the planet, is the result of the complete bankruptcy of the international monetary system in existence since Bretton Woods, and with it, the International Monetary Fund (IMF), the World Bank, and other similar institutions. The breakdown of the Bretton Woods system began with the 1967 crisis of the British pound and developed further with the decoupling of the dollar from the gold standard in 1971 and the failure of the Azores conference of 1972. Since this time, there is, de facto, no longer a coherent international monetary system and it has only been sustained up to now through deregulation of the banking system and speculative bubbles, as the Nobel Prize winner Maurice Allais recently emphasized.

In order to keep the defunct Anglo-American banking system alive under these conditions, the policy of the IMF,

the World Bank, and the General Agreement on Tariffs and Trade (GATT) has been, especially since the middle of the 1970s, a ruthless primitive accumulation from the developing countries, which have been cut off from development possibilities by the conditionalities of the IMF. Today it is provable that there is a direct connection between the poverty thus created and the spreading of old and new epidemics, of which cholera and AIDS are only the tip of the iceberg. The current cholera epidemic in Latin America is the direct consequence of lack of investment in the health sector dictated by the IMF. The black and Hispanic ghettos of the United States, with HIV infection rates up to 25%, are almost at the levels of the poor regions of the Southern Hemisphere.

The guilt for this catastrophic situation lies not only with the fully incompetent finance and economic policy of the leading institutions. The Anglo-American establishment has pursued a racist and neo-malthusian policy which has already unleashed genocide on a scale 100 times larger than Hitler. Already two years ago, [Egyptian] President Mubarak stated that the IMF is guilty for 512 million deaths in the developing sector since 1980. Recently publicized, previously classified United States National Security Council documents, produced between 1974 and 1977 under the direction of Henry Kissinger and Brent Scowcroft, dictate that the neo-malthusian policy of population reduction in the so-called Third World is the official policy of the United States. In these documents, supporters of the "New World Economic Order" are accused of having raised "excessive optimism" among the people of the Third World, and thus encouraged population growth which is declared to be a threat to the national security of the United States. The implicit premise of these documents is the right of the United States to worldwide control of all raw materials.

The most explicit of these documents was the "National Security Study Memorandum 200," in which, not accidentally, the 13 developing countries targeted for radical population reduction programs, today, almost 20 years later, have become the chief victims of George Bush's "new world order."

The collapse of the Soviet Empire means the full discrediting of collectivist communism and the economic theories of Karl Marx. But, in the same way, the depression in the Anglo-American sector, the disastrous conditions in the developing

world, and the devastating and predictable results of applying the so-called free market policy in the reform countries of Eastern Europe, prove that liberal capitalism and with it the economic theories of Adam Smith are also bankrupt.

Fortunately, the peaceful revolutions in Eastern Europe two years ago, and most recently in the former Soviet Union, show that the will for freedom in the population is in the end stronger than the darkest tyranny. Thus, the time has now come to end the dictatorship of the new world order, such as we have seen it in the votes of the United Nations Security Council for the Gulf war, as seen in the decades-long non-representation of the majority of humanity by United States institutions, like the IMF and World Bank.

Toward a community of principle

The historic moment has now come in which a just, new world economic order can be realized, rejecting all forms of imperialism, and creating a community of principle where the sovereign rights of all nations on this planet are recognized.

If the United Nations is to do justice to its responsibility as a forum for understanding among nations and defender of human rights of all people on this planet, then it must reflect the interests of the community of principle among peoples. It is thus necessary that the members of the United Nations, as well as the associated Non-Governmental Organizations, confronted with the devastating crisis in the world, should call for the convening of an immediate emergency conference for the realization of a True Fourth Development Decade.

A just order of peace in the world, a stated goal of the United Nations for which the emergency conference must make a start, cannot be based on heteronomic, incidental rules, but must be based on the idea rooted in natural law of the inalienable rights of all people. These rights include not only those obvious rights to life, nutrition, housing, medical care, and such things, but also the right of all individuals to develop the creative potentials in them to the fullest, in order to make the largest possible contribution to the development of their nation and humanity as a whole.

The fulfillment of these challenges must be the highest priority of the newly to-be-created world economic system. The bankrupt Bretton Woods system, and all the institutions associated with it such as the IMF, World Bank, GATT, etc., must be abolished and replaced with a new world financial and monetary system. Included must be a global reorganization of the debt, especially for the developing sector, as well as the creating of new credit mechanisms which on the one side respect the criteria of national sovereignty and otherwise are strictly oriented to productive investments.

The new international monetary system should be based on the traditional economic theories whose application led to all known successful industrial revolutions, that is, the tradition of physical economy of Leibniz, Alexander Hamilton, Friedrich List, and the Careys, and further developed for our times by the American economist Lyndon LaRouche.



Helga Zepp-LaRouche

Because of the extraordinarily acute situation in many nations, it is necessary already during the preparations concerning the reorganization of the world economic system, to create a special Working Committee which can coordinate implementation of long planned regional infrastructure projects, as well as being responsible for the large-scale aid programs for the most severely suffering of the world.

The coordination committee, in its preparations for implementation, would commence with the following exemplary development programs:

1) A Euro-Asian infrastructure program from Brest to Vladivostok, starting from the "Productive Triangle Paris-Berlin-Vienna" as a precondition for the development of a "locomotive for the world economy."

2) The "Oasis Plan" for the development of water production and infrastructure in the Gulf and Middle East as precondition for a permanent peace solution.

3) An all-African infrastructure and development program, including a trans-African railway system and extensive irrigation systems.

4) An Ibero-American integration program, including the construction of waterways and high-speed rail systems.

5) Different infrastructure projects for the development of the Pacific and Indian Ocean basin and different programs for the management of water.

The justification for existence of the United Nations as an institution will be measured by whether it is able to undertake the necessary legal changes in the international economic order that are the precondition for the survival of its member nations.

Cartels cry for protection!

Now that the U.S.S.R. is no longer around to honor bills, the cartel companies are in a pickle.

After the breakup of the Soviet Union, one of the first supplicants to Congress in September was Dwayne Andreas, chief executive of the food giant Archer Daniels Midland (ADM), who came begging for help to get funding to continue the lucrative U.S.-subsidized trade arrangements that ADM and fellow cartel companies have had with Moscow up until now.

While talking free trade, ADM and other cartel companies such as Cargill, Continental, Bunge, Louis Dreyfus, Garnac/André, and Central Soya/Ferruzzi, have had a global protection scam for years wherein they received government handouts under the Export Enhancement Program.

The cartels felt secure in this racket, but as Robert Burns warned poetically, "The best laid plans of mice and men. . . ." The racket is in trouble.

Though President Bush finally got around to authorizing more U.S. credit guarantees for U.S. food exports to the former Soviet bloc nations, no lending agencies want to get involved. Moreover, the Europeans are making their own arrangements. European Community President Ruud Lubbers even told Bush Sept. 25 that the joint meeting Bush wanted on food shipments would be postponed.

So, the cartel companies are screaming at Congress to help, and the House Agriculture Committee scheduled special hearings to oblige. On Sept. 24, testimony was given on agricultural conditions in the Soviet Union. But on Sept. 26, a separate hearing was called on the state of the U.S. export programs, where the rep-

resentatives of the mega-trading companies demanded attention.

In recent years, ADM and its cohorts have dominated all shipments of the millions of tons of grain and other foodstuffs shipped each year to the Soviet Union. The Export Enhancement Program (EEP), enacted in 1985, gave the companies *free*, government-owned commodities (corn, wheat, soybeans), with which they could then offer sweetheart discount deals to Moscow. The same companies also shipped to other nations politically preferred by the U.S. State Department, and raked in taxpayer-guaranteed profits through the EEP.

Over the 1980s, the Soviet Union came to be the fourth largest customer for U.S. agriculture exports—all handled by the cartel. The U.S.S.R. accounted each year for between 15.5 and 26.5% of world wheat and feed-grains traded. But as of August, all the cozy cartel deals were up in the air. No banks, no companies, and no new countries have been stepping forward to accept the government backing for credit for the cartel companies to ship food. Because who is going to pay?

In recent weeks, barter deals have been arranged to ship food from place to place in Europe and throughout the former Soviet bloc. For example, a big swap was arranged for Polish potatoes to go to Russia in exchange for natural gas.

Reports to date show that the cartel companies, which had laid plans to dominate trade as usual, are left out of the action. Even prior to the August upheaval in Moscow, the cartel crowd

was lobbying for government protection because, over the past two years, Moscow was increasingly unable to honor bills.

In June, the Government Accounting Office issued a special report prepared for the Senate Agriculture Committee expressing worry over the worsening "Soviet creditworthiness." A front group for Cargill presented a special, self-serving trade financing plan to Congress in July.

Now, Cargill and friends are just plain demanding help. House Agriculture Committee chairman Rep. Kika de la Garza (D-Tex.) rationalized the cartel special pleading in a Sept. 18 press release to announce the hearing on export trade. "There will be testimony concerning the current state of the U.S.'s export competitiveness. Witnesses on Sept. 26 will include representatives of agricultural commodity associations utilizing USDA export programs and officials of major agribusiness firms doing business in the emerging democracies."

Farmers and former farmers everywhere, who have been systematically underpaid for years by the food cartel companies, have reason for a good laugh at this turn of events. Reflecting this mood, Juan Pedraza, editor of the Midwestern farm journal *Agweek*, commented in his editorial Sept. 9, "Secretary of State James Baker has doubts about the ability of the Soviet Union to repay Uncle Sam for money loaned to buy American grain.

"But U.S. commodity groups are still prodding Washington to shove more credit at the Soviets. Run that by me again. . . . There is no more Soviet Union, but we're still going to give a government that doesn't exist anymore credit to buy our grain? . . . So who'll sign the checks? Who's going to set aside some gold or crude to pay Uncle Sam?"

Will the peso be pegged to the dollar?

Mexico is already well on the way to such a "currency union," and the linkage may be formalized soon.

A new report on the Mexican economy, prepared by the Morristown, New Jersey-based Polyconomics, Inc., calls for Mexico to peg its currency to the dollar—a recommendation which would help to consolidate Mexico's role as a "runaway shop" extension of the U.S. economy, as envisaged by the North American Free Trade Agreement.

The study, reported in the *Journal of Commerce* on Sept. 9, was paid for by Mexico 2000, a group of 36 companies including glass-maker Vitro S.A., Cementos Mexicanos S.A., and the Mexican subsidiaries of Ford Motor Co., Federal Express, and Procter and Gamble.

According to the U.S. daily, the proposal has "strong support in the business community and has been championed by Miguel Mancera, director of the central bank, Banco de México."

As is usually the case with Polyconomics, their study presents as a series of "recommendations" policies which are already being carried out by Mexican officials, the better to propagandize in their favor. This is particularly interesting, given that the firm's head is Wall Street supply-side economist Jude Wanniski, who reportedly is also an economic adviser to Vice President Dan Quayle.

At the end of August, Miguel Mancera participated in a meeting organized by the U.S. Federal Reserve in Wyoming on "Currency and Commerce." Mancera had at his side Jacques de Larosière of the International Monetary Fund, former U.S.

federal Reserve chairman Paul Volcker, and other financial vultures. His speech was entitled "Characteristics and Implications of Different Types of Currency Areas," in which he stated that "I have absolutely no intention of making proposals for currency unions," but instead "would like to offer an academic analysis of the characteristics and effects of currency areas."

In speaking of the conditions which might lead to the creation of a "common currency," Mancera drew a portrait of current trade, financial, and monetary relations between the U.S. and Mexico:

"The first and by far the most important prerequisite is that the reference currency's [i.e., the dollar] purchasing power be stable. Other conditions are: that prices and nominal and real personal income be flexible; . . . that there are no serious obstacles for the international mobility of merchandise; . . . and, crucially, that sustaining the exchange rate is a real and credible possibility.

"At one extreme, the central bank's statutes may only allow currency to be issued against the purchase of a specific foreign currency or international assets in general. . . . *The rule is equivalent, in a certain sense, to adopting the reference currency as the domestic currency, but with the advantage that the reference currency need not circulate within the national territory. . . . A few countries, such as Hong Kong and Singapore, have successfully adopted schemes of this sort*" (emphasis added).

At an earlier point, Mancera had noted that "the United States and Panama, for example, use the same currency," going on to argue, incredibly, that "this is a decision made by Panama alone."

Mancera is explicit about the loss of sovereignty involved in such currency unions: "Permanently fixing exchange rates is in almost every sense tantamount to monetary unification. . . . The implications of this are profound. National governments lose their *de jure* or *de facto* privilege to manage or at least influence its central bank's primary credit."

Mancera is, however, cautious about openly advocating such a step. Rather, he states, "When it becomes necessary to make a decision concerning this subject as with many others, it is advisable to adopt an eclectic rather than a dogmatic position."

Mancera's monetarist "eclecticism" is well known to Mexicans. In July 1989, the Banco de México director eliminated the *legal reserve*, alleging that the central bank no longer required that a certain percentage of bank deposits be left in its vaults. In its place, he imposed a *liquidity coefficient*, which determined that the commercial banks must invest a percentage of their resources in public bonds, thus creating a "captive demand" for Treasury certificates.

On Sept. 11, through Banco de México circular 34/91, director Mancera decreed the disappearance of the liquidity coefficient, but imposed in its place a banking reserve requirement of up to 50% on dollar deposits!

Miguel Mancera is doing what he "academically" informed bankers he would do. He is establishing "legal limits to primary credit expansion," and adopting "the reference currency as the domestic currency"—but with the advantage that the Mexican people presumably don't know about it.

Business Briefs

Development

Catholic journal calls IMF plan 'infamous'

For the first time, a Catholic organ has attacked the International Monetary Fund (IMF), Jeffrey Sachs, and his Polish model by name, and has called for an infrastructure development plan for the East. The unprecedented attack on the IMF appeared in *Il Sabato*, the Italian magazine which often reflects the views of Cardinal Joseph Ratzinger.

"It must be said with utmost clarity that the plans of the IMF for the U.S.S.R. and the East countries are infamous," wrote Prof. Franco Cardini of the University of Florence in the Sept. 14 issue.

"The model of the IMF is the one imposed by the Harvard 'egghead' Jeffrey Sachs on Poland: first of all, payment of debt, then increase of exports, at the cost of slowing down the development of the productive capabilities and of the living standards of the population. The American economic advisers that [Boris] Yeltsin and [Eduard] Shevardnadze like so much (and Grigory Yavlinski is taking this dangerous road) propose for the Soviet Union the usual monetarist recipes based on the assumption that the nominal value of capital is more important than the real economy; the other miracle cure is zero growth (with forced sterilization by chance?) and the old instrument of Adam Smith, the 'free market.' The emerging Russian leaders expect from this to get prosperity: they will get chaos and the new risk of a civil war.

"The former empire needs quite different models. It needs, first of all, a redefinition of infrastructure for the transportation and distribution of goods (railways, highways, canals, electric and telephone lines), then a flexible financial superstructure that allows the issuing of low interest credits for national productive investments that must be helped with tax incentives, and organized in a way that favors above all small and medium-sized entrepreneurs.

"The European Community is in the position to supply not only suggestions, but also capital and technological structures. But all this obstructs the plans of the new world order, that is strictly hooked to the United States, the country that remains (lest we forget) the most

indebted country in the world, and is facing a crisis of production exemplified by the crashes of the stock market and of the big banks. It is this new frontier that reemerging liberalism would like to propose to the former Soviet Union as a way to overcome its old problems."

Economic Theory

Kirkland warns of unfettered free market

In his opening remarks to the conference of the International Labor Organization in Paris, AFL-CIO President Lane Kirkland warned that attempts to impose the "free market" model in eastern Europe are nothing more than a new form of tyranny.

"There are those utopians out there who, from the comfort of their own regulated and semi-socialized economies, seem to relish the idea of imposing some sort of grand experiment in free market ideology on the newly emerging democracies," Kirkland said.

Referring to the optimism created by the Marshall Plan in war-torn western Europe, Kirkland warned, "Had anyone tried to persuade them that things must get worse for them in order to get better eventually, they might have refused. They might have accepted the overtures of Stalin and succumbed to the lure of the workers' utopia through communist totalitarianism.

"Yet this is precisely the message that the workers of the former communist dictatorships are receiving today—at home, from the western democracies, and from the elites of international finance.

"Let me point out that the message is Leninist. The idea that in order to improve in the future something has to be made worse to begin with is just another form of 'revolutionary defeatism,' or of Lenin's dogma that dictatorship is the necessary prelude to the universal realm of freedom. That is the doctrine that drives the relentless pursuit of utopia—whether it is undertaken by the right or left or by free-market liberals. In any case, it is a dehumanizing, anti-democratic and dangerous exercise, and it's in everyone's best interest to steer clear of it.

"We must constantly remind ourselves

that societies and states are raised among men to serve, not the faceless marketplace, but the aspirations of real people. If we do not, the end of one cold war may simply herald the dawn of another, between the people and the agents and instruments of another form of ruinous zealotry."

Labor

Michigan blacks now worse off

A new report by Michigan State University issued Sept. 5 warns that "Michigan is no longer a land of economic opportunity for a large percentage of black residents." The report made headlines in the *Detroit News* and other area press.

Over the past 18 years, unemployment among black males in Michigan grew three times faster than among white males. The unemployment rate for black males in Michigan in 1989 was 18.2% (11.5% nationally).

The unemployment gap between African-Americans and white residents grew faster for men than women, the result of the collapse of the auto industry.

The report denounces the Bush crowd's "trickle-down effect," stating that it will only "widen the gap" between the rich and the poor.

Canada

Thanks to tax, shoppers go south

The *Toronto Globe and Mail* has obtained a study that shows that the Canadian government foresaw the effects of the country's notorious Goods and Services Tax (GST) before it was implemented. The confidential report, written last fall, foresaw an increase of cross-border shopping by Canadians, and predicted an increase of smuggling. It was obtained by the newspaper under the Access to Information Act.

The report noted that the GST would make American goods 3.8% cheaper than the 16%

cheaper they already were before the implementation of the GST. The report notes, "The less expensive goods found south of the border have provided today's shopper with the ability to sustain consumption at a high level while remaining within the confines of his/her budget."

Because the Canadian dollar has risen against the U.S. dollar, U.S. goods are even cheaper than this report anticipated. Canadians are now buying everything, from clothing and food to gasoline, south of the border.

Statistics have been reported showing that single-day border crossings by Canadians to the U.S. have increased from 23.3 million to 28.1 million in the first six months of 1991. This is more than one for every Canadian citizen.

Technology

Korea, U.S. to cooperate on super-collider

U.S. Secretary of Energy James Watkins and Korean Minister of Science and Technology Jin Hyun Kim signed a memorandum of discussion in Washington in September, toward cooperation on the superconducting super-collider. It stated that heads of a joint working group will be named by October and will meet and submit recommendations for future activities of both governments.

This is the second international Joint Working Group established to discuss participation in the project, the first being with the former Soviet Union.

Environmentalism

EPA discloses CFC phase-out plan

The Environmental Protection Agency (EPA) Sept. 19 proposed a total phase-out of chlorofluorocarbons (CFCs) production and imports by the year 2000, in accord with 1990 Amendments to the Montreal Protocol. The ostensible aim is to "help restore stratospheric ozone to

its normal level by the middle of the next century."

By the EPA's own estimate, the "cost to society of switching to alternative substances to replace ozone depleters" will be \$36 billion through the year 2075.

The EPA's proposal phases out, starting Jan. 1, 1992, CFCs, halons (used in fire extinguishers, for which there are no comparably effective substitute), carbon tetrachloride, and methyl chloroform. The proposal will be printed in the *Federal Register* shortly, after which there is a period for public comment before it becomes law.

The truth is that the ozone hole is a natural and seasonal phenomenon. It was first discovered in 1956, long before the widespread use of CFCs. To add to the idiocy of banning man-made substances that produce barely a fraction of the gases erupted each year by volcanoes, EPA head William Reilly described the "innovative, market-oriented" mechanism by which U.S. companies can "trade" the CFC allowances apportioned to them each year by the EPA in decreasing amounts.

Agriculture

Dutch study: EC reforms devastating

If the proposals from the European Commission on reform of the Common Agriculture Program are adopted, they will have devastating consequences on farmers, says a new study by the Dutch Institute of Agricultural Economics. It calculates that the proposal put forward by EC Agricultural Commissioner Ray MacSharry, and endorsed by the EC Commission, would collapse farmer income. Worst hit would be Danish farmers, who would lose some 41% of their income; German, British, French and Dutch farmers would lose between 5-15% depending on farm size.

A meeting of EC national farm ministers in Brussels will decide whether to accept the MacSharry plan. EC farmer unions have called demonstrations against the plan, which began with a Sept. 23 Hanover, Germany protest.

Briefly

● **ONE STUDENT** in every four in U.S. high schools has seriously contemplated suicide, according to a survey by the Centers for Disease Control in Atlanta, Georgia last year. An estimated 276,000 high school students in the U.S. made at least one suicide attempt requiring medical attention in the 12 months before the survey. Suicide rates for adolescents aged 15-19 quadrupled from 2.7 per 100,000 in 1950 to 11.3 in 1988.

● **GERMAN** Chancellor Helmut Kohl proposed the establishment of a German-American Academy of Sciences as "one element of strengthening U.S.-German collaboration." He suggested that there would be centers set up which could be the focal points of exchange of scientists and researchers.

● **CHINA** is the primary source of the deadly new drug "ice," Hong Kong police told Reuters Sept. 6. It is a crystalline form of methamphetamine (speed), is more potent than heroin or crack cocaine, is almost instantly addictive, gives a 24-hour "high," and is just as cheap as crack.

● **JAPAN** will send a delegation of oil experts to survey the fields of West Siberia in October to recommend how to increase output from existing Russian oil fields. Minister for International Trade and Industry Eiichi Nakao has stated that MITI, the Japan National Oil Co., and private firms will be part of the survey.

● **TAIWAN** is limiting large investments on the Chinese mainland to prevent dependence. While no formal ceiling is being set, any project over \$1 million is being reviewed. Recently, a U.S. \$20 million investment in a rubber tire firm was refused the necessary permits.

● **MEXICO** has discovered a vast new oil field, capable of producing 1 million barrels per day and boosting Mexican output by one-third.

Reality of cold fusion can no longer be denied

Japanese non-fiction author Fujio Nakano reports on the scientific breakthroughs that some people, strangely, would like to suppress: excess heat production and 100% repeatability.

The September issue of the Japanese mass-circulation magazine Bungei Shunju carried a major feature on cold fusion research which appears below in translation. The article contains a lively report on some exciting new research in Japan, but it is also of great interest for its description of the political environment for scientific research in that country.

Just as in the United States, cold fusion has been the subject of attack by other scientists and in the press. But whereas researchers Martin Fleischmann and Stanley Pons have been literally driven out of the United States, in Japan the anti-science forces are not hegemonic, and, as this article shows, the two scientists have many vigorous supporters.

The appearance of the Bungei Shunju article is a sign of the far more open environment for science which now exists in Japan. Many people believe that at the Third Annual Cold Fusion Conference, to be held in Japan in October 1992, the results of this will be seen in an array of breakthrough results in the field, which will come out of Japan.

This translation from the Japanese is courtesy of Jed Rothwell.

Alchemy was both an art and a science, which attempted to change commonplace base metals into silver and gold. It was practiced before the founding of ancient Babylon, and continued until the modern era in Europe. That long, futile search led to the founding of metallurgy, chemistry, and the theories used to manufacture materials. Alchemy also led to research in medicine, and even promoted the growth of philosophy. It gave rise to a host of ideas and concepts. Even

a child can learn this from an encyclopedia.

In Japan, the word "alchemy" has no hint of its original academic meaning. Think of "alchemy," and what comes to mind are things like Investment Advisory Letters, inside trading, corrupt "special deals," and so on, which are 180 degrees away from the original sense of the word. I am afraid that the group that opposes "cold fusion" thinks that word has the same connotation as "alchemy." That point of view seems to have soaked into their very bones. If you tell them that cold fusion reactions exist, and they generate heat, the only way the opposition knows to respond is to say, "It is too good to be true." They deny any possibility that cold fusion is real, and refuse even to look at reality.

Of course, this "alchemy allergy" is seen in other countries as well. Perhaps it is more pronounced in Japan because of our authoritative academic traditions. Professors here announced theories rejecting cold fusion before they had even studied the problem. The negative point of view was amplified by other opinion-makers, perhaps only because they like to "stick with the winner" and "join the biggest crowd."

But all that is no longer open to discussion. Cold fusion experiments and replication left those levels of doubt a long time ago, and entered a more concrete stage of development. Anyone who still says, "Such nonsense, it can't be!" is simply not looking at reality.

'We got tritium!'

It happened on the morning of Feb. 23, not even a month after I submitted my last article, "Nuclear Energy from Wa-

ter,” which appeared in our [*Bungei Shunju*] March issue. I got an excited call from Dr. Tadahiko Mizuno of the University of Hokkaido Nuclear Engineering Department.

“We got tritium! It was there all right! Even if you measure it conservatively, we are getting 10,000 times over background.”

Heavy water is the so-called “fuel” of a cold fusion reaction. To determine whether or not a reaction is taking place, you have to look for a number of different effects. One of these is the evolution of tritium. If tritium appears, you have a fusion reaction. As I wrote in my last article, Dr. Mizuno began his experiments in late March 1989, soon after the announcement of cold fusion was made in the U.S., at the University of Utah. After two and a half months, early in June, he became the first researcher in Japan to replicate the cold fusion experiment. At this time, the conclusive evidence that fusion was occurring was the detection of neutrons. Now, in 1991, he had detected tritium.

On the afternoon of Feb. 12, Mizuno finished one of the many experiments he had been conducting in the basement lab ever since the Utah announcement. He carried the fusion cell from the basement up to his lab on the third floor of the engineering building.

A “cell” is a stainless steel flask that is the core of the cold fusion device. Now, from the term “nuclear fusion” you might imagine that a cell is a great big complicated device. Actually it is nothing more than a steel test tube. It is a flask, about 8 centimeters in diameter, and 20 centimeters tall. It holds about 800 cubic centimeters—about a quart. It is a lot heavier than, say, a household juice pitcher, because the flask walls are a centimeter thick all around. The inside of the vessel is coated with teflon. You fill the vessel half-way with 400 cc of heavy water mixed with salts and other chemicals. The solution that Mizuno puts in his device is a yellowish liquid, the color of whiskey mixed with water, or salad oil. The top of the device is also made of thick stainless steel. It has two electrodes built into it, one made of platinum and one of palladium, as well as a temperature sensor terminal, and so on. You lower the electrodes and the sensor into the liquid, and then firmly bolt the top on, and then wrap the device all around with heating wires. This is the design of Mizuno’s experimental device—his cell.

When he got back to his lab, he took the top off the cell, and removed about 50 cc of the liquid, a little at a time, with a pipette. He transferred this to a glass test tube. This was to be measured for the presence of tritium. While he had measured the tritium in the liquid before performing the experiment more than 100 times, this was actually the first time he would measure it after the experiment. Mizuno, and his colleague Akimoto, had been the first researchers in Japan to succeed in detecting neutrons, thereby establishing that a nuclear reaction was taking place. But Mizuno felt bothered by the fact that he had not detected any excess heat at all, whereas “enormous amounts of excess heat” is the main

effect reported by Drs. Pons and Fleischmann. He felt a nagging doubt: “We are definitely detecting neutrons, which can only mean that fusion is occurring. But can we be certain. . . ?” Even though he had exhaustively measured neutron radiation, he felt he had not paid enough attention to the problems of tritium, or, of course, heat.

Mizuno felt it was about time to “give it a try,” as he gave the glass test tube to Dr. Kazuhisa Yasuzumi from the chemistry department. He did not seriously expect dramatic results.

Ten days after the experiment finished, at 1:00 on the afternoon of Feb. 22, Yasuzumi called from the chemistry building. “Dr. Mizuno, it’s unbelievable! I’ll bring the data over right away!” A few minutes later he came running into the lab, sweating and out of breath.

“What do you think of this?”

No matter how conservatively you measured it, Yasuzumi’s data clearly showed an enormous increase in tritium. The results clearly showed that the experiment had evolved tritium to a level at least 10,000 times higher than it had been before the experiment.

U.S.-Japan joint experiment at Kamioka

Let me start by repeating some of what I wrote in my previous article. Nuclear fusion means, literally, that two atoms stick together and fuse into one atom. But, in reality, the story is not that simple. For example, a hydrogen atom has neither a positive nor a negative electrical charge. Atoms consist of electrically positive protons and negative electrons, so the positive and negative balance out.

When you try to stick two hydrogen nuclei together—in other words, when you try to squeeze together a proton with another proton—since they both have a positive charge, they repel one another. It is like trying to squeeze together the north poles of two magnets: They refuse to come together.

The same thing happens with heavy hydrogen. Heavy hydrogen (deuterium), like regular hydrogen, is composed of a proton and an electron. However the deuterium nucleus is different. The hydrogen nucleus contains one proton, whereas the deuterium nucleus (called “deuteron”) contains a proton and one other particle with about the same mass, the neutron. This gives the deuteron the additional mass of the neutron. In short, it makes it heavy. Two hydrogen atoms combined with one oxygen atom make water: H_2O , which weighs about 100 grams per 100 cc. In contrast, two deuterium atoms combined with one oxygen atom make heavy water: D_2O , which weighs 111 grams per 100 cc—more than 10% heavier, because of the extra mass of the neutrons.

Although deuterons are slightly different from regular hydrogen nuclei, when two deuterons are pushed together, they repel each other magnetically, just like hydrogen. Under normal conditions they do not fuse together. However, while the nucleus of an atom is similar to a magnet, it is not exactly the same. If you overcome the repelling energy and push

nuclei close enough together, when they reach a certain point, they suddenly pull together with an awesome strength. They collide and fuse together. At that moment a large amount of energy is released. This atomic fusion energy appears in the form of heat.

It is thought that with cold fusion, the reaction is a "D-D" reaction; that is, a reaction combining a deuteron with another deuteron. Remember, a deuteron is the nucleus of the heavy hydrogen atom. So, two nuclei come together, each containing a proton and a neutron. However, the resulting atom cannot hold all the particles; it cannot have two protons and two neutrons. Two fusion reactions can occur, with equal probability. In the first reaction, two protons and one neutron can fuse to form another element called helium-3, and the remaining extra neutron is thrown out. In the second possible reaction, one proton combines with two neutrons, forming tritium, and the extra proton is thrown out.

With the former reaction, a neutron is thrown out, so this is called the "neutron branch"; the latter reaction that creates tritium is called the "tritium branch." The D-D reaction, or D-D nuclear fusion, consists of these two different branches.

Mizuno, at Hokkaido University, in his experiments up to now, had already made steady repeated observations of neutrons, so we can confirm the neutron branch. Now that he has also detected amazing masses of tritium, we can also confirm the "tritium branch." Of course, we cannot be 100% certain of the tritium branch on the basis of only one observation, but clearly this result adds greatly to the growing evidence that D-D reactions are occurring in his cell.

He gathered these results together in a manuscript to submit to an electrochemical journal, and went only so far as to tell a small group of his close associates and some newspaper reporters. On March 20 he set to work repeating the experiment.

Two or three days later, something happened elsewhere. You might say that the Japanese press is negative toward cold fusion, or at least, very cool toward it. A report appeared in the media that a U.S.-Japan joint cold fusion research project was starting up in the underground Tokyo University Cosmic Ray Laboratory in Kamioka. Here is a part of the report that appeared on March 23, in the evening *Yomiuri* newspaper (Tokyo edition):

Today, it has been exactly two years since cold fusion appeared on the scene, but it has still not been determined whether the theory is valid or not. In the middle of next month, a joint group of U.S. and Japanese researchers plan to test the theory in the Kamioka underground observatory located in Kamioka City, Gifu Prefecture. They will use the gigantic water tank there.

The tank is located 1,000 meters underground, where it is not affected by cosmic radiation. This allows the scientists to perform the world's most accurate search for neutron radiation. If neutron radiation

is found, it will prove that nuclear fusion is occurring. Because of this, the experiment is attracting worldwide attention. . . .

This joint U.S.-Japan experiment began on April 17; on the U.S. side were Dr. Steven Jones of Brigham Young University and Dr. [Howard] Menlove of Los Alamos National Laboratory; on the Japanese side, the experiment was to be performed by a group led by Dr. Youji Totsuka of the Cosmic Ray Laboratory.

The Kamioka Underground Observatory is in the middle of the mining region of Gifu Prefecture, where the largest lead and zinc mines in Japan are found. It is located 1,000 meters underground, near the mine belt. It is a huge open space, an underground room, 19 meters in diameter, 22.5 meters tall. The room is equipped with a large tank with a capacity of 1,500 tons of water. In the tank are filters and resin ion exchangers designed to keep the water free of all types of impurities and extraneous matter. This enormous pool of water, along with the 1,000 meters of solid rock overhead, was intended to keep any unwanted cosmic rays from sneaking in and getting in the way of the observations.

Our daily living environment is filled with various subatomic particles from outer space, called cosmic rays, as well as electromagnetic waves from radioactive minerals, and all kinds of other particles. Scientists call all these things lumped together "background," which is to say "noise" or "static." Neutron radiation is also part of this background, of course, which means, for example, if you want to measure the neutrons coming from a cold fusion experiment, the background neutrons get in your way. The basement lab in Hokkaido University, where Mizuno has installed his cell, is 5 meters underground. It is surrounded by thick concrete walls, and the entrance door is made of lead 3 meters thick.

Even with all these precautions, cosmic rays get in anyway. So, before he performed his experiments, Mizuno spent several weeks measuring the energy of the background neutron radiation. Then, after several weeks performing his experiments, he spent about the same amount of time measuring the background again. He wanted to verify that the "noise level" was the same after the experiment as it had been before. He succeeded in verifying this, so he subtracted the neutrons caused by cosmic rays—in other words, the "static" from the total level of neutrons detected during the experiment. This is how he determined the actual number of neutrons.

The Kamioka Underground Observatory is 1,000 meters underground, and the thick solid rock keeps almost all static out. Even if a neutron should be lucky enough to get through the solid rock, it would probably be stopped by the enormous 1,500-ton volume of water. The neutron is almost certain to run into one of the hydrogen protons in the water, which stops it dead. A neutron manages to penetrate through the 1,500 tons of water to strike the detectors in the center of the

tank only once every 14,400 seconds on average; in other words, once in four hours. So, the device allows extremely accurate experiments and measurements.

This observatory is also called the Kamioka Neutrino Detection Experiment. It has the best neutrino observation equipment in the world. A neutrino particle, like a neutron, has no electric charge, either positive or negative. So it cannot be forced out of its path to the left or right with an electromagnet; it flies straight past, unaffected. A neutrino is incomparably smaller than a neutron. So the chance of a neutrino hitting a proton in the water is much smaller than the chance of a neutron hitting a proton. Even if a neutrino hits one, it is likely to bounce off it in another direction, and keep working its way through the water.

The Kamioka Observatory became famous in February 1987. When neutrinos from a super-nova explosion in the Great Magellanic Cloud reached Earth, they were detected and measured in the Kamioka observatory with incomparably greater precision than at any other facility on the planet. The incident showed just how excellent the facility really is.

Jones and Menlove performed their experiment with this fantastically accurate measuring device. But, they did not make much progress. On May 27, the *Yomiuri* newspaper began a report:

Cold Fusion Proof Not Found. Several Months Needed to Analyze Data. Joint U.S.-Japan Underground Experiment at Kamioka Gifu Prefecture.

Researchers from the U.S. and Japan performed experiments to verify that cold fusion exists. The experiments began on the 17th of last month in the underground pool observatory in Kamioka, Gifu. The joint experiments continued until the 22nd, but ended without clear proof that cold fusion reactions had occurred.

The article says "data will take several months to analyze," yet it declares that the experiment had failed. It makes me wonder what they have in mind—since this was printed in the morning paper five days after the experiment ended, not "several months" later—but I guess I will let that go. In any event, the first joint experiment at Kamioka misfired.

'Heat' found

Just before the *Yomiuri* newspaper article appeared, a very strange phenomenon occurred with Dr. Mizuno's device at Hokkaido University. Mizuno set up an experiment on March 20. He ran electricity through the platinum to the palladium electrode for 650 hours, up to April 22. Then he turned off the electricity and terminated the experiment for the time being. It was the same routine he had always followed. Then, three days later, on the morning of the 25th, he went to the basement laboratory. He reached out to touch the cell. He was astonished to find that it was extraordinarily hot. Far too hot to handle.

Usually, the experiment ends when the electricity is cut. The heater that is wrapped around the cell is left on for a while. This is done to measure the background neutron radiation. The electricity going into the heater is controlled by a thermostat that keeps the cell temperature at 90°C at all times. However, just by holding his hand near the cell, Mizuno could easily tell that the temperature was way over 90°C.

He could not decide what to do. It was clear that the heat was originating from inside the cell, but there was no electricity flowing through the electrodes, so he did not know

Yasuzumi called from the chemistry building. "Dr. Mizuno, it's unbelievable! I'll bring the data over right away!" A few minutes later he came running into the lab, sweating and out of breath. "What do you think of this?"

what could cause the heat, nor could he control the heat. If he left it as it was, there was nothing to stop it from becoming dangerously hot. He turned off the heat wrapping.

The temperature in the basement laboratory is maintained at 20°C year round. Until now, whenever he turned off the heater, the cell would slowly cool down, until, in about 20 minutes, it would cool down enough to be handled with bare hands. But not this time. He waited an hour, then two hours, but it stayed far too hot to touch. Mizuno ran around the engineering labs, gathering towels. He wrapped the cell in a bundle of towels and carried it up to the third floor lab. He warned everyone there, "*High Temperature Do Not Touch*," put the cell in a corner of the lab, and waited for it to cool.

Two days later it was the long holiday weekend. He was the only one in the lab. As the weekend had begun, the cell had cooled down to room temperature. He set to work opening it up and examining it. There was nothing unusual. It was just as it had always been.

"Where in the world was all that heat coming from?" he wondered.

He had not seriously expected to find excess heat, just as he had not expected to find significant amounts of tritium. He had been the first person in Japan to detect neutrons; later he became the first to succeed in detecting increased levels of tritium, so he was already completely convinced that he was looking at a fusion reaction. "There is no room left for doubt," he said, but somehow he still felt a nagging uncertainty.

Mizuno went back to have another look at the experimental records of temperature. Until now he simply did not be-

lieve he would find anything, so he had only spot-checked the temperature records occasionally. He had never looked at the entire record at one time; he had never examined the big picture. Now, as he carefully examined the detailed record, he found that very strange temperature changes were appearing. The experiment had run for 650 hours, when he turned off the electricity and terminated the reaction on April 22. Then the temperature and pressure within the cell fell rapidly. At 655 hours, the temperature and pressure lines stabilized, and continued horizontally. Around hour 670, the temperature began to climb. It fluctuated only slightly, as it continued to increase. By hour 705 it reached a peak 15°C above the 90°C background temperature set by the heater. Moreover, the temperature declined only slightly over time, continuing until April 25, the day Mizuno removed everything from around the cell including the electric heater.

Mizuno examined the temperature record and computed the heat output. For the 55-hour period starting from hour 670 up to hour 725, when he removed everything and brought the cell upstairs, the reaction had output an average of 4 watts per hour. Therefore, it put out a total of 220 watts during the 55 hours. Heat is usually expressed in joules; if we convert watts to joules, we can say that the total heat radiated over the 55-hour period was 792,000 joules.

How much heat is this? You can compare it to the heat put out by one of these body warmer plastic bags filled with chemicals called "Hotto Kairo" that people take to football games and on camping trips. A "Hotto Kairo" contains powder made from iron that is oxidized to generate heat. One mole of iron (55.8 grams) oxidizes at a temperature of 25°C, outputting 162,000 joules of heat. Different manufacturers put different amounts of iron powder in the "Hotto Kairo" bags; but let us say the typical bag holds at least 20 grams. The total output heat from that comes to about 58,000 joules. The total heat from the cold fusion cell was 792,000 joules, 13.7 times greater than that. Therefore, over the 55-hour period, the cell output as much heat as 13 or 14 "Hotto Kairo" bags.

You might be thinking, "That is not so much heat," but remember, this amount came out *after* the electricity was completely turned off and the experiment was terminated. It is impossible to say how much more heat would have come out of the device if it had not been turned off.

The fact is, the phenomenon occurred *after* the electricity going into the electrodes was cut off, which makes it even more astonishing and inexplicable. At the time this happened, Mizuno was in a hurry to finish up a paper he was scheduled to deliver at the Nuclear Physics Society meeting. He only made a brief note at the end of the paper describing this latest discovery. He did not state his view of what the phenomenon might be, and did not draw any conclusions. He had encountered enough skepticism when he reported observing the neutrons; he heard comments like, "That could not happen" and "You must have made an experimental er-

ror" from every corner. If he was also going to claim he had observed "excess heat," in a miraculous, unnatural form after turning off the electricity, it was clear that he would be exposed to a flood of criticism.

'Possible proof' may have been there all along

On June 19, as Mizuno was adding the final note to his report, a sensational headline appeared on the science page of the *Asahi* newspaper: "Neutrons Indicate Possible Experimental Verification of Cold Fusion." The data from the experiment performed from April 17 through the end of May by Jones and Menlove in the Kamioka Underground Observatory had been analyzed. It now appeared that neutrons had been detected. Five days after the experiment, the *Yomiuri* newspaper had reported "Cold Fusion Proof Not Found"; now the *Asahi* was reporting "Possible Verification."

The article reported that they checked for neutron emissions every two-thousandth of a second. In six cases, more than two neutrons were observed; four was the greatest number counted. This is a wonderful result, because this took place in an environment where one neutron enters every four hours, every 14,400 minutes; because this is the most "static free" environment on Earth.

This article is written in a weird fashion. It says "more than two" neutrons were detected six times. Well, in that case, how many times was "one neutron" detected during a two-thousandth of a second measuring period? This is not explained. Do you suppose that "one neutron" was only detected only once every four hours? Are single neutron events that rare, when two neutron events occurred "more than six times"? What exactly went on here? Did the Kamioka staff report how many times a single neutron was detected? If so, did the newspaper reporter leave that information out of the article?

Other parts of this article bother me:

It was reported that a slight possibility of experimental error still exists, due to factors like radioactive uranium contamination in the device, or electrical noise (static) that might be mistaken for neutron radiation.

Dr. Jones said that in his view, the neutrons measured in this experiment, "were caused by cold fusion." However, Dr. Totsuka said that "we cannot assert this at the present stage."

The Kamioka Observatory is the most accurate and precise in the world when it comes to observing neutrinos. So why, in the case of this experiment, are the researchers so suddenly concerned about radioactive contamination and electrical noise? This device is reputed to be the most accurate in the world, not just in the country; is the vaunted "Kamioka Observatory" really so unstable?

If this kind of experimental error is possible now, it must

have been possible in the past as well. In that case, what has been going on all along? Are all these previous experimental observations similarly in doubt?

The president of Tokyo University was one of the early opponents of cold fusion. In late March 1989, the month Pons and Fleischmann made their announcement, he stated, "If cold fusion is as easy to get as they say, I will quit physics, shave my head, and become a Buddhist priest." I do not suppose that anyone connected with the experiment has allowed those words to color their reporting. But I wonder how

A statement was circulated claiming that someone in the MIT group had altered the data from the cold fusion replication experiments in 1989. Members of the group are among the most powerful of the scientists who have come out against cold fusion.

to explain their inclination to disclaim and disavow their own experimental results.

The Kamioka experiment now being conducted by Jones, Menlove, and a Tokyo University Cosmic Ray Institute professor is due to be repeated in July, and the final results will be reported this fall. I guess it will be fun to see the results, but I also feel somewhat anxious. The reason is, I watched Jones prepare his experimental device on NHK [national television], and to be honest, I was surprised at how slipshod the device looked, and how carelessly he was handling it. I have seen devices at Hokkaido University, Texas A&M, I saw Jones's setup at BYU [Brigham Young University]; to me, the device at Kamioka does not look like it is up to the usual standards. Why didn't he bring one of his devices from Utah? I cannot go along with what is happening.

What really floors me is the way Jones handled the device. When I watched the Mizuno work at Hokkaido, and when I watched the experiments at Texas A&M, I saw that they handle the equipment very carefully. They take pains never to touch the electrodes with bare hands, since sweat or oil from the skin can cause oxidation. Well, as far as I could see on television, when Jones was preparing the device, he had his hands all over it. I wondered if it would work; and if the experiment failed because of his rough handling, I wondered if it wouldn't delight the anti-cold fusion gang. This may be none of my business, but it bothers me.

This is getting off the subject, but, on June 14, five days before the "Possible Verification" article appeared in the *Asahi* newspaper, an incident occurred in the American cold fusion community, at the Massachusetts Institute of Technol-

ogy (MIT).

A statement was circulated claiming that someone in the MIT group had altered the data from the cold fusion replication experiments in 1989. Members of the group are among the most powerful and dominant of the many hot fusion scientists who have come out against cold fusion. When the Pons and Fleischmann paper came out, one member of the group discovered a defect in part of it and wrote a scathing article in *Nature*, ripping apart the Pons and Fleischmann paper. The MIT group began replication experiments in March 1989 soon after the Pons and Fleischmann announcement. Then they announced their experimental results: "No effect was seen." However, it seems that they should have announced instead: "We have decided we are not going to see any effect." I must protect the name of the person who revealed this, but some of the data in the group's report has been fudged. I can say that I have in my hand a blurred copy of a fax with the notation:

Experimental records from July 10, 1989 almost certainly show excess heat evolution. However, when these data were published on July 13, 1989, the contents had been changed. It is clear that the data shown in the graph published on July 13 have been altered.

When the altered data were revealed, the group leader began offering weak, irrational excuses, claiming he "did not have enough time" or "did not have the budget." Suppose you did not know about these backstage maneuvers; you did not know it was a sloppy experiment performed with slipshod equipment; you did not know that the results were tampered with. In that case you would accept the results at face value. When an MIT professor announces an experiment, nobody doubts that it is true—because, after all, it is labeled "MIT."

100% repeatability

Let us return to the U.S.-Japan joint experiment at Kamioka. It is not clear why the "U.S." side is represented by Dr. Jones from BYU and Dr. Menlove from Los Alamos. Why didn't the original discoverers, Drs. Pons and Fleischmann, participate? I would like to have seen Pons and Fleischmann come, since it was their device that generated such a spectacular amount of heat—at one point it even melted. Perhaps they could not come.

The ostensible reasons they did not come were: Fleischmann had to return to England to be hospitalized for an operation to remove a tumor; Pons had his funding cut off from the cold fusion research center; he had been locked out. Not only that, but he supposedly sold his house and disappeared. In Japan not only the mass media, but the anti-fusion scholars repeated rumors about Pons like: "It was as if he absconded in the night; apparently he went overseas" or "he was under pressure to reveal his experimental results, so he pulled up stakes and fled." So, supposedly, although he had been invited to Kamioka,

there was no way he could come.

I would like to outline what has actually happened to them, in order to set the record straight and defend their integrity. It is true that Fleischmann did have to return to England to have a tumor removed. However, he is already out of the hospital, and he is fit as a fiddle. It is also true that Pons sold his house. However, he left because he was fed up with pestering and hectoring mass media reporters, who were usually out to find flaws and write negative articles about him. A long time back, both Fleischmann and Pons bought

Phenomena like cold fusion and high-temperature superconductivity that totally overthrow previously held principles are rare in the history of science. Japan ought to put more value on this chance to participate in a brand new field of research starting from the ground floor.

other houses somewhere in Utah.

The reports about the Cold Fusion Institute established at the University of Utah have also been filled with mistakes. Originally, the two had paid for all the experiments out of their own pockets, without depending on university funding. When the university found out that their research might lead to a cold fusion energy revolution in the future, it bent every effort to snag the credit for the research, and caused all kinds of confusion. For example, in 1989 Fleischmann, Pons, and Jones had all promised to make simultaneous announcements of the discovery of cold fusion. The university administration's machinations messed up the plans and pushed Fleischmann and Pons to announce a day earlier than Jones.

Later the university obtained funds from the state to establish a Cold Fusion Research Institute. Common sense would lead you to suppose they would pick the head of the Chemistry Department, Dr. Pons, to run a new facility like that; however, the university brought in Fritz Will, an electrochemist working for a corporation. Then they began pressuring Fleischmann and Pons to gather up and hand over all the data they had collected so far to the institute. Perhaps the University of Utah judged that if they got hold of all the data, they could get along without Fleischmann and Pons. There is no doubt that if cold fusion becomes a practical, commercial form of energy, the profits from patents will be enormous. I suppose they were thinking they could install a corporate researcher as head of the institute, work together with the corporations, and somehow get their hands on all those fat profits.

Naturally, there was no way Pons and Fleischmann

would go along with this. Of course they refused to hand over the data. Furthermore, they needed to complete their own research; they were not about to let someone else do it instead. They could not reach a settlement with the research institute, so Fleischmann returned to England for the time being, and Pons took an "extended leave of absence."

The institute found it could not get their cooperation, and it could not loot and plunder their data, so it had nothing else to do. From the day it opened, the institute went nowhere. Naturally, the State of Utah audited the project and ordered it axed when it ran out of funds on July 30, 1991. Fleischmann and Pons are hard at work in an undisclosed laboratory, in an undisclosed country. They continue to advance the research, and collect data.

Let me make one more point clear, in defense of Pons and Fleischmann. After they had supposedly "absconded in the night, because they were under pressure to publicly reveal details," Dr. Wilford Hansen of the University of Utah examined the articles they had published and the data they had made public. In April, he reported publicly that "there is no mistake in Pons and Fleischmann's work." No mention of that statement appeared in the Japanese mass media. There is no question that when Pons and Fleischmann made their first announcement on March 23, 1989, they were criticized for not revealing detailed information about the discovery. Because of that, sensational reports aimed at amusing the readers have appeared, saying that Pons and Fleischmann have "absconded, rather than reveal details." The impression these reports have left has made it all the harder to seriously evaluate this important scientific phenomenon.

Early this summer, from June 20 to July 4, the Second Annual Cold Fusion Conference was held in Como, Italy. Two hundred workers came from around the world—America, Japan, the Soviet Union, China, and so on. There were 20 Japanese participants, including Dr. Hideo Ikegami from the National Institute for Fusion Science in Nagoya. I waited for Dr. Ikegami to return, then sped to Nagoya to hear about the meeting. What he told me, and the material from the meeting that he showed me, left me utterly astonished.

To verify the phenomenon of cold fusion, four problems have had to be cleared up. One was the detection of the neutrons and tritium; second, to confirm that the output heat energy is greater than the input—that is, greater than the electrical energy fed into the electrodes; third, to reproduce the results at will—to ensure what is called "repeatability." Fourth, it is necessary to clarify the connection between the fusion process and the heat. In other words, to deduce the entire mechanism, and produce a theory that explains everything, including whether the heat is caused by nuclear processes.

The first of these points, the presence of neutrons and tritium, was settled a long time ago by experiments performed by Mizuno and others. This problem has been settled beyond argument. The second problem, excess heat, was also cleared up a long time ago, as report after report of excess

heat measurements came in from researchers all around the world.

What amazed me was the progress that has been made in the third problem of repeatability. Detailed data were presented at the Como meeting by workers who are able to replicate the phenomenon 100% of the time, at will. They can control the level of fusion, heating water to the boiling point, or boiling it away completely, at will. Furthermore, more than one group has achieved this level of control; not only have Pons and Fleischmann achieved this control, but so have other American groups, starting with one from the University of Utah.

The thing that Ikegami told me that really surprised me was about the Stanford Research Institute, Inc. group, from California. They have developed an experimental method more precise than that of Pons and Fleischmann, and they are able to generate a maximum of 250% more output energy than they input, over an extended period. It is fair to say that their excellent results reflect the difference in commitment between the SRI group, which is putting its full, undivided effort into the research, and the Japanese groups, which are performing "weekend experiments," in their spare time.

Dr. [Michael] McKubre of SRI mentioned at the end of his presentation, "For the first two, long years after I undertook this research, I got no excess heat at all. I don't know how many times I thought about giving up. But, now at last I am getting 250% output heat. With this goal finally at hand, I feel keenly just how long and hard I have struggled."

Ikegami comments: "Of course, cold fusion is a strange phenomenon. You have to keep changing the way you do the work, and the materials you use; you have to suffer terribly, until you finally get it right. If you could get cold fusion from a simple, ordinary experiment, somebody would have explained it ages ago."

Forming a theory to explain cold fusion

As I wrote in my last article, cold fusion occurs when deuterium nuclei are jammed into the crystalline structure of palladium, evidently. The research at SRI, Inc. indicates a key point to this phenomenon. The reaction begins when the ratio of deuterium atoms to palladium atoms reaches at least 0.9. Stanford has developed a method of ensuring that the ratio reaches 0.9 or better; however, the details of this method have not been released because of patent considerations. The point is, at the Como meeting, SRI made it clear that they have conquered the third great problem of cold fusion—repeatability.

Reports on the progress of the conference appeared in the Italian newspapers, of course. These reports included graphs from Dr. Pons's presentation. One of the graphs showed a line indicating the temperature of the cold fusion device. It remained at the ground level until the fourth day of the experiment. Then suddenly, in one jump, it went up to the boiling point of water.

Only one brief mention of the meeting appeared in the Japanese press. This treatment is hardly enough to cover the extensive information reported at the meeting. The article was based on an interview with some Japanese researcher who had not even attended the SRI presentation. He was a skeptic who wrote off the whole thing, case closed.

There is only one major unresolved issue left in cold fusion research: the mechanism. Scientists still have to explain the theoretical basis of this queer phenomenon. That means that cold fusion is in exactly the same stage of development as superconductivity; it does not have a theoretical basis yet. When superconductivity was still studied only under extremely cold conditions, it was thought to be understood in terms of what was known as the BCS theory. Then, as scientists found superconducting materials that worked under hotter and hotter conditions, the domain of that theory was exceeded, and the BCS theory fell by the wayside. At this point, there is no commonly accepted superconductivity theory. One must be devised before experiments can be carried much further; without a theory, scientists have no idea what elements to include in their formulas, or what sort of tests to perform.

Consider this: Have Japanese scientists ever really participated in the earliest stages of research? Do they know what it means to start from zero and grope through the darkness step by step to build a new theory? From the Meiji Restoration (1868)—actually even before that, from the Edo period—we have imported our science ready-made from Europe and America, each piece with a complete, accepted theoretical basis already finished. As a result, we lightly dismiss all the difficulties inherent to building a theory from scratch, and all we look for in science is the decisive conclusion. When we are confronted with an incomplete, unknown phenomenon, instead of jumping in and researching it, we have gotten into the habit of withdrawing and waiting for someone else to figure it out and issue a conclusive theory. We seem to have developed a kind of contempt for the groping, early stages of scientific discovery; our attitude toward alchemy is a reflection of that contempt. To those who smugly claim that "cold fusion is nothing but alchemy," I would ask, "Do you understand the historic significance of alchemy? Do you realize what it produced?" The age when a professor can maintain his authority simply by importing knowledge from the West and reselling it to his students is drawing to a close. In post-war Japan we think of "new science" as something you import from the West and immediately apply to practical, profitable enterprise. This way of thinking has come to a turning point.

Phenomena like cold fusion and high-temperature superconductivity that totally overthrow previously held principles are rare in the history of science. Japan ought to put more value on this unique chance to participate in a brand new field of research starting from the ground floor. If we pursue this kind of research tenaciously, Japan will secure many invaluable treasures, both material and spiritual.

Will Brazil fire its kooky New Age environment czar?

by Silvia Palacios

The special commission of the Brazilian Chamber of Deputies which is investigating the threat to “internationalize the Amazon,” has resolved to request the resignation of national Environment Secretary José Lutzenberger, according to the Sept. 19 issue of the daily *Folha de São Paulo*. Commission president Congressman Atila Lins accused Lutzenberger of opposing the development of the Amazon region, by being “against the connection of Acre with the Pacific, through highway BR-364.” Congressman Lins also noted that Lutzenberger has opposed the project to “protect our borders,” by dubbing the Armed Forces hydroelectric project *Calha Norte* “militaristic.”

Toward these ends, said Congressman Lins, the environment secretary receives funds from the Gaia Foundation in London. The foundation was created by the British royal family to spread pagan ideas regarding the worship of Mother Earth, against economic development based on continuous scientific and technological development.

On Sept. 18, the congressional commission was witness to the unbalanced and despotic remarks of Lutzenberger, who not only lied that he received no funds from foreign entities, but also characterized as a “joke” the warnings that nationalist sectors of the country—prominently including the Armed Forces and the Congress itself—have made about the manifest interest of the superpowers in using ecology as a pretext for internationalizing the immensely resource-rich Amazon region. Using the universalist demagoguery characteristic of his oligarchic British friends, Lutzenberger defied the nationalists in the commission with the assertion that “everything good that there is on the planet belongs to the entire world.”

According to press reports, the commission’s charges against the environment secretary are based primarily upon testimony given before it on Aug. 20 by *EIR* correspondent in Brazil Lorenzo Carrasco. One month later, during a press conference in Washington, D.C. on Sept. 20, Carrasco emphasized that the nomination of José Lutzenberger and former Science and Technology Secretary José



Dennis Small

From left, Brazil's Aeronautics Minister Gen. Socrates Monteiro, Congressman Atila Lins, head of the special investigative commission of the Brazilian Chamber of Deputies which is demanding Lutzenberger's ouster, and an unidentified commission member, at the Aug. 20 hearings in Brasilia on the threat to the Amazon.

Goldemberg to the presidential cabinet were part of a political deal struck with the Anglo-American powers, which seek to limit Brazilian sovereignty over the Amazon region through various pretexts, ranging from indigenous or territorial conflicts to the supposed preservation of the natural environment.

The *EIR* correspondent also sent to commission president Atila Lins documents which confirm the financing received by Lutzenberger from the London-based Gaia Foundation, and which refer to the Brazilian secretary as "Lutz" (see below).

Just prior to the commission's call for his resignation, Lutzenberger issued various statements on Sept. 3 during a preparatory meeting in Geneva for the so-called Earth Summit, or Eco-92 conference, in which he insulted the Brazilian Armed Forces for the defense they have undertaken of Brazil's territorial sovereignty. The institutional position of the Armed Forces is that its defense will be total, even down to a declaration of war over the region, if that should prove necessary. This position was recently reiterated by Army Minister Gen. Carlos Tinoco, and by Aeronautics Minister Gen. Socrates Monteiro, during their presentations before two congressional commissions, one on defense and the other on the internationalization of the Amazon. This position was also reiterated by the head of the Joint Chiefs of Staff of the Amazonas military region, Gen. Taumaturgo Sotero Vaz.

These challenges to Lutzenberger go beyond the effort to force his resignation, and seek to prevent the June 1992 Earth Summit, to be held in Rio de Janeiro, from becoming an arena

in which Brazilian national sovereignty will be sacrificed on the "green" altar. This danger is confirmed by the fact that the secretary general of Eco-92, Canadian oil magnate Maurice Strong, is, along with Lutzenberger, a member of the inner circle of the British royal family, and shares with them the fantasy of imposing a malthusian new world order—hidden behind the mantle of "sustainable development"—such as that proposed by George Bush.

President Fernando Collor de Mello's determination to keep Lutzenberger in his post, despite immense pressure to the contrary, already constitutes an institutional crisis. This was clearly revealed in his decision to limit the delegation that accompanied him to the opening of the U.N. General Assembly Sept. 23, to cabinet members Lutzenberger and Goldemberg. The latter is another key figure in the Anglo-American agreement to impose the strictures of a new world order on Brazil, especially in the area of scientific development.

As if that weren't enough, President Collor de Mello used his speech to the U.N. General Assembly to reiterate that the main priority of his foreign policy—indeed, the only initiative that remains to him now that his domestic policies are in shambles—is the so-called Earth Summit. The Brazilian President said: "In this period, which culminates with the 50th anniversary of the United Nations, we should establish the guidelines that must orient international coexistence in the twenty-first century. The [U.N.] Conference on Environment and Development, Rio-92, is the first of the great universal meetings that will be held in the coming years."

Stop 'Eco-92,' warns EIR correspondent in Brazil

The Earth Summit, the so-called "Eco-92," must be stopped unless Third World nations want their populations and sovereignty curbed and their resources internationalized, journalist Lorenzo Carrasco Bazúa told an international audience of journalists, diplomats, and representatives of environmental organizations at the National Press Club in Washington, D.C. on Sept. 20. Carrasco, who heads the *Executive Intelligence Review's* bureau in Rio de Janeiro, Brazil, gave a detailed report on the background of the United Nations summit scheduled to be held in Rio de Janeiro in June 1992, the specific targeting of Brazil, and the malthusian world order that the summit is intended to put in place.

The press conference was opened by Marjorie Mazel Hecht, managing editor of *21st Century Science & Technology* magazine. Said Hecht, "We have called this briefing on the Earth Summit because we intend to stop it from happening, and we want to tell the world why it should be stopped." She added that behind the pleasantries of cleaning up the environment is the ugly malthusian policy of vastly reducing the world population, through the deliberate targeting of people of color. Further, she said, the summit intends to make binding global laws on the environment, removing national sovereignty, and enforcing these laws with a global green police force.

For the skeptics who doubt the malthusian goals behind the Earth Summit, Hecht read some quotations from the Club of Rome's newly published book, *The First Global Revolution*, which explicitly attacks "humanity" as the problem (see *EIR*, Sept. 27, 1991, p. 34). She then introduced Carrasco, whose presentation is excerpted below.

Attending the press conference were 21 people, consisting of U.S. government officials from the State and Agriculture departments and the congressional Office of Technology Assessment, science and agricultural attachés from several Asian embassies as well as from the Soviet embassy, press representatives from Brazil, the United States, and Japan, and several representatives of the environmentalist movement.

Coverage of the presentation appeared in the Brazilian newspapers *Jornal do Brasil* and *O Globo* the next day, prominently including Carrasco's debate challenge to Brazilian Environment Secretary José Lutzenberger. While reporting on Carrasco's statements, *Jornal do Brasil* attempted

to discredit them by presenting Lyndon LaRouche, *EIR's* founder, as an "extreme right-winger" who nonetheless uses leftist rhetoric.

Documentation

Eco-92: imperialism of the 'new world order'

Excerpts from Lorenzo Carrasco Bazúa's press conference at the National Press Club in Washington, D.C. on Sept. 20.

In my capacity as correspondent for *Executive Intelligence Review* in Rio de Janeiro, Brazil, I have had the opportunity in the past few years to witness an international environmentalist offensive on the occasion of the preparation for the United Nations Conference on Environment and Development (UNCED), which will occur in Brazil in June of 1992 under the pompous title of "Earth Summit." For Brazil, in particular, this environmentalist campaign was intensified by the Anglo-American oligarchy as a result of the lamentable murder of the environmentalist leader Chico Mendez, an individual who before then was little known even in Brazil outside of a small group of trade unionists and environmentalists, and who, over a period of just a few days, was converted by the international media into what the *New York Times* called "a martyr of the Amazon holocaust." This campaign had the intention of deliberately imposing the idea that Brazil was incapable of dealing with the problems related to its environment, and this suggestion was appropriately accompanied by the surreptitious corollary that the task of such defense of the environment should be entrusted to exogenous or foreign hands.

The enormous pressures which were imposed by the Anglo-American oligarchy, with the support of their Soviet partners in the world condominium of power and in association with the leaders of the Socialist International, led to the appointment of at least two important members of the inner cabinet of Brazilian President Fernando Collor de Mello:

Secretary of Science and Technology José Goldemberg, who is today education secretary, and Secretary of the Environment José Lutzenberger. These appointments received an unprecedented expression of support from about 10 U.S. senators.

According to press reports, Lutzenberger in particular was personally proposed by Prince Charles, heir to the British throne and one of the main, highest-level leaders of the international environmentalist offensive. Prince Charles and Secretary Lutzenberger are leaders of the Gaia Foundation, the most important center for the ideological spread of pagan cults which promote the worship of Mother Earth-Gaia against the Christian principle of the preeminence of the human species above the rest of Creation.

Since these facts were well documented in various articles of mine published in the Brazilian press and also in the pages of *EIR*, Congressman Atila Lins, the president of the Investigation Commission of the House of Representatives of Brazil, a commission which is investigating the threats of the internationalization of the Amazon, called me to appear and testify before his commission last Aug. 20, and to present the facts, of which I had knowledge, which might compromise Brazilian sovereignty with regard to the extensive Amazon region.

One week later, on Aug. 27, I received a personal telephone call from Secretary José Lutzenberger himself at my office in Rio de Janeiro, requesting certain explanations regarding the contents of my criticisms and expressing his open disagreement with them. So that the matter would not be left at the level of a personal squabble, I invited Secretary Lutzenberger to present, in a public debate with me, our opposed points of view, thinking this would be of enormous use for the interests of the Brazilian nation.

I have now found out through the Brazilian newspapers *Jornal de Commercio* and *Folha de São Paulo*, that as a result of Secretary Lutzenberger's testimony before the congressional commission which I mentioned before, and on the basis of the information which I had previously provided, the president of the congressional commission, Congressman Atila Lins, will officially request the resignation of Secretary Lutzenberger. I want to take this opportunity to reiterate my willingness to publicly debate Secretary Lutzenberger in the expectation and hope that this will help to establish the truth before Brazilian and world opinion. . . .

Twenty years of struggle

To fully understand Eco-92, we must take a brief retrospective look over the last 20 years, starting with the earlier conferences of the U.N. on the Human Environment, which occurred in Stockholm in 1972, the Conference on Population and Development in Bucharest in August 1974, and a conference on food in Rome in November of that same year. In all of these, the proposals presented by the one-worldist Anglo-American oligarchy to condition economic develop-



Lorenzo Carrasco testifying at the hearings in Brasilia, Aug. 20. Next to him is Congressman Lins.

ment to ecologist or population demands were defeated by the opposition of the countries of the Third World.

It is worth emphasizing, in particular, the role of Brazilian diplomacy on those occasions. Since 1971, the Brazilian diplomat Araujo Castro characterized these efforts as an attempt to "freeze world power." . . . He added, "These people emphasize the dangers of pollution . . . while the majority of the planet still lives in an era of pre-contamination, two-thirds of humanity is much more threatened by hunger and penury than they are by the problems of pollution."

Similar ideas were expressed by Brazilian Amb. Miguel Ozorio de Almeida during the World Conference on Population in Bucharest in 1974: "Brazil does not accept foreign interference in regions such as that of the Amazon, which is being presented as the necessary lung of the world, to compensate for the pollution and devastation which is occurring in other areas. The national position is that the worst pollution is that of poverty. Brazil will not accept any sort of foreign interference, and will view with mistrust certain international documents such as one recently issued by the U.N., which says: 'We should not continue to tolerate irresponsibility carried out under the cover of sovereignty.' "

Rockefeller accused of genocide

During the Bucharest meeting, on the other hand, Mrs. Helga Zepp-LaRouche, founder of the Club of Life and of the Schiller Institute, blamed John D. Rockefeller and accused him to his face of genocide for defending the theories of the need for drastically reducing world population. The Brazilian government opposed on identical grounds the proposal presented by the U.S. government in November 1974 at the conference on food in Rome, which called for the

establishment of an international agency to control the surplus of food products of the planet. . . .

Since 1984, efforts have been centered around the work of the World Commission on Environment and Development, established in 1984 by the United Nations General Assembly, led by the prime minister of Norway, Gro-Harlem Brundtland. Its proposals, presented in the report *Our Common Future*, published in 1987, have as their central themes the limitation of sovereignty and so-called "sustainable development." . . .

These proposals of the Brundtland Commission were given vigorous support not only by the leaders of the Western powers, but they were also the basis for the understanding of the Western powers with the Soviet *nomenklatura*, as was demonstrated by the speech by then Foreign Minister Eduard Shevardnadze in September 1988 before the United Nations General Assembly. . . . An identical position was advanced two months later by Soviet President Mikhail Gorbachov before the same body.

France, through its President, François Mitterrand, was not far behind, and in the meeting at The Hague, Holland in 1989, he proposed not only that countries should cede part of their sovereignty, but that they should also join in the creation of an international agency that would try and punish supposed ecological crimes. . . .

The United Nations General Assembly of Dec. 22, 1989 decided to hold the U.N. Conference on Environment and Development in Brazil, because Brazil is considered one of the priority targets of the "new world order" of President Bush. The reason is that Brazil combines human and natural resources which bestow on it a certain privileged condition in order to be able to achieve accelerated economic growth on a broad scale, and also because Brazil exercises a certain political leadership in the developing sector, as was seen in the conferences of Stockholm and Bucharest, a leadership which can bring down the goals and purposes of the Anglo-American oligarchy and that of their associates in the Socialist International.

It is in this context that the threat to the limitation of Brazilian sovereignty over the Amazon region takes on a reality, a threat which is occurring under different pretexts such as that of the preservation of the tropical rain forests, [and] the creation of Indian enclaves. . . .

Who runs the ecologist offensive?

If we glance very briefly at the spectrum of environmentalist organizations that are moving around Eco-92, we can locate the center of the radiation of these ideas primarily in the International Institute of Environment and Development (IIED) of London, many of whose members also participated in the Brundtland Commission. The IIED of London is currently headed by oil magnate Robert O. Anderson of Atlantic Richfield Co., and receives funding from the American Express Foundation, Atlantic Richfield Foundation, Citibank,

Barclays Bank, Bankers Trust Foundation, Morgan Guaranty Trust, National Westminster Bank, the Royal Bank of Scotland, the Security Pacific Foundation, Shell Companies Foundation, Royal Dutch Shell, and a gaggle of other institutions.

Another private environmentalist organization is the Center for Our Common Future, headquartered in Geneva, which presents itself as an international auxiliary committee to help organize Eco-92, with financing from the Gro-Harlem Brundtland Environment Foundation, and the John D. and Catherine T. MacArthur Foundation of Chicago. The latter—together with the Ford and Rockefeller foundations—is one of the principal sources of funding for environmental activities in the United States, and its most important creation is that of the World Resources Institute (WRI) of the United States, a group in which the ecologist movement intersects the so-called intelligence community of the United States. The MacArthur Foundation also finances the projects of the Natural Resources Defense Council, Worldwatch Institute, Environmental Defense Fund, and so on.

The Center for Our Common Future coordinates its activities with other environmentalist groups, such as the International Union for the Conservation of Nature, the World Wide Fund for Nature, and so on. In fact, all the command centers of the international environmentalist campaign lead to London, and particularly to those organizations led by the royal Anglo-Dutch families and Scottish Freemasonry. Its one-worldist model of organization, adopted by Bush's new world order, is based on the Roman Empire, including the proposal for a New Age, based on the promotion of pagan cults against the fundamental values of Christianity.

Fight for a new economic order

The 1992 conference in Rio de Janeiro was planned for Brazil to try to avoid the distrust of this and other developing sector countries. Despite appearances, however, the conference was conceived as a key element in the consolidation of the "new world order," whose central purpose would be the imposition of a system of limited sovereignties.

For Brazil, this will mean enormous obstacles to the full development of the natural resources of its territory, and in particular, of the Amazon region. . . .

The 1992 conference poses two alternatives to the developing sector countries. Either these countries obediently submit to the guidelines proposed by the powers of the new world order, which would mean renouncing sovereign economic development and submission to malthusian policies, or, reversing current trends, they could relaunch the fight they waged at the earlier meetings in Stockholm and Bucharest. They could push for the indefinite postponement of Eco-92, proposing instead that a world conference be held to establish a new international economic order, based on principles of equality among sovereign nations and on the dignity of the human individual.

Gaia Foundation fundraises for Brazil's José Lutzenberger

In 1989, the EIR office in Wiesbaden, Germany obtained a copy of a document issued by The Gaia Foundation of London, which listed its address as 18 Well Walk, London, NW3 1LD, Tel: 01-435-5000. Entitled "The Need of Lutz and Fundação Gaia Projected over the Next 5 Years," the document overtly launches a fundraising plea for José Lutzenberger (whom they refer to familiarly as "Lutz"), the head of Brazil's Fundação Gaia, and today that country's environment secretary. We reprint excerpts from that document below.

José Lutzenberger's primary need is to become financially secure personally and to develop a strategy for Fundação Gaia to become self-reliant. This would allow him to:

- develop his work according to his priorities;
- not have to do so much consulting work in order to earn income;
- choose which international events he wishes to attend rather than having to accept some in order to get to others and thus often dissipate his energies more than necessary;
- employ enough people to run an efficient administrative system;
- have time and space to think and write;
- employ and train people in specific areas of his work, so that they can develop it and transmit the knowledge;
- in this way Fundação Gaia can become a focal point for pioneering regenerative strategies for development.

1) People needs

Research, extension and development workers

Agriculture (agronomists and biologists)

Ideally Lutz would like to employ Ralph Wagner in 1989. Ralph studied organic agriculture in Germany and has been working in Brazil for nearly three years. . . . Lutz would like Ralph to help him on projects in Rondonia and Pará. . . .

Industrial sanitation and recycling

Jacques Saldanha has been working with Lutz for many years. He is now involved in a "soft technology" recycling project in Pôrto Alegre. Lutz would like to be able to employ him when he has finished this project, so that he can develop and promote other appropriate sanitary and recycling

processes. . . .

Gaia Corner

Lutz hopes to strengthen his links with Rodale and Findhorn, and through them to attract people to work on Gaia Corner. . . .

While Gaia Corner is being developed, Lutz feels it would be appropriate to provide food, accommodation, and if necessary, some transport and pocket money in exchange for work.

Where people would like to develop a specific project, which is appropriate for the center, funding would be sought. For example, Pat Mooney, an American botanist, wants to set up a gene bank on the farm and needs \$3,000 start-up money.

Beth Renck, a botanist, is a very close friend of Lutz's, and has done most of the planting of the already substantial botanical garden in Gaia Corner. . . . She needs start-up money for about eighteen months, at \$500 per month.

Administrator

Lutz needs to have an exceptionally well-organized office, enabling him to respond to emergencies, keep track of developments, keep links with other networks, and have his work well documented. He also needs funding proposals for projects to be processed and his various models to be written up and distributed, so that his work can be made accessible and developed more widely.

Correspondence and articles need to be translated between Portuguese, English, German, Spanish and French.

Birgit Zimmerle began work in January 1988 for seven months. She paid for her ticket from Germany to Brazil. The Gaia Foundation, London, has paid her salary of \$500 per month from money raised in the United Kingdom for an administrator.

Birgit found Cornelia Stehmann, also German, to replace her. Birgit spent the month of August introducing Cornelia to the work. The Gaia Foundation, London, will continue to pay \$500 per month to Fundação Gaia for Cornelia's salary.

2) Personal needs

Writing

Lutz needs to be able to retreat periodically from demands



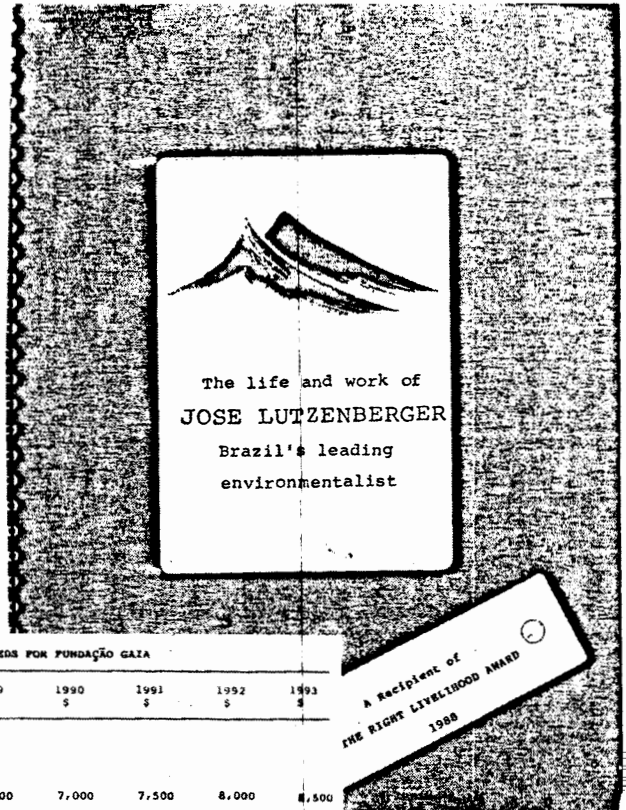
The life and work of
JOSE LUTZENBERGER
and his organisation
FUNDAÇÃO GAIA

The Gaia Foundation, London, has been very much inspired by the work of José Lutzenberger (Lutz).

During 1987, one of Gaia's Associates, Tom Welch, began a fund-raising campaign for Lutz, initially to pay for an administrative assistant.

Early in 1988, two Trustees, Liz Hosken and Edward Posey, went out to Brazil to explore the Rainforests and spend time with Lutz in Porto Alegre.

This Report provides an overview of Lutz's activities and how they might be supported and further developed through his organisation, Fundação Gaia, a charity registered in Brazil.



SUMMARY OF FINANCIAL NEEDS FOR FUNDAÇÃO GAIA

Requirements	1988 \$	1989 \$	1990 \$	1991 \$	1992 \$	1993 \$
Administrator						
Birgit Zimmerle \$500/m x 7 months	3,500					
Cornelia Stehmann \$500/m from August 1988 continual (including inflation)	2,500	6,500	7,000	7,500	8,000	8,500
Botanist - Beth Ranch						
\$500/m from August 1988	2,500	6,000	5,000 balance s/e	4,000 balance s/e	2,000 balance s/e	s/e
Agricultural Officer						
\$1,500/m from January 1988 continual (including inflation)	-	18,000	19,500	21,000	22,500	24,000
Industrial Consultant						
\$1,500/m (18 months funding)	-	18,000	10,000 balance s/e	s/e	s/e	s/e
Travel Expenses for Lutz per annum continual (including inflation)	5,000	10,000	11,000	12,000	13,000	14,000
Capital Needs						
Home-Base \$1,000/m from August 1988	5,000	12,000	to be reviewed			
Photocopier	1,500					
Modem	500					
Printer	700					
TOTAL COSTS	21,200	70,500	52,500	44,500	45,500	46,500

Note: s/e self-financing

being made on his time. Ultimately he will have a simple home on Gaia Corner where he can think and write. Initially, however, there needs to be a basic building from which Gaia Corner can be developed. Lutz will invest \$1,000 per month for 10 months from August 1988 in developing this first building as a home-base. He has asked that this sum be matched from the funds raised by The Gaia Foundation, London.

Traveling

Lutz requires sufficient funds to enable him to choose which events he would like to attend, and thus spend his time and energy more effectively.

3) Capital needs

Office

A computer has been donated to Lutz by a friend, Frieda

Jung. However, he still needs a printer, a modem to link into computer communications, and a photocopier. . . .

4) Summary of financial needs

. . . The basic costs of a small team of people to develop and spread the philosophy and practice of Fundação Gaia would be ongoing and not self-financing. The Gaia Foundation, London, will continue to raise funds to cover these ongoing running costs of Fundação Gaia. In this way the work will not be dependent on the time and energy Lutz is able to put into fundraising. In keeping with the principle of seeding self-reliance, the aim is to set up a sustainable basis from which this work is assured support.

The schedule on the following page is a summary of the income required to cover overhead, projected expenses and capital requirements over the next five years. . . .

Brazilian press covers fracas over Lutzenberger

Jornal de Commercio, *Rio de Janeiro, Brazil on Sept. 18*, headlined "Internationalization Pits Congressmen Against Lutzenberger":

. . . In his confrontation with the congressmen of the CPI [Parliamentary Commission of Investigation], Lutzenberger will explain his positions regarding the occupation of the Amazon region, and will answer the charges that he has been defending the interests of foreign groups.

"So far, Lutzenberger has proven to be a great Environment Secretary, but for the rich countries, not for the Amazon region nor for Brazil. And we want him to tell us that he is really not part of a project to hand over our region, and to explain why, until today, all of his actions have always been contrary to the development of the Amazon region," said the president of the CPI, Congressman Atila Lins (PLF-AM). . . .

The suspicions regarding the behavior of the secretary, according to Atila Lins, arose on the basis of the testimony before the CPI of the Mexican journalist Lorenzo Carrasco, who accused Lutzenberger of being the representative of the Gaia Foundation in the country. "That is why we suggested that there be an investigation, to find out if the secretary has been receiving donations from international entities in order to keep defending, with such intransigence, foreign interests."

Folha de São Paulo, *São Paulo, Brazil on Sept. 19*, headlined "Congressional Investigation Commission Wants Lutzenberger's Resignation," by Claudio Ferreira:

Environment Secretary José Lutzenberger considers the concern over the internationalization of the Amazon a "joke." "Everything that is good on the planet belongs to the whole world," he said yesterday, in testimony before the Congressional CPI on the internationalization of the region.

The CPI decided on Tuesday to ask for his resignation. . . .

The resignation requests will be routed to the commission's plenary by the president of the CPI, Congressman Atila Lins (PFL-AM). If they are approved, they would be

routed on the same day to President Fernando Collor [de Mello]. . . .

The CPI wants to know about Lutzenberger's activities in the British entity "the Gaia Foundation." According to the Mexican journalist Lorenzo Carrasco, Lutzenberger receives money from the foundation in order to "insist" on the preservation of the Amazon. He denies it. . . .

Lutzenberger denied that he receives money from foreign entities. He says that the Fundação Gaia [of Brazil] has agreements with the Gaia Foundation and with some other entities.

Jornal do Brasil, *Rio de Janeiro, Brazil on Sept. 21*, headlined "American Extreme Right Is Against the Holding of Rio-92," by Teodomiro Braga:

The noisy extreme right-wing American group headed by the economist and gangster Lyndon LaRouche—currently imprisoned for tax evasion—yesterday launched a campaign against the holding of Rio-92 which they see as a pretext by the rich nations to "internationalize" the Amazon region. The "war" against Rio-92, as the group's leaders called their campaign, was unleashed at the National Press Club in Washington. . . . The proposal is to cancel Rio-92 and, in its place, to hold a conference to discuss a new international economic order based upon equality among nations.

The Mexican journalist Lorenzo Carrasco, the principal speaker, challenged Brazil's Environment Secretary José Lutzenberger to a public debate about his accusations that the secretary receives money from the British entity, Gaia Foundation, to defend the preservation of the Amazon. Carrasco claimed that Lutzenberger was named to the post on instructions of Prince Charles, one of the main defenders of environmentalist ideas on the international scene. . . .

The offensive of the LaRouche group against Rio-92 will continue with other public demonstrations in the American capital. With an aggressive style and with a rhetoric that is sometimes confused with leftist oratory, LaRouche followers also promised to make their presence felt at the conference in Brazil. One of the issues recently taken up by the group in the ecological area, which was enthusiastically promoted yesterday, was the defense of Malaysian Prime Minister Mahathir Mohamad, the target of strong attacks by the environmentalist movement in the last few months, for his environmental pronouncements, which are similar to those of Amazonia's state Gov. Gilberto Mestrinho.

"Despite all its environmental propaganda, the main objective of Rio-92 is to impose on the 166 nations that will be represented there, the new world order that was bloodily inaugurated by President George Bush and his allies with the holocaust against Iraq," said Lorenzo Carrasco, who accused Lutzenberger of being an agent of international environmentalist agencies who has been infiltrated into the Collor administration.

New Age kook Maurice Strong in charge of Earth Summit

by Kathleen Klenetsky

The individual charged with running the U.N.-sponsored Earth Summit scheduled to take place in Rio de Janeiro, Brazil next June, is a New Age lunatic who fantasizes about pulling the plug on the world financial system in order to force the countries of the world to subordinate themselves to an environmentalist dictatorship predicated on the pagan cult of Mother Earth.

The upcoming conference could not have a more appropriate person at its helm than Maurice Strong. A Canadian who amassed a fortune in the oil business, Strong has compiled a record over the last 25 years as one of the most virulent exponents of the big lie that mankind is a cancer upon nature and that the development of the human species must be severely curbed to preserve the environment. This lie serves as the foundation of the Earth Summit, or Eco-92, as it's otherwise known.

Strongly genocidal

Strong has pulled the strings of nearly every significant neo-malthusian initiative of the last three decades. A key member of the Club of Rome, the international clique of genocidalists set up in 1968, Strong has been instrumental in bringing the group's infamous "limits to growth" mentality to a world-spanning range of activities, many tied to the United Nations.

In addition to his longstanding association with the Club of Rome, Strong has been active in other hard-core neo-malthusian organizations, ranging from the International Union for the Conservation of Nature and the World Federation of United Nations Associations, to the Aspen Institute, which, among other dubious achievements, engineered the anti-nuclear hysteria which has shut down much of the U.S. domestic nuclear energy industry since the 1970s. In 1989, just as preparations for Eco-92 were getting off the ground, Canadian Prime Minister Brian Mulroney named Strong to head Canada's Center for Sustainable Development.

Strong first emerged as a major player in the international zero growth movement in 1972, when he served as secretary general of the U.N. Conference on the Human Environment in Stockholm.

This was a watershed event: It put the U.N.'s official

imprimatur to the neo-malthusian campaign to use environmentalism as a weapon against economic progress and population growth, especially in the Third World, and as a cover for colonial-style resource grabs, such as is now being mounted against Brazil under the guise of protecting the Amazon River basin. The Eco-92 conference is the official 20th anniversary of the Stockholm event.

"I think we at Stockholm began to address ourselves [to] some of the very, very deep and important long-range questions that studies like [the Club of Rome's] *Limits to Growth* point out," Strong said in an interview not long after the U.N. conference.

Strong was well positioned to foist this genocidal garbage onto the Third World by virtue of his work with Canada's governmental foreign aid program. In the mid-1960s, Strong headed Canada's External Aid Office; he then went on to found CIDA, the government's international development agency—which many considered a front for Canadian intelligence operations in the Third World.

Through these two agencies, Strong was able to pawn himself off as a trustworthy friend of the developing countries, someone who would advise them to adopt population control measures and accept environmentalism out of the goodness of his heart. That cynical cover has enabled Strong to sell the worst forms of genocide—packaged as "sustainable development" or other polite-sounding euphemisms for zero-growth—to the Third World, and is the reason why he was designated to head the 1992 Earth Summit.

Immediately after Stockholm, Strong was given a mandate to set up the U.N. Environmental Program, which has played a pivotal role in promoting the whole panoply of "green fascist" programs. One of UNEP's most important offshoots was the World Commission for Environment and Development. Established by the U.N. in 1983, and known as the "Brundtland Commission" after its chair, Norwegian Prime Minister Gro Harlem Brundtland, the panel published a report called *Our Common Future*, which laid out a scenario for "sustainable development" that would ensure that the Third World remained in a state of progressive backwardness forever. Strong was one of a handful of select individuals chosen to serve on the commission.

Strongly weird

But this doesn't tell the half of Strong's story. This seemingly successful entrepreneur and government official—among his many posts, he was named CEO of PetroCanada in 1976 by his good friend and then-Prime Minister Pierre Trudeau—is a certifiable kook, a New Age extremist who keeps earthworms in his kitchen to process wastes into compost.

According to a profile published in the May 1990 issue of *West* magazine, Strong and his “mystical . . . Danish-born wife, Hanne,” run a New Age religious retreat in southern Colorado, known as Baca Grande, on a huge tract of land which they purchased in 1978. Entitled “The Wizard of Baca Grande,” and written by Daniel Wood, the article reports that Strong hopes that Baca Grande “can serve as a seed” for a “worldwide spiritual awakening,” which is the “one factor that may spare humanity from its environmental folly.”

Hanne Strong refers to the retreat as “The Valley of the Refuge of World Truth,” the article says, adding that it has been “nourished by the Strong's’ friends, such people as Rockefeller, [Pierre] Trudeau, the Dalai Lama and Shirley MacLaine.” Hanne was inspired to create the valley by a stranger who told her he had a vision of a religious retreat in the mountains. That was not her first vision, for Hanne claims that she knew “from childhood that . . . she had mystical abilities. She saw angels. She could recall past lives.”

The first to respond to her invitation to set up shop in the valley were the Aspen Institute (Maurice Strong is a long-time board member) and the Lindisfarne Association. The locals apparently began to suspect something was amiss when Henry Kissinger and Robert McNamara began to show up.

By the time the *West* article was written, the Strong's’ retreat had grown to the point where it was home to a Carmelite monastery, a ziggurat financed by Najeeb Halaby (father-in-law of Jordan's King Hussein), a solar-powered Hindu temple, an Indian hogan, a subterranean Zen Buddhist center, a house full of a thousand crystals with mystical properties, and another occupied an 85-year-old shaman. Hollywood actress (and “channeller”) Shirley MacLaine also has a place at the retreat.

While Strong told *West* that he leaves belief in things like crystals and omens to Hanne and her occult faith, he described his own New Age belief that “the great frontier of the future is the frontier between the individual spirit and the Spirit, the cosmos. At our highest moments,” he said, “we feel a sense of unity with the cosmos. A lot of us have static, though. Our society runs on people feeling unfulfilled, unconnected. The process of *atunement* is the trick. It takes practice.”

He also related to author Wood that he was considering writing a novel about a conspiracy to bring down the international economy to force acceptance of a global environmental regime. According to Wood, Strong's’ plot goes like this: A small group of people within the elite World Economic Forum, which meets in Davos each year, form a conspiracy to

get the rich countries of the world to sign an environmental agreement. The rich countries refuse, and the conspirators decide that the only way they can achieve their objective is to “bring about an economic collapse.” Wood recounts Strong's’ version of what happens next: “ ‘It's February. They're all at Davos. These aren't terrorists. They're world leaders. They have positioned themselves in the world's commodity and stock markets. They've engineered . . . a panic. Then, they prevent the world's stock markets from closing. They jam the gears. They hire mercenaries who hold the rest of the world leaders at Davos as hostages. The markets *can't close*. The rich countries . . . ’ And Strong makes a slight motion with his fingers as if he were flicking a cigarette butt out the window.”

As Wood points out, Strong “is, in fact, co-chairman of the Council of the World Economic Forum. He sits at the fulcrum of power. He is in a position to *do it*” (emphasis in original).

Strong's resource grab

The saga of Baca Grande doesn't end there. It turns out that the Strong's’ 155,000 acre tract sits atop one of the largest underground aquifers in the world. Maurice Strong has repeatedly insisted that he and his wife knew nothing about the aquifer when they purchased the land in the late 1970s.

But only a few years later, U.S. government drilling teams officially discovered the aquifer, and immediately thereafter, Strong set up a company called American Water Development to exploit the find. Strong's’ main partner in the enterprise was Samuel Belzberg, a Vancouver financier who has been a long-time business associate of the Bronfman's, one of Canada's premier organized crime families. His other key partners included William D. Ruckelshaus, former head of the U.S. Environmental Protection Agency, Robert B. Anderson, son of Robert O. Anderson, former chairman of Atlantic Richfield oil company, and a leading figure at the environmentalist Aspen Institute. Former Colorado Gov. Richard Lamm, who insists that “the elderly have the duty to die and get out of the way,” joined the board in 1989.

Ironically, this group of grandstanding environmentalists—purveyors of the line that everyone must consume less and suffer more to protect nature—found themselves doing pitched battle with local residents and some leading environmental groups, when they announced plans to pump as much as 6.5 billion gallons a year from the aquifer and sell it to Denver and other places. Area farmers and residents feared that if the aquifer were exploited irresponsibly, it would lower the water table below many existing wells, in an area in which water is scarcer than gold.

The story of American Water Development exposes what lies behind the “save the earth” nonsense from Strong and his ilk: a conspiracy to obtain top-down control over the world's raw materials, and, thus, over every country's economy, under the guise of defending the environment.

Bush proclaims brave new world of 'universal peace'

by Joseph Brewda

In a haughty speech, delivered in his usual monotone whine, U.S. President George Bush proclaimed the advent of *Pax Universalis*—Universal Peace—in his address to the United Nations General Assembly on Sept. 23. This new era, Bush declared, has been ushered in by the end of the Cold War, and the genocidal war against Iraq. What *Pax Universalis* means, Bush, and other speakers made clear, is a world empire run by the Permanent Members of the U.N. Security Council—the U.S., Britain, France, the Soviet Union, and China, called the “Perm Five.” Under this new version of the old “Roman peace,” the sovereignty of nations, particularly small nations, will be strictly limited.

In order to provide the appropriate backdrop to what these powers consider their triumph, Bush's speech had been preceded by a contrived crisis which the U.S. government had created over its demands to fly helicopters over Iraqi airspace without restriction. A letter delivered by Iraqi Foreign Minister Ahmed Hussein to the U.N. Security Council the evening prior to his address, in which Iraq capitulated to the latest of intentionally provocative U.N. demands, cheated Bush of an incident. Consequently, the next day, a new one was manufactured: Iraq's defiance of world opinion by not allowing a U.N. inspection team to remove personnel records from an Iraqi ministry.

As we write, on Sept. 26, it appears that another Anglo-American/French assault on Iraq over this latest incident may be in the offing, in part to flaunt the power of the new global empire.

Pax Universalis defined

Bush came right to the point in his dictatorial address: The end of the Cold War defines new opportunities and new perils. We, the now-unified imperial powers, define sover-

eignty. The nations of the Third World will continue to be looted by the International Monetary Fund (IMF), beyond the point of genocide; all those who oppose the new order will get the Iraq treatment.

Freedom is free trade. “Here in the chamber we hear about North-South problems,” Bush complained, alluding to Third World demands for debt relief. There will be none of that in the new world order. “Free and open trade, including unfettered access to markets” is the only solution to the world's problems. This means, he said, the unrestrained imperial access to the world markets defined by the General Agreement on Tariffs and Trade (GATT) talks. Bush stated that the successful conclusion of the next round of GATT talks, the so-called Uruguay Round, is a non-negotiable demand. “If the Uruguay Round should fail,” he threatened, that would “destroy our hopes for a better future.”

Nationalism is the new threat. With the Cold War declared over, Bush defined the new apparent threat to mankind: nationalism. “Communism held history captive for years,” he stated, and it “suspended ancient disputes,” and “suppressed rivalries” and “old prejudices.” The “suspended hatreds that have sprung to life” comprise the new threat.

Included within this notion, that nationalism is the new threat, the U.N. Security Council has abrogated to itself the right to define national borders between states, a bilateral or multilateral matter previously restricted by international law to the nations concerned. The precedent for this usurpation of sovereignty was achieved by the Security Council taking it upon itself the prerogative to define the Iraq-Kuwait border following the war. “No one can promise that today's borders will remain fixed for all time,” he intoned, “but we must strive to ensure the peaceful, negotiated settlement of border disputes.”

It might be presumed that the speaker—if he were not Bush—was talking about the developing war in Yugoslavia, in which Serbian communists are slaughtering Croats, or, perhaps, a new potential war between Armenia and Azerbaijan. Yet it was U.S. Secretary of State James Baker's trip to Yugoslavia over the summer, which gave the go-ahead for the Serbian assault on Croatia; while newly released books by the Council on Foreign Relations, an institution which devises U.S. foreign policy, state that the Armenian-Azerbaijan and related conflicts are in the U.S. interest.

The war against Iraq is the model. As could be expected, Bush pointed to the U.S.-led coalition's war on Iraq as the new model for relations between states.

"A year ago," he said, "the Soviet Union joined a host of nations in defending a tiny country against aggression"—a reference to the war supposedly fought to defend the Kuwaiti sheikhdom. "For the first time on a matter of major importance," he said, "superpower competition was replaced with international cooperation."

Depicting the war as "measured and principled," Bush asserted that Iraq's Aug. 2, 1990 invasion of Kuwait would have set a "menacing precedent" for the post-Cold War world, if unchallenged. Instead, he said, "the coalition established a model for collective settlement of disputes."

The sanctions will continue. Although millions of Iraqis, especially children, are threatened with death by famine and disease on account of the U.N. sanctions and embargo, Bush insisted that the sanctions will continue. "We must keep the United Nations sanctions in place as long as he [Saddam Hussein] remains in power." Not to do this, he said, would violate principle.

Bush also claimed that he has no argument with the people of Iraq. Only when there is a "just government in Iraq" following the ouster of Saddam Hussein, Bush said, can the "Iraqi people look forward to better lives." The demand to oust Saddam Hussein was not even included in any U.N. resolution. But what of it? The Perm Five make the law.

The only way relief might be doled out in the meantime, Bush stated, is through Resolution 706, a French-authored monstrosity which effectively seizes control of Iraq's oil wealth by U.N. authorities. Under the terms of the resolution, Iraqi oil would be sold by the U.N., in limited amounts, and only a fraction of the proceeds allotted for food for the Iraqi people. The Iraqi government has already rejected the resolution as a new effort to reimpose colonialism.

Zionism is a U.N. principle. Finally, as expected, Bush denounced the 1975 U.N. resolution that Zionism is a form of racism. To reject Zionism, he said, "mocks the principles upon which the United Nations was founded," for once speaking the truth. In fact, in one of its first actions, the U.N. established Israel as an alien imposition on Arab lands in the immediate postwar period.

The day following Bush's pronouncement, Israeli Prime Minister Yitzhak Shamir gloated that "all our territories,"

including those illegally seized in 1967, "will be populated by Jews to the end of the horizon."

Imperialist powers proclaim new empire

Following Bush's address, in effect the keynote for the General Assembly, other members of the Perm Five followed suit.

The first of the permanent members of the Security Council to speak after Bush was newly appointed Soviet Foreign Minister Boris Pankin, who made clear, in his Sept. 24 remarks, that whatever the tumult in Moscow, the commitment to an imperial condominium has not changed.

"When President Bush and I met this morning," Pankin reported, "we reiterated the commitment of our two countries to broader cooperation in strengthening the United Nations as well as in other areas. . . . The philosophy of new international solidarity, which is finding its way into practice, signifies a de-ideologization of the United Nations. In renewing our organization we should once and for all leave behind the legacy of the Ice Age like the obnoxious resolution equating Zionism to racism."

Pankin specified the task of the new world order yet ahead, "the development of a long-term concept of the use of U.N. forces . . . including refining rapid response mechanisms for countering threats to international peace, legally codified procedures for deterring a potential aggressor, and optimal strategies for unblocking conflicts."

The next day, British Foreign Minister Douglas Hurd put forward his vision of Pax Universalis, ironically terming it the "end of the principle of empire," based on the annihilation of Iraq.

"Now that Iraq is out of Kuwait, the U.N. is insisting—for the first time—that a Member State forgo weapons of mass destruction and pay compensation to its victims," he said. "The U.N. is resolved to maintain sanctions until Iraq shows it is playing a constructive part in regional stability, until Iraq observes the rules of international law."

Hurd then defined a new concept that will be applied to the Third World: "transparency."

"All states," he stated, "must apply the three principles of transparency, consultation and action. As a significant step towards transparency, Britain has proposed a universal register of arms transfers under U.N. auspices. Such a register would alert the international community to an attempt by a country to build up holdings of conventional weapons beyond a reasonable level."

That same day, French Foreign Minister Roland Dumas called for a new charter to be adopted by the international community, which would give "beleaguered minorities" the right to request "outside intervention" on "humanitarian grounds." This was the favorite pretext of the imperial powers in the 19th century. Dumas cited the recent U.N. intervention into northern Iraq, supposedly to defend the Kurds, as the new precedent.

Profile of David Kay bares intelligence ties

by Joseph Brewda

A contrived crisis surrounding a predominantly U.S.-staffed U.N. nuclear inspection team in Iraq, has set the stage for a new assault on Iraq. The drama, which was timed to hit the air-waves with President Bush's address to the U.N., revolves around efforts by International Atomic Energy Agency inspector David Kay, who is leading the IAEA inspection team in Iraq, to remove personnel records purportedly dealing with Iraq's nuclear weapons program, from an Iraqi ministry.

Typically, the U.S. media and the U.S. State Department have denounced statements by Iraq Foreign Minister Ahmed Hussein on the ABC News program "Nightline," and by Iraq Deputy Prime Minister Tariq Aziz, that Kay is directing an intelligence mission. "Ridiculous," is the official response of the State Department to Aziz's charges that David Kay is a CIA agent. In fact, information in any public library shows that Kay's professional background is suggestive of the charge, even if one were to ignore the provocation now being directed by the White House.

A specialist in limiting sovereignty

With all the hubbub surrounding Kay's inspection mission to Iraq to evaluate Iraq's nuclear weapons program, one might naively assume that Kay is a physicist or nuclear engineer. He is not. His only academic degree is in "political science" from Columbia University in New York City. His specialty is the effectiveness of international organizations in imposing international regulations on nations. With such a specialization, it is not surprising that immediately following graduation in 1967, Kay found employment as an adviser to the U.S. State Department working at the U.S. mission to the U.N.

By 1972, Kay was back in the academic world at the University of Wisconsin. But he had not lessened his ties to Washington. In that year, Kay hooked up with U.N. official Maurice Strong to organize a U.N. conference on the environment, held in Stockholm, Sweden. The main purpose of that 1972 conference was to assert that "environmental concerns" supersede "national sovereignty" (see *Feature*, p. 32). That, and related themes dominate Kay's book, *World Eco Crisis: International Organizations and Response*, whose introduction was written by Strong.

In 1975, Kay left the university to work for the American Society of International Law, where he was director of "International Organization Research." In this capacity, he received a U.S. government grant to study the effectiveness of the U.N. in managing the international trade in pharmaceuticals. In 1977, Kay edited *Changing U.N. Options for the U.S.* which was published by Praeger Publishers of New York, a publishing house long exposed as a CIA front.

In 1978, Kay became a senior evaluation officer at the United Nations Education, Scientific and Cultural Organization (Unesco), where he was involved in the same type of studies.

In 1980, while still at Unesco, Kay received a State Department grant to study the role of international agencies in regulating food consumption, the use of nuclear materials, and in restricting the narcotics trade. In the study, Kay rants against nuclear proliferation and the inadequacy of the U.N. in preventing the diversion of nuclear weapons to those non-white countries which are not part of the nuclear club.

Spying for the IAEA

Kay is now in Iraq as a representative of the International Atomic Energy Agency, nominally to examine Iraq's nuclear program. The IAEA was created in 1957, for the express purpose of spreading the use of nuclear power stations around the world. That was a period when many Americans believed that the industrialization of the Third World was necessary. But times have changed. Today, the IAEA focuses on blocking the ability of Third World countries in particular from acquiring nuclear plants, or indeed, any advanced technology or scientific expertise. This is the "new world order" in its essential features.

At its recent board meeting, IAEA director Hans Blix made this policy clear when he called for a total revamping of his agency to help implement this new imperial order. Specifically, Blix:

- called for intelligence agencies worldwide to share information so that countries suspected of violating safeguard agreements could be identified and monitored;
- called for the U.N. Security Council to provide support to the IAEA for special inspections of sites deemed suspicious, as it has done with Iraq, where armed units have been deployed to assist in the inspection operations;
- asserted that recent events in Iraq show the need to change the entire inspection system. He said that rather than inspecting only those sites opened by nations that signed the Nuclear Non-Proliferation Treaty, as had heretofore been the case, developments in Iraq show that it is essential to be able to conduct surprise inspections at any site at any time. The purpose of the intelligence gathering program is to identify such sites or materials at undeclared installations.

Naturally, neither IAEA, nor David Kay, nor George Bush, has any interest in investigating the nuclear bomb facilities of Israel.



Croatia is reaching out to rejoin western civilization

Dr. Veselica is president of the Croatian Democratic Party and president of the Democratic Club for Central and Eastern Europe. He was interviewed, speaking through an interpreter, by Umberto Pascali and Christopher White in Washington on Sept. 18.

He was born on Jan. 9, 1936 in the village of Glavice, in Croatia. He obtained master's and doctoral degrees in economic science at the University of Zagreb, where he worked as an assistant professor of economic theory. Dr. Veselica gradually assumed a leadership role in Croatian political, intellectual, and cultural life. He was a member of the Federal Parliament in Belgrade, an official of the Trade Union of Croatia, and a member of the executive board of Matiza Hrvatske (the cultural association for the Croatians of the diaspora).

With the downfall of the 1971 "Croatian Spring," Veselica, a leading figure in the movement, was tried on charges of having conspired against "state and people," sentenced to seven years of harsh imprisonment, and barred from appearing in public for four years more. While serving his sentence, he was proclaimed "prisoner of conscience" by Amnesty International. In 1981, Dr. Veselica was again tried for having "misrepresented the political situation in Yugoslavia" because of an interview he gave to *Der Spiegel*. He was sentenced to 11 years in prison and four years of not appearing in public. Following an international outcry, he was released early.

In the discussion on Sept. 18, Veselica's translator described him as "one of the best economists Croatia ever had." He reported that the Croatians are going to set up a team to study new concepts of economy at the University of Zagreb, and will organize international conferences to which experts from abroad will be invited.

"The present war which is waged against Slovenia, Croatia, and other sovereign states, especially Albania in Kosovo (they don't allow any human rights in Kosovo), is being pressed by the Serbians, and the Federal Army is only a

tool in their hands," Veselica told *EIR*. "The army is only Yugoslavian in name. It was always a Serbian army because the majority of officers were always Serbian. And now this army plays the role of a Serbian hardline communist army. Their goal is to take Croatian land, and also the land of Bosnia-Herzegovina and Macedonia and Montenegro, and the autonomous regions which have never been Serbian land. These evils are a result of a wrong construction of this artificial community."

He explained the history: "This state of Yugoslavia which was created in 1918, was pushed by the great European powers at Versailles. The Croatian people have never been in a position to decide whether or not to live in that state. The Croatian nation historically was and is against that state. This state was imposed on us by lies and violence. Croatians are a western nation with deep democratic roots. We are Roman Catholics. We're very different from the Serbians. We defended all of Europe against the Turks, and the Serbians were under the Turkish Army. Croatians and Serbians are from two different worlds. It is crazy to impose sharing of flags between these two nations, because they are very different.

"From 1918 to 1941, the Croatian people struggled against the Serbians. The Croatians never accepted Yugoslavia as their own state. The Croatians between the two wars were repressed. Every Croatian who said something against Yugoslavia was imprisoned and tortured in the prisons of old Yugoslavia. Old Yugoslavia was a typical Serbian country. There was a big exodus: Almost half of the Croatian nation today lives outside of Croatia.

"During the peace between the two wars, about 30,000 Croatians were killed by Serbian policemen and soldiers. This was how they kept peace, how they kept Yugoslavia. Many thousands of Croatians were imprisoned. The peak of all of these events was the murder in 1928 of Pavle Radic, the nephew of Stjepan, the leader of the Croatian party. He was killed in the Yugoslav Congress in Belgrade by order

of the Yugoslav King Alexander, the father of the present pretender to the Serbian throne, Alexander in London. Some other prominent Croatian parliamentarians were also killed there, including Djuro Basaaricek. Others, including Stjepan Radic, were severely wounded and died of those wounds. Stjepan was the representative of the Croatian people in Belgrade, the leader of the National Party, which was supported by 95% of the Croatian people. From this background, you can see why we were fighting each other during the Second World War.

“In World War II the communists won, and reimposed a federal Yugoslavia. Again the Serbians had the power. The communists succeeded in taking power because they killed hundred of thousands of Croatians in a very brutal way. That is the biggest human rights violation and crime in World War II. Three hundred thousand Croatians, or possibly more, including a large majority of civilians, women and children, had escaped before Tito’s advancing army; they gave themselves up to the British in the Austrian city of Bleiburg. But the British let Tito’s army enter Austria and capture all the refugees. Many were killed on the spot, others were taken in a horrifying march from Slovenia to the border with Bulgaria, and most of them were killed along the way or died of fatigue, especially children.

“Of course it was forbidden to speak about these events. People knew, but if anyone tried to talk about this, they were imprisoned and tortured. The method by which these people were killed was to take off all their clothes, to cut their throats, and to push them into big pits. Near every Croatian city or village there are these big holes or caves, with the bones of their countrymen. Now, 45 years after the war, we are free to speak about this.”

EIR: There was silence from both sides, East and West?

Veselica: Yes. East and West. They were silent because they supported Tito’s politics. They didn’t care about all of these crimes in Croatia. That was the biggest mistake of western politics.

Unfortunately today some parts of western Europe have illusions about Yugoslavia, and these illusions are very dangerous, both for Croatians and for the other Yugoslavian people. There is only one way to maintain the Yugoslavian state: violence, prisons, murders. And I am one of those people who traveled this very painful road. I was sentenced twice to hard labor in prison, for a total of 26 years. I was imprisoned for 11 years and 46 days because international public opinion helped to reduce my sentence. Both times I was supposed to be killed by the secret police in prison. But miraculously I avoided that end. All of this only because I was in favor of a free, democratic, and independent Croatia. There were many other Croatian intellectuals who suffered as I did. So now you can see what the basis of Yugoslavia is. Unfortunately the western powers helped a lot to maintain this dictatorship.

EIR: What are the deeper reasons that the West allowed this?

Veselica: At first Yugoslavia was a product of western powers. They supported Tito and Yugoslavia because they hoped that Yugoslavia would stop Russian expansionism toward the Mediterranean Sea. The Mediterranean Sea has always been a target of the Russian Orthodox Church. Then the Communist Party took over that goal from the ROC.

The second reason is that Tito’s partisans won in World War II. And the western powers considered Tito anti-fascist. That was the same mistake that the western powers made when they took the Soviet Union as their ally. After World War II they realized how dangerous the Soviet Union and its expansionist politics were. Unfortunately it was too late because the western countries had given to the Soviet Union half of Europe. Half of Europe was under the Soviets for 40 years.

The third reason is that Yugoslavian embassies and envoys all over the world were about 90% Serbian. The few Croatians were Serbian-oriented. If you tell something to someone for 40 years, you expect them to believe it. You couldn’t hear the Croatian position.

EIR: Britain’s Lord Carrington, Dutch Foreign Minister Van den Broek, and French President Mitterrand are all pro-Serbian. Before World War I, Britain, France, and Russia formed the Triple Entente, and started World War I against Germany. Through the Versailles Treaty, Britain put Hitler in power. So there are more than 100 years of warfare from Britain and its allies against Croatia, Germany, and Poland. The people in power from the outside will rule by such imperial arrangements as Yalta. The target of this is the economic integration of Germany, Russia, the Balkan area. Since the Congress of Berlin in 1885, western opposition to the development of the independent nation-state is very deep. And now we have Lawrence Eagleburger; it’s not “capitalism.”

Veselica: Some western countries are interested in keeping the old order in Europe, because they are scared of a new order in Europe where it will be possible for new nations to exist and be independent. Some western nations are very scared of the possibilities which can result from declarations of independence by small countries. It seems that many countries in the western world are afraid of a new Europe which will be made of free nations that are making some sort of economic union. This free Europe, these free nations, are not very convenient to some people in the West. Because if little nations in Europe succeed in getting independence they will become a new factor in policymaking. They will bring with them their energy and their new views, and this can be very dangerous for some traditional western countries and politicians who want to keep the *status quo*. So it is not strange that many western countries are not very happy with these events in the Soviet Union. For many countries in the West, it is not convenient that the Soviet Union is destroyed

as the imperial Soviet Union. And it is not very convenient that little nations be struggling for independence.

In our opinion the liberation of these little nations and the nations in the Soviet Union will result in a higher quality for the whole world. This new Europe will bring together the traditional elements and some new ones. A new Europe must be a union of free nations which are coming together of their own free will. The power which will unify them is the common market, technological progress, the exchange of ideas and peoples, and the determination to find what is common and essential for central and western Europe, but without violence. And now, against these developments in Europe, there are the western traditional policies and the eastern communist leaders. For example, some of Great Britain's politicians are attempting to rule Europe in the wrong way, and in our opinion it is not in the interest of Great Britain to have that attitude. But we cannot convince them.

The East has gone through a process of change; now the West must go through a similar process.

EIR: Do you agree that the key question is the question of economic policy? One needs an economic order in which both the freedom of the individual, and the freedom of the state in which the individual is organized, are recognized as fundamental rights. . . .

Veselica: It is a complementary process. The Croatian people need a state. We are fighting for economic reforms, for democracy, human rights. I want to recognize the ethnic differences in Croatia, to extend full rights to the minorities in Croatia. Different persons must be motivated to work for the state.

EIR: In the West we have two traditions. One is of the self-governing citizen, in which the state is a creation of the citizens and represents the citizens. The other is the International Monetary Fund and all that it stands for.

Veselica: The International Monetary Fund is very dangerous, and it is a source or base to keep the old structures. Unfortunately they have an interest to keep pathological structures reproducing themselves, structures which are the instrument of certain forces that are not productive and creative enough to form a new structure in the East and establish a rational and productive democracy. This instrument must be radically changed, but I am afraid that in these institutions there are forces that are against any change. On that line was, for example, the prime minister of Yugoslavia, Ante Markovic. Markovic is a very dangerous person. He is not going to create a good basis for democratic changes, especially in the economy. With the support of the IMF, he wants to keep a fiction of Yugoslavia that no longer exists. He is dangerous, because he has certain international forces behind him.

EIR: Is it true that certain forces in the West want to keep

Yugoslavia to make sure that they get their money back?

Veselica: That is a big illusion. If the world accepts Croatia as an independent state, I am proposing that Croatia will take all its debts on its own shoulders and that will be very convenient for Croatia. Because so far the cost of the war is \$12 billion. If it continues like this, it will go to who knows what sum—without counting all the victims. The atrocities committed right now make me deeply sad, and I cannot believe that I live in such a civilization. I almost cannot believe it, but we have to go on living.

EIR: The President of Lithuania, Vytautas Landsbergis, proposed to convene a new Nuremberg Tribunal to try the crimes of the communists. Do you support such a move?

Veselica: The proposal is all right. The crimes of communism are three times bigger than the crimes Hitler committed. The Soviet Union killed 90 million people. They did it in peacetime. We believe people who are making war against Slovenia, Croatia, and Kosovo—Milosevic, General Adzic, Kabivic, Abramovic . . . they are war criminals already now. They didn't just commit crimes against Croatia, Kosovo, and Slovenians. They committed crimes against humanity.

These crimes represent a shame for civilization, not just for the Yugoslavian and eastern European people, but for western civilization. We are surprised that the West and its media remain passive, except for a few exceptions like you—which I appreciate very, very much. We Croatians feel we are part of western humanism, which we consider as universal values. Croatia always fought for the West, and Croatia was the nation that stopped any invasion of western Europe. Croatia paid with its own blood for its membership in the West, and we are so surprised that the West is giving more support to the Serbian East than to us. It is a tragedy not only for the Croatian people, but for the whole West. But we hope that things will change.

EIR: There is a powerful Serbian lobby in this country, like Deputy Secretary of State Eagleburger. What can be done?

Veselica: I do not want to mention names, but I know the Serbian lobby is working here—Congresswoman [Helen] Bentley [R-Md.] and certain circles in American politics which are connected—and they must be exposed, because they are working against the American nation. There are also American congressmen working for truth and justice, and who think that helping Croatia is in the interest of the United States. I have just come from talking to two of them, and will continue talking with others. Croatia must multiply such contacts, because we strongly believe that the United States is democratic, there is a public, and eventually at the end, the truth will come out, because we believe that it is the interest of any democratic nation to discover the truth.

Every democratic society has to learn something from history. You cannot avoid it, if you want to make your own

contribution to the progress of humanity, to the creative path of history.

EIR: The people who support Serbia also happen to be the people who jailed the founder of our magazine, Lyndon LaRouche. They created trumped-up charges. From his jail cell, he created a policy to reconstruct Europe: the Productive Triangle policy, to use the industrial capabilities from France, Germany, and Austria, etc., to create infrastructure, transportation, food supply along the historical lines of economic development in central and eastern Europe, and to do this on the base of a monetary reform.

Veselica: Of course we are for that solution. We are in favor of reconstruction of all Europe, especially central and eastern Europe, which were the objects of Soviet and Serbian communist tyranny.

Reforms are needed in that part of the world, and those reforms are possible only if the states are free. In that case, on the basis of their own interests, those free states will enter into a kind of integration, because there is no freedom without it. That's why I see the necessity of an instrument such as you are describing, a European-wide bloc. This would greatly contribute to the wealth of Europe, and we want to work on that; but first we need freedom, we need to free the productive capabilities so that we can reconstruct. We have to create financial institutions through which we can communicate with others. But we must remove terror and tyranny which is shameful and an obstacle to any progress.

EIR: We think that once half of Europe has been freed from communism, it must not be given to the IMF.

Veselica: Yes, I am aware of that; this is not acceptable and we are watching it very carefully.

EIR: Polish President Lech Walesa recently was interviewed by *Le Monde*, and he criticized the shock therapy associated with the IMF. There were other voices from the Catholic world, for example the weekly *Il Sabato* in Italy, that strongly attacked the policies of Jeffrey Sachs and the IMF.

Veselica: The International Monetary Fund needs a certain restructuring. The IMF needs a radical change in the direction of a new economic order. It is impossible to keep the financial, monetary structure as it now exists. It is necessary to invent a new structure, which would allow others to get more adequate resources in order to satisfy their own needs.

EIR: When you issued the appeal in July, which was published in *EIR*, did you receive many answers?

Veselica: Some, but not many. We didn't find the proper base for placing our own ideas, but we believe that we will find the opportunity. . . . Each day I am making more contacts with journalists and politicians, with scientists all

over Europe and the world, with many universities. I was at the Pan-European meeting in Dresden in July, where I gave a report on the place of the Croatian people in the future and the role of Catholicism in this process.

I wrote a book in prison, *The Economic Adventure of the West*. This book is the result of deep studies of the western economic system. When I was in jail, I studied more than a thousand books, from many disciplines, history, economics, anthropology, sociology. I think we should change the philosophy of the economy. We cannot accept western pragmatism and mechanism, because the western system has many diseases. Too great a worship of money can jeopardize the way of life in western civilization. So Europe should realize that there are some pathological elements in its approach, and most probably in the IMF there is a lot of pathology.

EIR: Yes. Once this disease was well known and identified. It was called usury.

Veselica: Exactly. Unfortunately today usury has become a way of life. We should change our views on the development of civilization. And of course it is not possible to do this with communist methods. It is possible only with the democratic approach. The western countries must engage in self-criticism of their system and mistakes, because it is very important if the West wants to survive.

EIR: Cardinal Joseph Ratzinger said there must not be any difference between economics and morality; instead today these are considered opposite concepts.

Veselica: Morality and economy must go together, of course. Today they do not. It's understandable that there are some conflicts between the two, but it is necessary to keep them together. Without morality, economics is becoming a criminal activity. The result is the establishment of rich mafias, power groups, powerful lobbies that have very great influence and that, for the sake of their money, are ready to destroy the basic values of civilization and of humanity. And if humanity becomes heartless and sick out of lust for money, how can the society survive? This is the origin of western frustrations. They are trying to solve this frustration with drugs. So we should fight. We should look deeper than what is usually considered economic science. The problems of drugs, organized crime, and so on must be solved, but we must go to the roots, not like President Bush did, by invading Panama or Colombia.

It is very difficult to achieve development and progress without suffering for that development. For a good result in whatever one is doing, it is necessary to have love, and of course if you want to have many people who can be productive, you must create the right environment. A balance between rationality and inspiration must be created. Sometimes we may have a conflict, but we will be able to overcome it. The role of creative individuals and modern politicians should be to solve this problem.

Menem throws clutch into reverse, drives Argentina hurtling backwards

by Cynthia R. Rush

Argentine President Carlos Menem says he is embarked on a path which will bring his country into the "First World." But if he keeps up his current offensive to accelerate the imposition of the International Monetary Fund's (IMF) policies, he will plunge Argentina instead to the levels of the "Fourth World"—a Peru or a Bolivia—complete with a cholera epidemic. In the name of George Bush's new world order, Menem is ripping apart the very institutions needed to sustain a sovereign nation-state, throwing hundreds of thousands out of work, handing over natural resources and other assets to foreign interests, and jailing or repressing those who have the courage or will to resist this mad destruction of a once-wealthy country.

To flaunt his commitment to Bush's agenda, Menem announced on Sept. 19 that he was withdrawing Argentina's membership from the Non-Aligned Movement of Third World nations. The Peronist movement, of which the Argentine President is nominally a member, has always maintained a non-aligned foreign policy stance which its founder Gen. Juan Perón called "the third position"—neither capitalist nor communist. Now, Menem explains that "there is a new world, a new juridical, economic, social and political order among nations of the planet. . . . The Non-Aligned Movement has no reason to exist because it has not adapted to the world's new circumstances." According to one report, Menem made the decision to pull out of the Non-Aligned now, so that he could present it as a *fait accompli* when he meets with Bush in Washington in November.

Domestically, in the wake of the Sept. 8 elections, Menem is telling the Argentine people that the austerity they have experienced so far under IMF policy is nothing compared to what lies ahead. "This is the moment of decisive sacrifice," he told the nation on television on Sept. 11. "We can't rest on our laurels. Now is the time to step up our pace, not sit with arms crossed, not stop. We can't waste what we have achieved."

Together with his Harvard-trained finance minister Domingo Cavallo, the man international media have lauded for "stabilizing" the country's economy, Menem is focusing his efforts on the plan to "rationalize the state sector." What this translates into is selling off as many companies as quickly as possible, and slashing the budget for those remaining under the control of the state, in order to meet IMF guidelines for

generating the funds to guarantee foreign debt payments. Starting in October, Argentina must *quintuple* monthly payments on its \$60 billion foreign debt, from \$60 million to \$300 million.

Toss workers out

Cavallo's goal is to reduce the state sector work force by 30%, as promised in the letter of intent to the IMF. Initially, the finance minister fixed a three-year timetable in which to reduce the government bureaucracy by 122,000 people, and drop 82,000 jobs from other state sector companies which now employ 254,000 workers. Cavallo is now accelerating that timetable, stating that by the end of 1992, the state expects to have no companies or productive assets in its possession.

This means job loss for hundreds of thousands of workers, who, in a shrinking economy, have no hope of being absorbed by the private sector or other productive employment. Worse, under the guise of making state companies more efficient and better managed, the government's privatization program is really a giveaway to *foreign* interests of strategic raw materials and basic industry sectors such as oil, gas, steel, petrochemicals, and defense. Argentina's sovereignty is being compromised. On Sept. 16, workers from the Association of State Workers (ATE) charged that the government is selling off "for the price of scrap metal, both inputs and machinery in perfect condition" at the state-run military company, Fabricaciones Militares.

Immediately, the rationalization plan means firing 10,000 workers from the state banking sector and 20,000 from the state railroads. Bankrupt provincial governments have been ordered to cut their employment rolls by another 30%. The government recently announced that it intends to privatize the giant steel complex Somisa, founded in 1947 at the initiative of nationalist army Gen. Manuel Savio as the cornerstone of Argentina's industrialization and steel development program. The company employs 11,000 workers at its headquarters in San Nicolás in Buenos Aires.

Government intervenor Jorge Triaca announced Sept. 17 that privatizing Somisa would allow the company to fire 2,000 workers, in addition to the 2,700 who have opted for early retirement. As an alternative, Triaca announced, the government intends to create Chinese-style "micro compa-

nies”—a favorite World Bank plan—which might be able to hire back 350 workers. Since the entirety of San Nicolás depends on Somisa for employment and related economic activity, as many as 6,000 families may end up without means of support.

Perfecting the police state

Not only does this not bother the Menem government; the President has announced that he will not tolerate any opposition to the rationalization of the state. On Sept. 17, Finance Minister Cavallo and Labor Minister Rodolfo Díaz issued statements explaining that any strike directed against government policy will be considered an assault on “democracy” and declared illegal. “When a strike is used as an instrument of pressure to change the decisions of a democratic government, then a constitutional right is being used in a mistaken fashion,” Díaz said.

Cavallo and Menem have made clear that workers who aren't willing to make “decisive sacrifice,” will be fired. When the oil workers union went on strike against the state oil concern, YPF, on Sept. 13, the Labor Ministry immediately declared the strike illegal and fired 2,300 strikers. Backed by these dictatorial measures, Fabricaciones Militares has proceeded to fire 1,300 workers in Buenos Aires, and several hundred more at its steel plant in Jujuy and other dependencies in Santa Fe.

At the same time, Menem has kept up his tirade against the nationalist “carapintada” wing of the military, whose leader Col. Mohamed Alí Seineldín, has just been sentenced to life in prison for resisting Menem's destruction of the nation. Fearful that the colonel's principled stand in defense of national sovereignty is inspiring resistance in other sectors of society, Menem has set off an elaborate propaganda campaign charging that the nationalists in the military are plotting to undermine democracy. As part of this campaign, Federal Police chief Juan Passero announced the creation of a special task force to track of any nationalist civilian or military officer not yet arrested for activities related to the Dec. 3, 1990 uprising.

Since the government's economic policies will unquestionably lead to an increase in crime and violence, including facilitating drug trafficking and money laundering and expanding the drug-related “informal economy,” Menem is also introducing a judicial reform which will include a U.S.-inspired plea-bargaining system already implemented in Colombia and Bolivia. In an affront to the country's Catholic majority, Menem has adopted a Bush-style insistence on legalizing the death penalty, which the Argentine Church firmly opposes.

A malthusian policy

Where Menem's free market lunacy will lead can be seen in the case of Hipasam, the state-owned mining center located in the municipality of Sierra Grande in the southern province

of Río Negro. One hundred days ago, the Defense Ministry shut down Hipasam because it was deemed “unprofitable,” but promised to reopen it once it was “restructured.” On Sept. 18, the Hipasam workers union issued a dramatic plea to the federal government, describing the plight of 12,000 Hipasam employees and their families who have been left destitute by the shut-down. Hipasam was the only source of employment for the residents of Sierra Grande; now they face the breakdown of social services and health care, the bankruptcy of local businesses, the exodus of the population and three months of unpaid wages. Labor leader Raúl Severino reported that there is a health emergency because one of the city's two clinics has shut down, there is no anesthesia available, and no gasoline for the only working ambulance.

Moreover, the collapse of infrastructure due to IMF austerity and lack of investment portends a national health disaster. A large part of the population of Buenos Aires has had no access to potable water in September, ostensibly due to “pressure problems” in the water distribution network. However, technicians from the National Sanitation Works reported on Sept. 20 that unless filters at the major potable water plant were repaired quickly, there will be no water available for the peak summer months—precisely the period when the danger of a cholera outbreak is at its greatest. Health Secretary Elsa Moreno admits that “the threat of the arrival of cholera is great.” Dr. Jaime Weissman, chief of research at the Muñoz Hospital, told *La Nación* that the country's 15-16 million slum-dwellers are at immediate risk of contracting cholera and other diseases.

Since Argentina's demoralized electorate gave Menem's Peronist party such a sweeping victory in the Sept. 8 elections, the President feels emboldened to impose new indignities. When the price of beef shot up recently, Menem recommended that people simply stop consuming meat—in Argentina, of all places. Citizens have also been told to reduce consumption of potable water to “moderate” levels. Since the government also failed to meet all the guidelines set by the IMF for the third quarter, especially in terms of a budget surplus, Menem will be looking for new ways to squeeze the population, no matter how many suffer as a result.

Greater repression notwithstanding, some Argentines have had enough of Menem's “democracy.” Wives of the unemployed Hipasam workers hold nightly protests, blocking traffic on the important national highway No. 3 which unites the northern and southern parts of the country. Drivers who wait for hours on the barricaded highway shout out “strength” or “don't give up” to the protesting wives, who are about to embark on a hunger strike. Similarly, on Sept. 23, some 2,000 relatives of workers at Fabricaciones Militares in Jujuy marched to the capital to protest firings. Another 500 protested in Santa Fe over firings at the Fray Luis Beltrán military plant. The Menem government is said to be “worried” about these conflicts.

Bush aids communism in Ibero-America

by Valerie Rush

Even as the Soviet empire crumbles, the “anti-communist” Bush administration is openly encouraging governments in Ibero-America to embrace subversive guerrilla movements which have been wreaking havoc for decades. The result, far from bringing peace, will be the institutionalization of terror.

Exemplary is the case of Colombia, where the César Gaviria government continues to hold “peace negotiations” with the Simón Bolívar National Guerrilla Coordinating Group (CNGSB), an umbrella group of narco-terrorist organizations. Those negotiations have been ongoing for several months *despite* the subversives’ deliberate escalation of terror directed primarily at the Colombian population and at the nation’s economic infrastructure.

Sanctioning ‘another Colombia’

The “peace talks” have centered around the rebel demand of “purging” the Colombian Armed Forces as an institution, and of giving over large chunks of national territory to CNGSB domination *free* of any military presence. The Gaviria government, desperate for a cease-fire with which to boost its image, has already met one key such demand by forcing the resignation of Gen. Oscar Botero Restrepo as defense minister, and imposing a civilian—a former presidential “peace adviser”—in his place.

At the same time, the government has offered to give the CNGSB 60 “demobilization” sites, mostly concentrated in the underpopulated *llanos*, or plains, east of Bogotá, which function as the country’s breadbasket. The CNGSB, with its 10-15,000 men under arms, has demanded 200 such sites. Whatever the outcome of that bit of haggling, the fact is that by demilitarizing a strategically key swath of the country and handing it over to a heavily armed, drug-trafficking irregular army, the Gaviria government will be splitting the nation in two while giving the CNGSB enormous blackmail power against the institutions of government.

The establishment of “another Colombia” is, in fact, the long-held dream of the Communist Party-linked Colombian Revolutionary Armed Forces (FARC), whose forces make up the largest element of the CNGSB. In the 1960s, the FARC established what it called an “independent republic”

inside Colombian territory, from which it was, eventually, violently dislodged.

Lest anyone be naive enough to believe that the Gaviria government’s appeasement policies are an independent gesture, listen to U.S. Undersecretary of State for Inter-American Affairs Bernard Aronson, speaking last March on “U.S. Policy and Funding Priorities in Latin America and the Caribbean for FY 1992”: “We are also encouraged by recent successes in negotiating a peaceful end to Colombia’s guerrilla insurgencies. We support the initiative of President Gaviria to offer dialogue to the EPL and FARC guerrillas, and hope they respond affirmatively.”

El Salvador: targeting the Armed Forces

Precisely modeled on the Colombian experience is El Salvador, where the U.S.-backed Secretary General of the United Nations, Javier Pérez de Cuellar, has mediated an apparent “agreement” to end the war between the government of President Alfredo Cristiani and the guerrilla forces of the Farabundo Martí National Liberation Front (FMLN). The agreement would permit the incorporation of thousands of armed subversives into a new civilian-controlled national police force, while establishing a government-rebel commission to oversee the “reform” of the Salvadoran Armed Forces—including a drastic reduction in its size and a purge of “unacceptable” elements.

The pending agreement is not substantially different from the FMLN’s original demand for assimilation of its army into the country’s military forces, which was characterized by U.N. mediator Alvaro de Soto as “tantamount to an armed peace. They [the FMLN] want to be able to carry out maneuvers and continue to recruit in a large swath of the country, so as to be ready for the possibility of having to return to fighting.”

Salvadoran President Cristiani, who only weeks earlier had characterized the FMLN’s demand as “a total impracticality,” and had insisted that his “main objective here is to create a *disarmed* political party out of the FMLN,” told the United Nations General Assembly Sept. 23 that now “the main roadblocks have been removed,” and that “total agreement” was close at hand. Perhaps it was the fact that U.S. Ambassador to El Salvador William Walker, along with U.S. embassy staff, had traveled into the heart of rebel territory in August to hold a symbolic drinking and photo session with 10 FMLN commanders, that prompted Cristiani’s sudden change of heart.

Should Presidents Gaviria and Cristiani want to see the concrete results of a “social pact” with terrorism, they need look no farther than Nicaragua, where President Violeta Chamorro’s made-in-the-U.S.A. “democracy” is fast devolving into a new civil war. In the absence of a serious economic and social program for rebuilding that nation, “demobilized” Contras and former Sandinista soldiers are re-arming in preparation for a new outbreak of war.

The end of an era in the Philippines

by Lydia Cherry

Following the formal rejection of a new U.S. military base treaty by the Philippine Senate on Sept. 16, it is just a matter of time before the United States leaves Subic Bay naval station. The base was unique for its deep water port and protected harbor; the United States cannot replace this capability. And yet, the agreement that the U.S. hammered out with the increasingly economically weakened country, offered the Philippines nothing: no financial compensation, no increased sovereignty in the military area, and no transfer of military technology. The policies of the United States raise doubts that it was ever serious about holding Subic Bay.

In a column in *Philippines Newsday* Sept. 11, Francisco Tatad wrote that the U.S. and President Corazon Aquino should review "their past mistakes." The "original sin," he wrote, came in 1986 when the U.S. State Department and the Pentagon decided that President Ferdinand Marcos "should go" because "he had become unpredictable on the bases." The U.S. supported Aquino who, Tatad noted ironically, had earlier committed herself to removal of the bases. U.S. officials, however, viewed Aquino as controllable, "saying what she said in private about the bases did not match the public statement."

The next mistake, Tatad wrote, was that one month after she acceded to power, Aquino discarded the Constitution and sacked duly elected local government officials and 200,000 civil servants, "all of this cheered by the U.S. who organized Mrs. Aquino's international support."

Then, the U.S. looked the other way in 1987 when senatorial candidates of the Grand Alliance for Democracy—then the only potentially potent opposition grouping—"were cheated wholesale in the first high-tech electoral cheating in the country's history." (In some districts, Aquino candidates got votes totaling 160% of all registered voters).

Another mistake, Tatad insisted, was U.S. sending flights of Phantom jets "that turned the tide against the otherwise victorious coup of December 1989."

The U.S. high-handedness would have made Douglas MacArthur turn over in his grave. The Manila daily *The Chronicle* gave insight to this dynamic: "In trying to steamroll the Senate, the U.S. has probably not yet gotten over the euphoria of its decisive military victory over Saddam Hussein's army. So it does not matter whether the bludgeon tactics are used on either friend or foe." The daily noted

that "this comes after the U.S., taking advantage of the Mt. Pinatubo eruption that reduced Clark Field as a Filipino bargaining chip in the negotiations, slashed the compensation package and rammed it down the throat of the Filipinos on a take it or leave it basis. The Americans smelled blood and went for the kill."

The June 9 eruption of the long-dormant volcano was one of the biggest and most damaging of the century. The country hasn't recovered. Hundreds of displaced families now live in crowded refugee camps in which children are dying of disease. The U.S. walked away from Clark Base, declaring it unusable and not cost-effective to repair.

The so-called 'master stroke'

Richard Fisher of the Heritage Foundation, a U.S. think-tank, in August called the base agreement "a master stroke"—only \$203 million in military aid per year was specified for the 10-year agreement. Special base negotiator Richard Armitage "has persuaded the Filipinos—for the first time—to separate economic relations from the two countries' military relationship," Fisher said. "And, at the same time, the U.S. will retain access to its best naval base in the Pacific and its best Asian transit point to crises that may threaten American interests in the Persian Gulf." The only problem Fisher foresaw was that it "may not survive the nationalists in the Senate."

It is clear that the Philippine military has resented the "technological apartheid" policy of the United States. Air Force Chief Maj. Gen. Loven Abadia Sept. 17 blamed the U.S. for the sorry state of the Philippine military. "You have not seen fit to transfer top-of-the-line equipment to the Philippines, yet you have been quite generous to other allies who are not even hosts to the biggest military facilities out of the U.S.," Abadia said, during ceremonies turning over a portion of Clark Air Base, at which U.S. Ambassador Frank Wisner was present. Abadia noted that the Americans had barred the Philippines from participating fully in advance phases of joint U.S.-Filipino exercises for lack of advanced equipment.

The Philippine economy has continued to nosedive, with unemployment—doubling since last year—now at 18% officially. Adding in the semi-employed would put the figure at close to half the labor force. The country is no longer food self-sufficient. Fisher indicated further U.S. plans, which would add to the misery: "Washington has already indicated it wants to discuss Philippine progress in economic reforms. . . . Manila must proceed with dismantling monopolies, selling government-owned companies, ending fuel and food subsidies; the free trade agreement being negotiated with Mexico can serve as a model."

Sen. Juan Ponce Enrile concluded Sept. 16: "This day will be variously called the end of an era, a turning point, a crossroads in the life of our nation. We are on the side of history."

Israeli land seizures, settlements violate international law

On Aug. 20, 1991, the Palestinian human rights organization Al-Haq produced an extensive report entitled "Israeli Land Acquisition and Settlement Policies in the Occupied Territories," documenting Israeli policy which is being implemented in defiance of international law. The report was published in the English-language supplement of the Jerusalem newspaper Al-Fajr on Sept. 9 and 16. The report provides more detailed confirmation of charges outlined in an Aug. 23 EIR article entitled "Israel's Apartheid System Shows Zionism Is Racism." The following are excerpts from the Al-Haq report.

There has been a dramatic increase in illegal Israeli acquisition of Palestinian land and its settlement in the Occupied West Bank and Gaza Strip since January 1990. Settlement plans have been and are in the process of being implemented at a greatly expanded pace, with no regard for Israel's obligation as an occupying power under international law. Further, Israeli authorities have repeatedly indicated that they have no intention of either reversing or halting their illegal settlement policies and practices. These Israeli policies will be illustrated by two recent case studies of Israeli land acquisition that demonstrate the urgency of the situation, one in the Bethlehem village of Irtas and the other in the Ramallah village of Bil'in.

The increase in illegal land acquisition and settlement has accompanied the most significant rise in Jewish immigration since the first few years of Israel's 43-year history. Al-Haq is especially concerned about two aspects of this recent influx: First, some new immigrants are settling in the Occupied Territories; and second, the scope of the influx and the short duration in which it is occurring has placed an unprecedented strain on housing availability within Israel, leading other Israelis to move from within the pre-1967 Green Line to the Occupied Territories [the Green Line is the pre-1967 border of Israel].

It is widely accepted under international law that land acquisition and settlement by an occupying power are illegal, contravening the Hague Regulations of 1907, and the 1949 Fourth Geneva Convention. In particular, Israeli policies of land acquisition and settlement violate the requirements of Article 43 of the Hague Regulations that an occupied territory must be administered, with limited exception, for the benefit of the local population.

Al-Haq calls on the High Contracting Parties to the 1949 Fourth Geneva Convention to fulfill their obligation under the Convention and intervene with Israel in order to end its practices of land acquisition and settlement in the Occupied Territories. These policies and practices are clearly illegal and their continuation threatens the livelihood of Palestinians living under occupation and prejudices any long-term solution to the status of the Occupied Territories and peace in the region.

1. Land acquisition

1.1. Recent developments

According to documentation and information compiled by Al-Haq, illegal land acquisition by the Israeli military authorities has escalated significantly since the beginning of the intifada [December 1987] and especially since January 1990. Between January 1988 and June 1991, over 504,120 dunums of land [a dunum is about a quarter of an acre] were confiscated by the Israeli authorities in the Occupied West Bank (excluding East Jerusalem) and Gaza Strip under various pretexts. This number amounts to 8.78% of the total land area of the West Bank (excluding East Jerusalem) and Gaza Strip. Of this, 418,642 dunums, or 7.29%, were confiscated between January 1990 and July 1991. [The total percentage of the West Bank and Gaza Strip land which has been seized since 1967 is about 60%.]. . .

2. Israeli settlement

2.1. Recent developments

Estimates for the number of Jewish settlers in the Occupied Territories (excluding East Jerusalem) vary significantly, ranging from 77,000 to 120,000. Based on conservative estimates, at least 104,000 Jewish settlers currently live in the Occupied Territories (excluding East Jerusalem). In addition, well over 127,700 Jewish settlers reside in Occupied East Jerusalem. The settler population of East Jerusalem has increased by at least 14.6% since January 1990, when, according to the *Statistical Yearbook of Jerusalem*, 111,400 Jewish settlers lived in the area.

2.2. Recent policy statements

Israeli Housing Minister Ariel Sharon was recently quoted as saying that "Israel has no plans to leave Judea, Samaria, and Gaza, nor will it ever have such plans." Sharon

is also clear on the question of settlements: "We have built in the past, we are building now, and we will build in the future." In addition, Sharon recently noted in reference to mobile homes set up in the Occupied Territories (because municipalities within the Green Line opposed locating them in their environs) that he would have preferred not to have installed them in "Judea and Samaria" since "our design there is for permanent settlement." [Judea and Samaria are the Zionist terms for the West Bank.]

It is also evident, as Sharon recently stated, that "Settlement in Eretz Israel, including Judea and Samaria, is a government policy according to government decisions. I am not executing a personal policy, but a policy of the Israeli government." Prime Minister [Yitzhak] Shamir's media adviser, Avi Pazner, recently confirmed that the settlement of the Occupied Territories was government policy when he warned against greeting U.S. Secretary of State James Baker's visit with another settlement, saying that "it is not our policy to set up settlements while Baker is here. These acts of setting up settlements at this time only interfere with our efforts to settle at other times." The director general of Prime Minister Shamir's office, Yossi Ben-Aharon, recently stated that a "freeze [on settlements] violates a very basic principle . . . the right of Jews to live in any part of this land west of the River Jordan." . . .

2.4. Settlement construction since January 1990

An Israeli Housing Ministry spokesman recently stated that there were 4,500 housing starts recorded in "Judea, Samaria, and Gaza" in fiscal year 1990. According to the *Washington Post*, between January and October of 1990, Israel had allocated \$80 million to settlement funding. In the past two years, 13,000 housing units and 1,900 mobile homes have been established in the Occupied Territories (excluding East Jerusalem) according to Aryeh Bar of the Housing Ministry.

In a report presented to the Knesset in May 1991, Sharon reported that 4,468 units were under construction in the Occupied Territories (excluding Jerusalem), with 95,000 units scheduled for completion by the end of 1991 for Israel and Occupied Territories; Sharon refused to reveal what proportion of the 95,000 units were to be built in the Occupied Territories. Israeli Deputy Minister of Construction and Housing Avraham Ravitz stated that there are 13,000 housing units being planned for the Occupied Territories (excluding East Jerusalem) in 1991 and 1992, with Knesset members Charlie Biton and Ali Ben Menachem charging that the Housing Ministry actually plans to build as many as 24,300 housing units in seven West Bank settlements by the end of 1992. . . .

4. International law applicable to Israeli land acquisition and settlement

4.1. Background

International Law is unambiguous on issues of land acquisition and settlement in an occupied territory. Article 43 of the Hague Regulations requires that an occupied territory



United Nations/M. Nasr

The number of registered Palestinian refugees has now passed 2 million.

must be administered, with rare exceptions, for the benefit of the local population. Article 73 of the Charter of the United Nations similarly requires that in "non-self-governing territories," "the interests of the inhabitants of these territories are paramount." The acquisition of the majority of the local population's land and its settlement by the occupying power is clearly not in the interest of, nor does it benefit, the Palestinian people.

The United Nations has repeatedly affirmed the applicability of both the Hague Regulations of 1907 and the 1949 Fourth Geneva Convention relative to the Protection of Civilian Persons in Time of War to the 24-year-old Israeli occupation of the West Bank and Gaza Strip. In addition, the international community has historically rejected the validity of Israel's 1967 annexation of East Jerusalem and has repeatedly affirmed its status as an occupied territory.

4.2. The Israeli position

While Israel accepts the applicability of the Hague Regulations to the Occupied Territories as customary law, it does not accept the applicability of the Fourth Geneva Convention of 1949 even though the General Assembly of the United Nations voted by 141 to 1 (Israel) in 1981 that the Convention applies to the West Bank and Gaza Strip. After the first five months of the occupation, Israel took the position that it is not an occupier and therefore is not bound by the Geneva Convention, but "agrees to apply the humanitarian standards laid down in these conventions." Most legal scholars believe that all Israeli justifications in this regard "fail in view of the clear wording of Geneva-IV, to which Israel is a party, and of the reiteration of the wording in PR-1 (Protocols to the Convention) of 1977, Article 85 (4a)."

4.3. Land acquisition

In relation to seizure of land, Article 23 of the Hague Regulations of 1907 forbids an occupying country "to destroy

or seize the enemy's property unless such destruction or seizure be imperatively demanded by the necessities of war." Article 46 of the Regulations specifically states that "private property can not be confiscated." Article 52 requires that "requisition . . . shall not be demanded . . . except for the needs of the army of occupation." Israel's actions clearly do not fall within the exceptions allowed under the Hague Regulations. Land has been seized for the purpose of annexing territory, for settling Israeli civilian population, and for other non-military purposes. Further, Israel's claim of military necessity is often offered in cases where the justification is arguable at best.

4.4. Land settlement

The settlement of an occupied territory also clearly violates Article 49 of the Fourth Geneva Convention, which requires that "the occupying power shall not deport or transfer parts of its own civilian population into the territory it occupies." The International Committee of the Red Cross (ICRC) Commentary to the Convention agrees with this formulation, stating clearly that Article 49 "is intended to prevent a practice adopted during the Second World War by certain Powers, which transferred portions of their own population to occupied territory for political and racial reasons or in order, as they claimed, to colonize those territories. Such transfers worsened the economic situation of the native population and endangered their separate existence as a race."

Even if the definition Israel uses for claiming that the land it has acquired is "state land" is correct, Article 55 of the Hague Regulations states that an occupying power "shall be regarded only as the usufructur and administrator of state property." In keeping with this mandate, Israel must safeguard the property and "may not impair its substance or alter its character." Building Jewish settlements on these acquired lands is clearly a violation of this mandate.

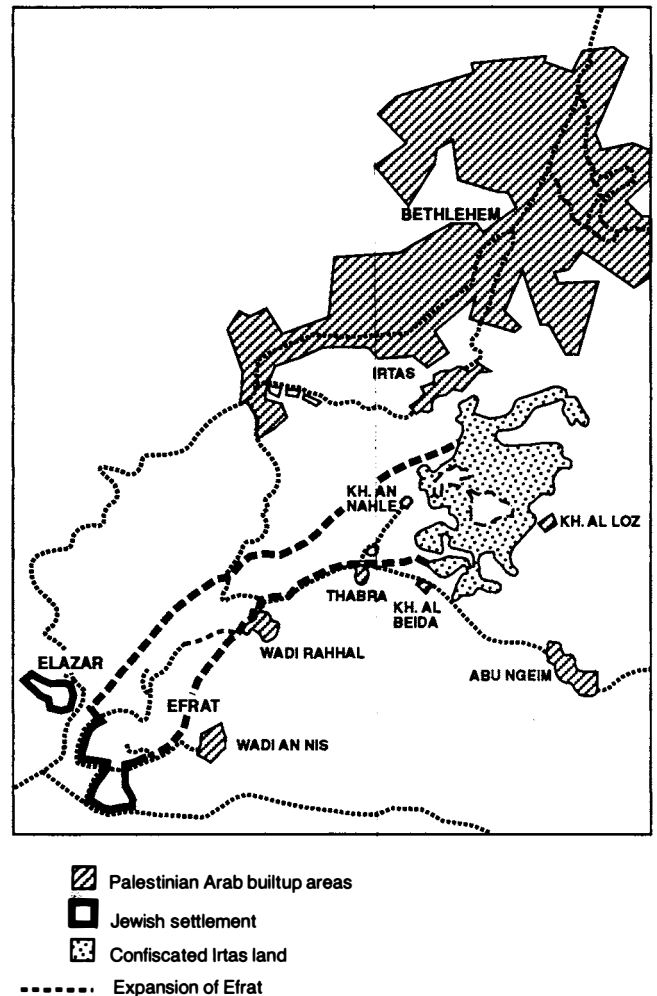
5. Al-Haq case studies

5.1. Irtas village

Irtas is a village that lies a few kilometers south of Bethlehem with a population of approximately 2,000 people. On April 12, 1991, the mukhtars of the village were informed by written announcement in Hebrew of the intention of the Israeli authorities to seize 1,432 dunums of land in the areas of Jabal Abu Zeid, Wad Irtas, Shu'ub Salman, Harikat Milia, Nahleh, Khirbet al-Khokha, and al-Khaleej based on the pretext of the land's designation as "state land" [see Figure 1].

This announcement was relayed to the local landowners. Although the villagers were not informed earlier, the announcement indicates that the actual acquisition order was issued on March 14, 1991. The owners of the land include Palestinian villagers of Irtas, residents of nearby Bethlehem, and the Irtas Convent. Portions of the land to be confiscated are cultivated with grape vines and almond trees. In addition, some of the land, no more than 10%, is used for the cultiva-

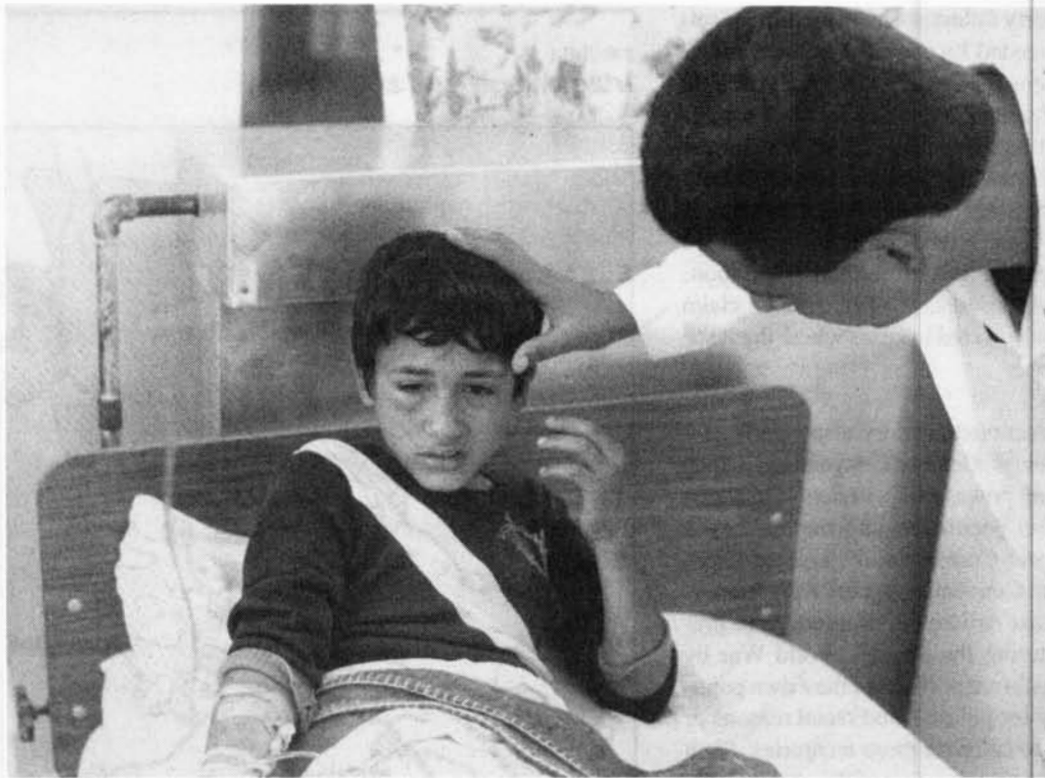
FIGURE 1
Irtas village land acquisition



tion of vegetables in the summer season and grains in the winter season.

The villagers believe that the land will be used for expanding the nearby Jewish settlement of Efrat, which was built on land previously confiscated from Irtas and the nearby village of Khader. This belief is confirmed by Figure 1, which indicates the expansion area proposed by Efrat.

The villagers noted that the seizure of this land will affect other large areas, especially land in the southern part of the village of Khader, which is parallel to the acquired land. This land is cultivated with grape vines and portions of it had been seized previously for the building of Road #60, which connects Hebron with Jerusalem. That acquisition had caused the loss of huge areas of agricultural land, especially fruit trees. As a result, the remainder of this land in southern Khader now falls between the road and the land that has been seized. Usually in these situations, restrictions are placed on



United Nations/M. Naar

On the West Bank, 36% of those injured in the first 18 months of the Palestinian uprising were children under the age of 15, according to the U.N. Relief and Works Agency. Here, doctors at Ahli Arab Hospital, Gaza, treat a 10-year-old Palestinian who was beaten by Israeli soldiers.

farmers tending their land due to its proximity to a settlement, settlement roads, and land confiscated for other uses.

The people of Irtas have begun the process of objecting to this acquisition, although there has been no response yet from the Israeli authorities. In addition, on April 19, the villagers sent a letter to U.N. Secretary General Javier Pérez de Cuellar protesting the acquisition and urging the United Nations to intervene to rescind the seizure of the land. In addition, the villagers sent an appeal to U.S. Secretary of State James Baker asking him to pressure the Israeli authorities to return their land.

5.2. Bil'in village

On Feb. 25, 1991, the mukhtars of Bil'in village in the Ramallah district received an announcement in writing of the intention of the Israeli authorities to seize approximately 1,000 dunums of land belonging to 45 families in the areas of Thahr, Mazarib, Jourit Abu Shal, Al-Masatheeh, Al-Mumalaha, Umm al-Sabiya, Wahrit al-Shajr, Khalit al-Maqadir, and Khirbet Umm al-Thineen on the pretext that the land is "state land" with some of it intended to be a "nature reserve." Approximately 57 dunums of the land to be seized belong to villagers in nearby Saffa [see Figure 2].

On March 10, an Israeli land official came to the village with a "Captain Sammy," the director of "Absentee Property," and a representative of the Israeli civil administration from Khirbet Bani Harith. They orally warned the villagers that they are forbidden to enter the seized land and threatened

them with punishment if they did so. On March 18, nine of the village landowners were requested to meet with a representative of the civil administration in Kharabtha village. On their entry to the meeting, the villagers received written orders of acquisition and were threatened with punishment if they violated the order. Some of the landowners signed the order and others refused.

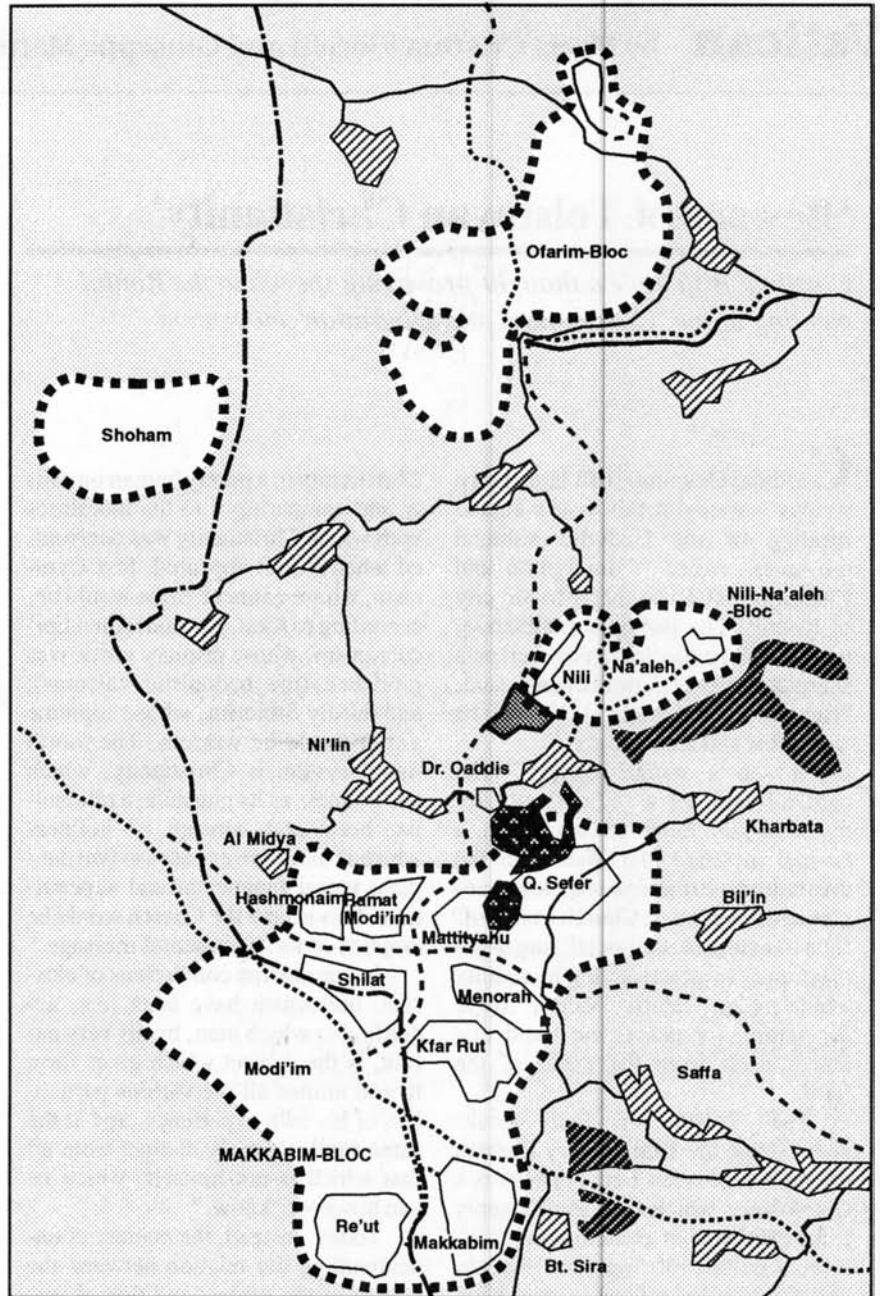
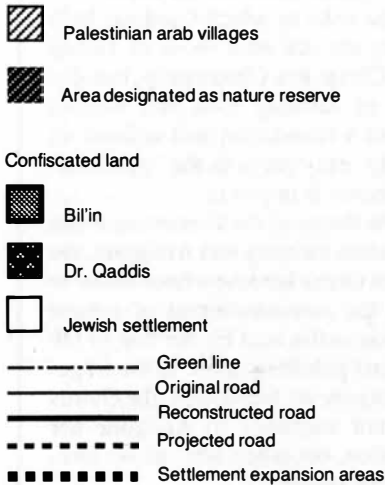
It is important to note that the villagers have objected to land seizure attempts in the same area a number of times and succeeded twice, in 1986 and 1989, in freezing the acquisition of 144 dunums and 400 dunums, respectively. The pretext for those attempted acquisitions was, again, that they were "nature reserves" and "state land."

In addition to the fact that their land has been seized, residents are concerned because the seized land is located about 100 meters from Palestinian homes in the west of Bil'in. Portions of the land have been cultivated with grains for the past 10 years. Further, part of the land was used for grazing by the village livestock. The seized land completely surrounds approximately 1,500 dunums of other land which is planted with olive trees.

5.3. Comments

Bil'in and Irtas are clear examples of how Palestinian villages near expanding blocks of Jewish settlements are being constrained and stifled by this expansion. The land seized in Bil'in will serve as a park area for the Makkabim/Modi'im settlements. As Figure 2 indicates, Bil'in is part of a pattern

FIGURE 2
Bil'in village land acquisition



affecting nearby villages such as Safa, which has had land seized for the projected Modi'im highway; Beit Sira, which has had land seized for the expansion of the Makkabim settlement; and Deir Qaddis, which has had land seized for the construction of nearby Jewish settlements.

Over the years, more than half of the area shown on the right side of Figure 2, east of the Green Line and halfway between Tel Aviv and Jerusalem, has been brought under Israeli control. Most of this land is comprised of irregular stretches of rocky, grazing land, making it an easy target of the Israeli land authorities. Deir Qaddis has lost more than

half of its land, which is now either incorporated as expansion areas of planned large-scale Jewish suburban settlements or designated as nature reserves providing recreation grounds for the emerging Jewish suburbs in the area. Necessary Palestinian village expansion is severely restricted while land confiscated from these villages is at the same time developed to create Jewish suburban cities that in the Bil'in area alone will accommodate more than 300,000 Jewish inhabitants within the next 10 to 15 years. This will bring the Jewish settler population to more than double that of the Palestinian population in the area.

'Beware of Tolstoyan Christianity'

Cardinal Biffi gave a thought-provoking speech to the Rimini meeting of the 'Communion and Liberation' movement.

Cardinal Giacomo Biffi launched a serious warning at this year's annual meeting of the Catholic political movement called "Communion and Liberation" (CL) in the Adriatic city of Rimini. The Bologna archbishop, who is a deep theologian as well as a sharp observer of current events, said, "Beware of the Antichrist," he will be "a pacifist and an ecologist."

"I see a mortal danger," the cardinal said, of a "Christianity reduced to pure humanitarian action, a Gospel message identified with the commitment to dialogue between peoples and religions, a Church traded off for a benevolent and socializing organization." In practice, a Christianity which exalts "relative values" (love for nature, for peace, etc.) and distances itself from the truths of the faith.

The "Tolstoyism" Biffi speaks about (from the 19th-century Russian oligarchist novelist Leo Tolstoy) is a Christianity which has drunk deeply from the fount of contemporary culture, a culture of "opinion" which, philosophically, reflects a confusion and weakness typical of *Abgrund* thought (without foundation) or "weak" thought.

"To turn the Church into a purely philanthropic organization, which has no dogma, but at best a moral doctrine, is an idea taken out of contemporary secularism which takes off from Kant and Hegel," says Prof. Dario Composta, who teaches philosophy and law at the Urbaniana University in Rome. "Kant in his *Critique of Practical Reason* proposes reducing

Christianity to a purely human morality and comparing it to the moralities with which Christianity was confronted when it first appeared: first Cynicism, whose eminent virtue would be, according to Kant, fortitude; then Epicureanism, whose primary virtue was prudence (the hedonistic calculus); and thirdly Stoicism, whose supreme virtue would be wisdom. The fourth moral system is Christianity, which has holiness as its pinnacle; a rationalist, horizontal concept of holiness which is therefore exposed to two dangers: moral fanaticism and superstition. This is how the Church would be emptied of its supernatural message."

In our day the convictions of classical humanism have been lost, according to which man, by his very nature, is the subject which gives form to and unifies all the various particulars of his own experience, and at the same time is clearly distinct from all that which is not himself, which he can however "know."

Today, instead, the manner of understanding the relation between the sphere of the subject and that of surrounding reality has been changed. There is no longer any objective truth. It has been replaced by subjective truth, with the consequence that it has become impossible to anchor knowledge to a fixed point, to fundamental truths, let alone supernatural truths. The reduction of man to his subjectivity does not free him, but makes him a slave. Where will the individual in his everyday life find the necessary energy to better his own existence, the hope to live? If an integrated vision of

man is lacking, then the individual's strength is no longer concentrated in his nature, but in his will, which is moreover conditioned by historical-social factors and external events.

The risks to which Cardinal Biffi alludes are not only those of falling into a Christ-less Christianity, but also those of forming men and women without a foundation and without an identity, easy preys to the "opinions" of whoever is in power.

The theme of the Communion and Liberation meeting was Antigone, the ancient Greek heroine whose desire to fulfill the commandments of natural law was suffocated by the law of the state and public opinion. In the tragedy *Antigone* by Sophocles, the chorus does not announce to Antigone her liberation, but labels her call for freedom "arrogance."

Despite serious epistemological weaknesses, CL has stood up for the principle of justice outside the "right" and "left" political alignments. One example of this is its denunciation of the Gulf war, with its monstrous massacres, which public opinion regards as a war to defend freedom.

An eyewitness report of the persecutions suffered by the Catholic Church in Russia was given by Msgr. Tadeusz Kondrusiewicz, apostolic administrator of Moscow, and archbishop since April 13. He told how the Church has survived and is working to recover lost time, "since the latest generations were educated in the spirit of Marxism-Leninism and these roots are firmly entrenched." "This is a huge labor," admitted Monsignor Kondrusiewicz, adding: "We need books, good translators, publishing houses that don't exist in our country. What we are not interested in getting from the West are the degeneracies of consumerism, pornography, drugs, criminality, indifference, luxury, and wastefulness."

Kissinger pals in trouble in Venezuela

After six years, charges made by EIR's "Narcotráfico S.A." have come back to haunt the Cisneros clan.

Six years ago, in February 1985, when *EIR* began to circulate the Spanish-language edition of the bestseller *Dope, Inc.* in Venezuela, Henry Kissinger's intimates, the Cisneros family, moved to halt its distribution. Named in *Narcotráfico, S.A.* for their links to international financial circles involved in laundering drug money, the Cisneros clan ordered the political police, the Disip, to raid *EIR*'s offices, confiscate the book, and expel *EIR*'s correspondents from the country. The book has not been permitted to circulate in Venezuela since.

Now, however, explosive revelations coming out of the Venezuelan congressional commission investigating corruption and drug trafficking allegations made by former Military Intelligence Commissioner Osmeiro Carneiro, have sparked renewed interest in the banning of *Narcotráfico, S.A.* as well as in the original charges made against the powerful Cisneros clan.

According to the Sept. 19 daily *El Globo*, the Carneiro commission has turned up evidence that the Cisneroses are the owners of the Miami-based Celere, Inc., a company implicated in cocaine smuggling by the U.S. Drug Enforcement Administration (DEA). Celere, Inc. is registered in the name of Lázaro Rogelio Ugarte Bresselau, a Cuban-born CIA agent who, until recently, was security chief for President Carlos Andrés Pérez, and has been implicated in a number of CIA-linked dirty operations.

After the publication of the *El Globo* report, Venezuela's RCT tele-

vision news program contacted Alejandro Peña, secretary general of the Venezuelan Labor Party (PLV), to comment on the charges. Peña, a co-thinker of jailed U.S. statesman Lyndon LaRouche who commissioned the writing of *Dope, Inc.*, recalled for RCT's viewers the events surrounding the Feb. 4, 1985 raid on *EIR*'s Venezuelan offices, and called for an investigation into the banning of *Narcotráfico, S.A.*, the arrest and deportation of *EIR*'s correspondents, and the shutting down of their offices. Peña, whose comments were aired Sept. 19 and 20, revealed that almost all the personnel involved in the raid on *EIR* and the banning of the book, were hirelings of the Cisneroses.

The judge who issued the warrant for the 1985 raid, Ana Luisa Gandica, had not only been a lawyer for the Cisneros-owned Pepsi-Cola Co. of Venezuela, but also acted as a witness to the marriage of Lázaro Rogelio Ugarte Bresselau, Peña reported. Noting that virtually all of the individuals involved in shutting down *EIR* have subsequently been fired, prosecuted, and even jailed on drug-related charges, the PLV leader also recalled that the banned *Narcotráfico, S.A.* had mentioned the current head of Venezuela's central bank, and known representative of Rockefeller financial interests, Pedro Tinoco. According to published accounts, Ugarte Bresselau first came to Venezuela hired by Tinoco to handle security for his Banco Latino.

The interest generated in this case was such that on Sept. 21, representa-

tives of every major media attended a Caracas press conference in which Peña was again the featured speaker. The volatility surrounding these developments is such that the reporter from the Cisneros-owned television network, Venevisión, tried to deflect the heat by focusing on Peña's relationship to Lyndon LaRouche, reminding those present that LaRouche is in jail in the U.S.—on charges of tax evasion, he lyingly claimed. However, when Peña responded by providing documentary evidence of Kissinger's role in the frameup of LaRouche and the persecution of his political organization, the Venevisión reporter was stunned.

Television cameras zoomed in when Peña held up a copy of Kissinger's August 1982 letter to then-FBI director William Webster, in which the former secretary of state demanded that the resources of the U.S. government be used to persecute LaRouche. He also held up a copy of the telex message sent by Iran-Contra figure Gen. Richard Secord to Oliver North on LaRouche, found in North's safe. This was the illegal activity which led to the creation of the "Get LaRouche" task force by the U.S. government, Peña explained.

The significance of this evidence wasn't lost on those present, since Kissinger's personal friendship with the Cisneros family is well known, and since Henry is also an official adviser to President Pérez. Peña reminded the press that it was Venevisión's own director, José Rafael Revenga, who, together with Gustavo Cisneros, took the legal steps to ban *Narcotráfico, S.A.* "I don't think that there can be a serious war on drugs if investigations, for whatever reason, are stopped, or if books are banned," he said, adding that charges made against the Cisneroses in *Narcotráfico, S.A.* have never been investigated.

International Intelligence

Kaifu wants to deploy Japanese troops to Gulf

Japanese Prime Minister Toshiki Kaifu sent to the Diet on Sept. 19 a rush bill to permit deployment of Japanese troops to the Persian Gulf, Kashmir, and six other hot spots in the supranational U.N. Peace-Keeping Operations (PKOs), UPI reported. If passed before the Diet recesses Oct. 4, it could lead to the first deployment of Japanese troops overseas since World War II—in the service of the Anglo-American new world order.

There were riots in the streets when Kaifu proposed sending troops to Iraq last November; he backed down and his government almost fell. Japan's Constitution specifically forbids the use or threat of force abroad in settling disputes; Japan's armed forces are mandated exclusively as a Self-Defense Force (SDF).

The "peace clause" is deeply popular in Japan, because of the tragedy of Hiroshima and Nagasaki. Most Japanese believe that Japan has a mission to warn humanity about the danger of thermonuclear holocaust.

The PKO troop bill explicitly allows the prime minister to deploy troops at will without consent of the Diet. Clauses promising that Japanese troops will only be deployed where cease-fires are in effect and will use firearms only in self-defense are not credible.

Kaifu's move followed a personal visit by former British Prime Minister Margaret Thatcher in Tokyo Sept. 1-10. Henry Kissinger also met with Kaifu in Tokyo early in September.

Beijing scores zero in Hong Kong elections

In Hong Kong's first-ever popular election on Sept. 15, the pro-Beijing candidates won no seats. The election itself was a farce, since only 18 of the 60 seats on the Legislative Council are going to be elected (the rest are appointed by the colonial government or by selected business groups). As a result,

only 39% of the electorate voted, but they voted overwhelmingly against the pro-Beijing candidates, who had received ample lobbying support from the P.R.C.

Martin Lee, the head of the United Democrats, who have led the campaign against Hong Kong's planned 1997 incorporation into China, and whose party won 16 of the contested 18 seats, was quoted by Reuters: "The sun will go down in shame on the 30th of June 1997 over the way the British have sold us down the river. We will be handed back to a repressive communist regime . . . without having any meaningful democracy in place." China's *People's Daily* called Lee a counterrevolutionary, one of the most serious charges in the Communist Party's vocabulary. But his popularity has grown in Hong Kong.

Asked about the collapse of communism in eastern Europe and the Soviet Union, Lee said: "The Pope recently said communism is at an end, and of course he is infallible."

Theology of Liberation joins Eco-92 campaign

The Peruvian "father" of the Theology of Liberation, Gustavo Gutiérrez, is embracing the ecology movement as part of his contribution to a "theology of liberation of nature."

At a Sept. 16 conference on "The Theology of Nature," sponsored by the Goethe Institute in Lima, Gutiérrez—a friend of pornographic writer Mario Vargas Llosa and of free enterprise advocate Hernando de Soto—introduced German theologian Jürgen Moltmann. Moltmann, a member of the Christian Reformed Church as well as the "Christian-Marxist dialogue," proceeded to call for revising the concept of the Trinity, and characterized the June 1992 Earth Summit in Brazil ("Eco-92") as the most important development for humanity since the Declaration of the Rights of Man 200 years ago. The German theologian is reportedly going to be a speaker at the Rio conference.

During a press conference, Moltmann told *EIR* that he thought the United Nations should intervene militarily against na-

tions—like Brazil—which "mistreat" the ecology, and added that the era of national sovereignty was over. He later denied that he had said this.

Bonner says Gorbachov directed coup 'theater'

Yelena Bonner, the widow of Soviet physicist Andrei Sakharov, charged in a recent Russian television interview, concerning the Aug. 19 attempted coup in Moscow: "I am ready to take an oath that Gorbachov was the director of the theater." This was reported in the London *Guardian* of Sept. 18, in a piece by Martin Walker reviewing the various "conspiracy theories" about the putsch.

Walker began by making light of a Polish television story that was broadcast soon after the Gorbachovs returned to Moscow during the week of Aug. 19, which claimed that Raisa Gorbachova was the chief architect of the coup. The Polish program asserted that she had been having a secret love affair with Interior Minister Boris Pugo, had been compromised by KGB film-footage of her naked romps with Pugo, and had eventually come to propose that Pugo coordinate a putsch.

After making light of this, Walker said that some credence was lent to it by Soyuz leader Viktor Alksnis, who told the Soviet media that he believed that Pugo's "suicide" was a phony, implying he was killed to shut him up.

One British source familiar with the Russian situation told *EIR* that he wouldn't dismiss the Polish television account out of hand: "There was a lot of jiggery-pokery in all of this, and we haven't heard the real story yet. Don't discount some involvement by Raisa."

It's a crime to whistle at Beijing University

Expressions of public dissent such as booing, whistling, and unauthorized gatherings will be banned after Oct. 5 at Beijing Uni-

Briefly

versity, the campus which was the center of the 1989 democracy movement, as well as several other such movements in history. So will bottle smashing—a Chinese way of protesting against “paramount leader” Deng Xiaoping, 87, whose given name sounds the same in Chinese as “little bottle.”

According to a Reuters report, these acts are deemed “behavior that corrupts public morals” in an official notice posted at the university.

Included in the list of banned activities are hugging, kissing, holding hands, and putting one’s arm on another’s shoulder. Violators will be criticized, reeducated, fined, or even subject to legal action. The regulations make all staff and students responsible for stopping and criticizing all violations of the “above-mentioned uncivilized behavior.” At Beijing University, all new students must undergo one year of military-controlled indoctrination and training at Shijiazhuang Military Academy outside the capital before beginning their studies.

In a related development, the Beijing government made some slight concession to foreign pressure and released imprisoned democracy leaders Wang Juntao and Chen Ziming from solitary confinement in September. With massive world attention on the life-threatening conditions imposed on the longtime leaders of the democracy movement, China made the concession of removing Wang to a hospital to be treated for his hepatitis-B, while Chen was moved into the regular population of the prison. Both men have ended their hunger strikes.

Shining Path in drive against Catholic Church

Some analysts in Peru estimate that with the recent assassinations of foreign Catholic priests, the Shining Path narco-terrorists are determined to put an end to all foreign assistance which the Catholic Church channels especially into poorer sectors of the population. Especially in remote areas of the country, the Church’s food and social assistance programs are often the only real help the

poor receive, particularly since the government of President Alberto Fujimori is determined to rigorously implement the International Monetary Fund’s (IMF) austerity conditionalities, no matter how many die as a result.

The archbishop of Piura, Msgr. Oscar Canturias Pastor, recently charged that at the behest of the IMF, Fujimori had reduced by 50% all public financial allocations to the poorest areas of the country—which also happen to be the ones under attack by Shining Path.

Among other things, Shining Path’s vicious campaign of murdering priests is an effort to eliminate Peru’s strongly Catholic cultural matrix. In the areas of the country it controls, the terrorist group prohibits the celebration of Christmas. It has also repudiated the celebration of the 500th anniversary of the evangelization of America. The group is circulating pamphlets attacking the event, and its spokesman in Spain has announced a boycott of all activities, inside Peru and abroad, having to do with the 1992 celebration, which it terms genocide against Indian cultures.

Syrian-Saudi-Iranian defense pact under way

The Jordanian newspaper *Al-Ray*, citing authoritative Arab sources, reported on Sept. 12 that the governments of Iran, Saudi Arabia, and Syria are preparing to sign a collective defense and security pact. The paper said that the Egyptian government of President Hosni Mubarak is strongly opposed to the arrangement.

Other sources in the region report that the deal was brokered by the United States, which has now concluded a 10-year basing arrangement with Kuwait, and which is preparing similar arrangements with Saudi Arabia, Qatar, Bahrain, Oman, and the United Arab Emirates. The purpose of the overlapping arrangements is the creation of a modified version of the 1950s CENTO pact, by which the United States and Britain dominated the region. Today, Iraq provides the pretext for the new arrangements.

● **THE TURKISH** government has extended the stationing agreements with the western Gulf war task force by another three months, referencing the unsettled “Kurdish issue” as the main reason. The agreements were set to expire at the end of September. The stationing agreement with the U.S. Air Force for using Incirlik Air Base in eastern Anatolia had already been extended by Ankara.

● **SUDAN** has offered to supply Iraq with anesthetic gas, which is in short supply in Iraq because of U.N. sanctions, the official Sudan news agency, SUNA, said on Sept. 19. Khairy Abdel-Rahman, undersecretary in the Health Ministry, made the offer to the Iraqi ambassador to Khartoum. “The health of the Iraqi citizen is a direct responsibility of the Sudanese Ministry of Health,” Abdel-Rahman told him.

● **THE MONGOLIAN** legislature ordered senior officials to quit all Communist Party membership by Sept. 3. President Ochirbat signed the law and quit the CP himself, along with the rest of the cabinet. They were elected last year in the first free elections for this once Soviet-run nation.

● **ALI AGCA**, the man who tried to kill the Pope in May 1981, identified his accomplice, Oral Celik, in a police lineup this September. For some years, a Turkish citizen, held prisoner in France, had been suspected of being Celik; now, the French authorities permitted him to be transferred temporarily to Rome, where Agca recognized him. On Sept. 23, Celik was also identified by a businessman whose identity is being kept secret by the Italian magistracy.

● **CROATIA’S** churches, parishes, and monasteries have been intentionally destroyed, with malice aforethought by the Serbian Army, charged the Croatian Franciscans in a message to the U.N. and to European heads of state.

U.S. case against Noriega called 'shockingly weak'

by Carlos Wesley

Since the trial of Gen. Manuel Noriega began on Sept. 16, it has become clear that the U.S. government has no evidence to prove its drug-trafficking allegations against the Panamanian leader. One after another, the government's key witnesses—who are all getting paid hefty sums for their testimony against Noriega—have either failed to provide testimony to back up the prosecution's contentions, or have been forced to admit on cross-examination by defense lawyers, that they lied in their testimony against the general, the first head of government of a sovereign nation to be subjected to criminal proceedings in a U.S. court.

But it is also quite clear that the government is not going to let the truth stand in the way of the railroad that's rolling in the Miami courtroom of U.S. District Judge William Hoever. The extent to which the United States has moved toward becoming a dictatorial police state under the Bush administration and the Rehnquist Supreme Court can be seen in the Noriega case, described as "shockingly weak" by law enforcement officials quoted in the Sept. 23 *U.S. News and World Report*. Besides openly suborning witnesses, soliciting and allowing hearsay testimony, and whatever else it takes to ensure a conviction of Noriega, the government's main concern is to prevent any information damaging to George Bush's administration from coming out during the trial.

Rep. Henry Gonzalez (D-Tex.) told Congress on Sept. 23 that the U.S. acted "worse than Hitler" when it invaded Panama to get Noriega in December 1989. "U.S. bombs incinerated a whole area populated by black Panamanians who were living in these highly flammable wooden structures," he said. "They incinerated them, and we can only make a guess as to how many" were killed. "The best calculation that I would say would be the truth is that there were over 3,500."

Protecting Bush

Meanwhile in Miami, in keeping with a decision made during pre-trial hearings *not to allow any evidence of U.S. government wrongdoing* to be introduced by the defense, Judge Hoever barred Noriega's attorneys from presenting a 1983 photograph of the Panamanian leader with George Bush. Hoever's ruling came while defense attorneys were cross-examining Luis del Cid, a former lieutenant colonel in the Panamanian Defense Forces (PDF), who became a prosecution witness in a plea-bargaining agreement. Hoever also ruled out as "irrelevant" questions to Del Cid about the relationship among the PDF, the CIA, and the Israeli intelligence service, the Mossad, even though Del Cid had testified earlier that he had received security training in Israel.

Hoever even went so far as to classify the transcripts of his sidebar conferences with defense and prosecution lawyers, in which he warned defense attorney Frank Rubino to steer away from those areas. The transcripts were sent to Washington to be reviewed for material sensitive "to U.S. national security" before they are released.

By cutting off the defense from every avenue of questioning having to do with George Bush, or any U.S. or allied intelligence agency activities in Panama, Hoever is forcing Noriega's defense to fight solely within the rules defined by the prosecution. This will impede his lawyers from presenting evidence to prove the contention that is the heart of Noriega's case: that U.S. government agencies engaged in illicit acts, including "the importation of narcotics into the U.S. in connection with" arming the Nicaraguan Contras, and that the U.S. government fabricated the case against Noriega because he *opposed* these policies.

But defense lawyers were able to force Del Cid to admit that he had lied when he testified under oath that Noriega was forced to cut short a visit to France in 1984, in order to go to

Cuba to get Fidel Castro to mediate a dispute with the drug cartels, which allegedly arose when the Panamanian Defense Forces “accidentally” raided a cocaine laboratory in Panama’s Darien province. The raid antagonized the cartels, which had given Noriega millions to protect the lab, according to the prosecution.

Under cross-examination, Del Cid admitted that the 1984 raid was no fluke, but was ordered personally by Noriega soon after he replaced Gen. Rubén Darío Paredes as commander of the PDF. Del Cid also admitted that he lied when he testified that he had placed an urgent call to Noriega in France to tell him about the raid. Noriega was in Panama at the time, and he even ordered one of his aides to take a representative of the U.S. Drug Enforcement Administration to tour the lab the day after the raid.

As for Noriega’s trip to Cuba, Del Cid admitted he also lied about that: It took place a month after the raid, and it was not done in haste, but was a long-planned official tour during which Noriega also stopped in the United States, France, and Israel.

Paredes: Panama’s real drug general

The cartels did pay a bribe, but not to Noriega. The money went to Col. Julian Melo, whom Noriega had arrested and drummed out of the PDF, Del Cid admitted in court.

The Darien lab was installed while the PDF was under the command of Noriega’s predecessor, General Paredes. Colonel Melo admitted that he was a go-between for Paredes with the drug cartels. Paredes himself publicly bragged about his friendly relations with cartel figures. One of his sons, Rubén Darío Paredes, Jr. was killed in Colombia in a drug deal gone sour. Another son, Amet Paredes, an admitted cocaine trafficker, is scheduled to testify against Noriega in a plea-bargaining agreement.

General Paredes’s name came up again at Noriega’s trial on Sept. 25, when the prosecution put on the stand admitted Medellín Cartel money launderer Eric Humberto Guerra. He testified that in 1981 he had received help from the PDF “top boss” for his operations. To the chagrin of the prosecution, lawyer Rubino was able to get Guerra to admit that the “top boss” at that time was not Noriega, but Paredes. But there is no indication the U.S. will seek to try Paredes, who cooperated with the Reagan-Bush administration Central American policy.

Questioned by the prosecutors, Del Cid said he had picked up envelopes and suitcases full of “drug money” from convicted drug pilot Floyd Carlton Caceres (who is scheduled to testify against Noriega in a plea-bargaining agreement) and from others, including Noriega’s secretary, Marcela Tason. But he admitted that he never looked inside the envelopes or suitcases, so he couldn’t possibly know what they contained. As an article in the Sept. 24 *Washington Post* noted, “The limited nature of Del Cid’s knowledge raised questions about why he pleaded guilty to one count of racke-

teering conspiracy. But his lawyer, Samuel Burstyn, said the reduced sentence offered by federal prosecutors was more enticing than going to trial and fighting the charges. ‘This way, he’ll be out by January,’ Burstyn said.”

Del Cid and his family also get immigration green cards and financial assistance from the U.S. government to establish permanent residence in the United States. As his lawyer explained before the trial, the prosecution “is visiting prisoners all over the world, and offering to let them out if they’ll give a little kernel of fact about Noriega. It’s the hottest ‘Get Out of Jail Free’ card around.”

Thugs, liars, dope dealers take the stand

One of those who has gotten a “Get Out of Jail Free” card is Carlos Lehder, the biggest Colombian cocaine kingpin ever to be jailed by the U.S. government. Lehder, who is serving a life sentence plus 135 years in a U.S. jail, may go free and get a new identity under the Federal Witness Protection Program for his testimony. Yet, U.S. Attorney Michael Sullivan, the lead prosecutor at Noriega’s trial, conceded in his opening statement on Sept. 16 that “Lehder never met or spoke to Noriega.” All Lehder will testify to is “the perspective” the cartel allegedly had of Noriega—in other words, what used to be considered inadmissible hearsay in U.S. law.

The prosecution’s lead-off witness was Prof. Stephen Ropp of the University of Wyoming, a self-described expert on Panama, who admitted that he never knew the leaders of the PDF and added, “I have a memory that’s like an elephant who just had a lobotomy.”

Ropp was followed by cocaine smuggler Max Mermelstein, whose “job” as a prosecution witness has earned him at least \$250,000 a year, plus expenses, for the past two years. Besides, Mermelstein has been granted immunity for his role in at least five murders, including the 1986 killing of Barry Seale, a drug pilot who was killed reportedly because he was about to testify about U.S. government complicity in drugs-for-arms operations. Instead of going to jail for such crimes as drug-dealing (111,000 pounds of cocaine), the government has provided him bodyguards and a new, protected, identity. Mermelstein admitted he has committed perjury by lying on his income taxes and that he has smuggled weapons, but will not be prosecuted for those crimes either.

What information has Mermelstein provided for all the government’s largesse? He never met Noriega, nor did he ever have any contact with him. He claims he once saw Noriega’s name on a cartel drug ledger, but he didn’t explain why the cartel, whose accountants are Ivy League graduates, did not employ codes on its papers, as even the most neophyte numbers runner in the Bronx knows to do. Mermelstein also testified that drug kingpin Pablo Escobar routinely labeled his cocaine packages “Reagan” or “Bush,” and as he was forced to admit to defense lawyer Rubino, that fact was just as significant as Noriega’s name being on the ledger.

Try George Bush for genocide against the children of Iraq

by Francis A. Boyle

Mr. Boyle, a professor of international law at the University of Illinois, has arranged to have this Indictment, Complaint, and Petition submitted to the United Nations General Assembly.

Letter of transmittal

To: The Secretary General of the United Nations, the members of the General Assembly, the Economic and Social Council, the Commission on Human Rights, the Sub-commission on Prevention of Discrimination and Protection of Minorities, Unesco, Unicef, the heads of all NGOs, etc.

Re: Indictment, Complaint, and Petition by The 4.5 Million Children of Iraq for Relief from Genocide by President George Bush and the United States of America.

Excellency:

On behalf of *The 4.5 Million Children of Iraq*, I hereby submit to you this Indictment, Complaint, and Petition for Relief from Genocide by President George Bush and the United States of America (hereinafter referred to as the "Respondents"). This Indictment, Complaint, and Petition accuses the Respondents 1) of committing the international crime of genocide against The 4.5 Million Children of Iraq in violation of the International Convention on the Prevention and Punishment of the Crime of Genocide of 1948 and in violation of the municipal legal systems of all civilized nations in the world; 2) of a gross and consistent pattern of violations of the most fundamental human rights of The 4.5 Million Children of Iraq as recognized and guaranteed to them by the Universal Declaration of Human Rights of 1948; 3) of the complete negation and denial of all the rights guaranteed to The 4.5 Million Children of Iraq by the 1989 Convention on the Rights of the Child; and 4) of the systematic violation of the special protections of international humanitarian law guaranteed to The 4.5 Million Children of Iraq by the Fourth Geneva Convention of 1949 and Additional Protocol I thereto of 1977.

Under the human rights provisions of the United Nations Charter, the Universal Declaration of Human Rights, the Genocide Convention, the Children's Convention, and the Fourth Geneva Convention and Protocol I, The 4.5 Million Children of Iraq are proper parties to invoke the jurisdiction of the United Nations and its various organs in requesting the following Relief in order to be relieved from the inhuman, degrading, cruel, criminal, and genocidal conditions perpetrated upon them by the Respondents: The 4.5 Million Children of Iraq demand 1) the termination of the international economic embargo and all forms of bilateral economic sanctions against Iraq; 2) the massive provision of international humanitarian relief required in order to save themselves from death, disease, malnutrition, starvation, and extermination at the hands of the Respondents; 3) monetary compensation for the harm done to them as well as all other forms of relief deemed necessary and appropriate; and 4) the institution of criminal proceedings against Respondent Bush for committing the international crime of genocide by the appropriate international organs as well as by all states of the world community under their respective municipal legal systems.

The 4.5 Million Children of Iraq have set forth in the attached Indictment, Complaint, and Petition all of the facts necessary to constitute a *prima facie* case against the Respondents for genocide; grave breaches of the Fourth Geneva Convention and Protocol I; and a gross and consistent pattern of violations of the Universal Declaration of Human Rights and the International Convention on the Rights of the Child. Wherefore, The 4.5 Million Children of Iraq demand that the United Nations and its organs immediately undertake a full investigation of the matters presented in this Indictment, Complaint, and Petition, and subsequently authorize a complete and public disclosure of all evidence and findings of fact at the conclusion of such investigation. I would appreciate receiving a formal acknowledgment of your receipt of the attached Indictment, Complaint, and Petition by The 4.5 Million Children of Iraq at the address listed above as well as all further communications related to this matter.

The peoples and countries of the world must not turn their

eyes away in shame from Iraq as humankind approaches the dawn of the next millennium of its parlous existence. As Iraq's children go, so goes the entire world!

Respectfully submitted on behalf of The 4.5 Million Children of Iraq,

Francis A. Boyle

Professor of International Law

Member of the Bars of the Supreme Judicial Court of the Commonwealth of Massachusetts and of the Supreme Court of the United States of America

September 18, 1991

Indictment, Complaint, and Petition for Relief from Genocide

The 4.5 Million Children of Iraq, Applicants,

vs.

**George Bush, President of the United States of America,
in both his official and personal capacities,**

and

**the United States of America,
Respondents.**

I. Introduction

1. The Applicants herein, *The 4.5 Million Children of Iraq*, invoke the jurisdiction of the United Nations and its organs by virtue of the provisions of the United Nations Charter, the Universal Declaration of Human Rights, and the International Convention on the Prevention and Punishment of the Crime of Genocide, and file this Indictment, Complaint, and Petition on their own behalf. The Applicants charge the Respondents with committing the international crime of genocide against The 4.5 Million Children of Iraq. Applicants pray for the termination of the international economic embargo and all forms of bilateral economic sanctions against Iraq, and to secure the massive provision of international humanitarian relief required in order to save themselves from death, disease, malnutrition, starvation, and extermination at the hands of the Respondents. Applicants also pray for monetary compensation for the harm done to them and all other forms of relief deemed necessary and appropriate. Finally, Applicants request the institution of criminal proceedings against the Respondent George Bush for committing the international crime of genocide by the appropriate international organs and by all states of the world community under their respective municipal legal systems.

II. The Facts

2. The Applicants are The 4.5 Million Children of Iraq.
3. The Respondents are 1) George Bush, President of the

United States of America, in both his official and personal capacities, and 2) the United States of America, a Permanent Member of the United Nations Security Council.

4. The Respondents are the Person and State primarily responsible for the imposition of the now year-long international economic embargo and bilateral economic sanctions against Iraq.

5. Reports from the United Nations, the Physicians for Human Rights, the International Red Cross, a Harvard Study Team, other independent organizations, and private U.S. citizens have documented the fact that unless the economic sanctions imposed against Iraq are immediately lifted and Iraq is allowed to buy and import food, medicine, and equipment, especially for power generation, hundreds of thousands of innocent Iraqi civilians will die in the upcoming months.

6. A Harvard Study Team estimates that at least 170,000 Iraqi children under the age of five will die within the next year from the delayed effects of the war in the Persian Gulf if the imposition of the sanctions continues.

7. This is a conservative estimate and does not include tens of thousands of Iraqi children above the age of five who are expected to die from similar causes.

8. The Catholic Relief Service estimates that more than 100,000 Iraqi children will die from malnutrition and disease in the upcoming months due to the economic embargo and destruction of the war, and the United Nations Children's Fund estimates that 80,000 Iraqi children may die from these causes.

9. Malnutrition has become severe and widespread in Iraq since imposition of food prices of up to 1,000%, which has effectively priced many Iraqis, especially the poor and disadvantaged, out of the food market.

10. Cholera, typhoid, and gastroenteritis have become epidemic throughout Iraq since the war due to the critical scarcity of medicine and the inability of Iraq to process sewage and purify the water supply.

11. The system of medical care has broken down in Iraq, resulting in the closure of up to 50% of Iraq's medical facilities due to acute shortages of medicines, equipment, and staff.

12. The incapacitation of 18 of Iraq's 20 power plants during the war is a principal cause of the deterioration in public health due to the resultant inability of Iraq to process sewage, purify its water supply, and supply electricity to health facilities.

13. The health care crisis cannot be addressed without the reconstruction of electrical facilities that enable the purification of water and treatment of sewage.

14. Before the economic embargo of Iraq, three-quarters of the total caloric intake in Iraq was imported and, moreover, 96% of Iraqi revenue to pay for imports, namely food and medicine, was derived from the exportation of oil now prohibited under the embargo.

15. The summer heat in Iraq has both accelerated the spread of disease and impeded its treatment due to the lack of refrigeration facilities even in hospitals.

16. The acute shortages of food in Iraq, the inflation of up to 1,000% in food prices caused by these shortages, the critical scarcity of medicine, and the essential need to reconstruct Iraq's capacity to generate electricity to enable sewage treatment and water purification, cannot be addressed or rectified without Iraq's re-entry into global commerce, at present effectively prohibited by the economic sanctions.

17. The immediate lifting of the sanctions would drastically reduce the number of Iraqi children who will die in the upcoming months from malnutrition and disease and would relieve the suffering of the innocent Iraqi population which is now bearing the burden of the embargo.

18. Approximately 500 Iraqi children are dying each day from disease, malnutrition, and lack of proper medical treatment due to the continuation of the international economic embargo and bilateral economic sanctions upon Iraq that have been organized and imposed by the Respondents.

III. Contentions

19. The Harvard Study Team Report, "Public Health in Iraq After the Gulf War," estimated that as of May 1991, 55,000 additional deaths of Iraqi children under five had already occurred because of the Gulf Crisis, and projected that at least 170,000 Iraqi children under five will die in the coming year from the delayed effects of the Gulf Crisis. The Study also emphasized that these projections are conservative: "In all probability, the actual number of deaths of children under five will be much higher."

20. The continuation of multilateral and bilateral economic sanctions against Iraq prevents the massive infusion of international humanitarian assistance necessary to prevent these mortality projections from becoming a reality. The Harvard Report directly raises the question whether Respondents are responsible for the commission of the international crime of genocide against the Applicants, The 4.5 Million Children of Iraq, because of their obstinate insistence that economic sanctions be maintained in order to produce the deposition of the President of Iraq despite the fact that the original purpose for their imposition was achieved with the so-called "liberation" of Kuwait.

21. Respondent United States of America is a Contracting Party to the International Convention on the Prevention and Punishment of the Crime of Genocide of 1949, which will hereinafter be referred to as "the Genocide Convention" for sake of convenience.

22. Article I of the Genocide Convention provides that the Contracting Parties confirm that genocide, whether committed in time of peace or in time of war, is a crime under international law, which they undertake to prevent and to punish.

23. Article II of the Genocide Convention defines the

international crime of "genocide" as follows:

Article II. In the present Convention, genocide means any of the following acts committed with intent to destroy, in whole or in part, a national, ethnical, racial or religious group, as such:

- (a) Killing members of the group;
- (b) Causing serious bodily or mental harm to members of the group;
- (c) Deliberately inflicting on the group conditions of life calculated to bring about its physical destruction in whole or in part;
- (d) Imposing measures intended to prevent births within the group;
- (e) Forcibly transferring children of the group to another group.

24. Article III of the Geneva Convention provides that the following acts shall likewise all be punishable: (a) genocide; (b) conspiracy to commit genocide; (c) direct and public incitement to commit genocide; (d) attempt to commit genocide; (e) complicity in genocide.

25. According to Article IV of the Genocide Convention, persons committing genocide or any of the other acts enumerated in Article III shall be punished, whether they are constitutionally responsible rulers, public officials, or private individuals. The basic requirement of the Genocide Convention is fully applicable to Respondent George Bush.

26. According to Article V of the Genocide Convention, the Contracting Parties undertake to enact, in accordance with their respective Constitutions, the necessary legislation to give effect to the provisions of the Genocide Convention and, in particular, to provide effective penalties for persons guilty of genocide or of any of the other acts enumerated in Article III.

27. Pursuant to Article V, the Congress of the United States of America adopted what is called implementing legislation for the Genocide Convention that makes genocide a crime under U.S. federal criminal law. Basically following the terms of the Genocide Convention, this Genocide Convention Implementation Act of 1987 (found in Title 18 of the United States Code) defines the crime of "genocide" as follows:

§ 1901. Genocide

(a) *Basic Offense.*—Whoever, whether in time of peace or in time of war, in a circumstance described in subsection (d) and with the specific intent to destroy, in whole or in substantial part, a national, ethnic, racial, or religious group as such—

- (1) kills members of that group;
- (2) causes serious bodily injury to members of that group;
- (3) causes the permanent impairment of the mental

faculties of members of the group through drugs, torture, or similar techniques;

(4) subjects the group to conditions of life that are intended to cause the physical destruction of the group in whole or in part;

(5) imposes measures intended to prevent births within the group; or

(6) transfers by force children of the group to another group;

or attempts to do so, shall be punished as provided in subsection (b).

28. According to subsection (d), the basic offense must be committed either within the United States, or by a national of the United States. The penalty for violating subsection (a)(1) is a fine of not more than \$1 million and imprisonment for life. The penalty for violating subsections (a)(2) to (a)(6) is a fine of not more than \$1 million or imprisonment for not more than twenty years, or both.

29. Under the definitional provisions of this Act, 225,000 dead Iraqi children clearly constitute a "substantial part" of "a national, ethnic, racial, or religious group as such." The continuation of economic sanctions against Iraq will 1) kill at least 170,000 more Iraqi children by the end of the year; 2) "cause serious bodily injury to" Applicants, The 4.5 Million Children of Iraq; 3) "cause the permanent impairment of the mental faculties of" Applicants; and 4) subject Applicants "to conditions of life that are intended to cause the physical destruction of the group in whole or in part. . . ."

30. Only the "specific intent" of Respondent George Bush to commit genocide against Applicants remains to be proven beyond a reasonable doubt to establish his criminal responsibility under United States municipal law and international criminal law. The open publication and widespread dissemination of the Harvard Report on May 22, 1991 makes that task possible. Any Bush administration official responsible for implementing the economic sanctions policy against Iraq who has knowledge of the conclusions of the Harvard Report would possess the "specific intent" required to serve as the mental element or *mens rea* of the international and municipal crime of genocide against Applicants, The 4.5 Million Children of Iraq. Applicants assert that Respondent George Bush has full knowledge of the genocidal consequences of the continuation of economic sanctions against Iraq and therefore has the *mens rea* necessary for committing the crime of genocide as recognized by the Genocide Convention and the Genocide Implementation Act.

31. The same principles of international criminal law have been incorporated into the municipal legal systems of almost all states in the world community today. Wherefore, there is universality of jurisdiction for any state to prosecute Respondent George Bush for committing genocide against the Applicants, The 4.5 Million Children of Iraq. Like unto a pirate, the Respondent George Bush is *hostis humani*



Committee to Save the Children in Iraq

An Iraqi child, wounded during the Gulf war, is brought to Germany for medical treatment by the Committee to Save the Children in Iraq. Iraq's 4.5 million children are at risk because of the genocide policy of George Bush.

generis—the enemy of all humankind.

IV. Competence

32. Article I of the Genocide Convention makes it quite clear that all 99 states that are Contracting Parties have an international legal obligation "to prevent" the commission of genocide against Applicants, The 4.5 Million Children of Iraq.

33. Article VIII of the Genocide Convention provides that any Contracting Party "may call upon the competent organs of the United Nations to take such action under the Charter of the United Nations as they consider appropriate for the prevention and suppression of acts of genocide. . . ."

34. Thus, all 99 states parties to the Genocide Convention have both the right and the duty under international law to bring the genocidal situation in Iraq to the attention of the entire United Nations organization, as well as its affiliated organizations such as Unesco, Unicef, etc.

35. The Genocide Convention expressly confers international legal competence upon all organs of the United Nations—including the Security Council, the Economic and Social Council, the General Assembly, the Secretary General, the International Court of Justice, the U.N. Commission on Human Rights, the Sub-commission on Prevention of Discrimination and Protection of Minorities, Unesco, Unicef, etc.—to do something about the genocidal situation in Iraq. But so far, such individual steps and collective actions by Member States have not been taken for fear of running afoul of the all-powerful Respondents, who represent and constitute the only self-styled "superpower" sitting as one of the five Permanent Members of the Security Council.

36. The Respondents bear ultimate legal responsibility for the imposition of economic sanctions upon Iraq and therefore for the international crime of genocide against Appli-

cants, The 4.5 Million Children of Iraq.

37. Under the current desperate circumstances, responsible officials of Member States permitting the continuation of economic sanctions against Iraq could commit the separate international crime of "complicity" in the crime of genocide that is today being inflicted upon the Applicants by the Respondents, in violation of Article II(e) of the Genocide Convention.

V. Jurisdiction

38. That the organs and agencies of the United Nations, including the Secretary General, the Economic and Social Council, the General Assembly, the Human Rights Commission, the Sub-commission on Prevention of Discrimination and Protection of Minorities, Unesco, and Unicef, *inter alia*, have the jurisdiction to receive and hear this Indictment, Complaint, and Petition, and to provide the Relief requested herein.

39. That the organs of the United Nations are endowed with explicit and inherent powers to assume jurisdiction of cases of the kind presented in this Indictment, Complaint, and Petition is reflected in the Charter of the United Nations. Chapter I, Article 1(1) of the Charter obligates the United Nations and its members to "maintain international peace and security." Such peace and security are threatened by many acts short of open interstate warfare. Genocide by the Respondents against the Applicants, The 4.5 Million Children of Iraq, threatens international peace and security.

40. As the situation described above constitutes a constant threat to the maintenance of international peace and security, the Secretary General, under the authority conferred upon him by Article 99 of the Charter, is entitled to bring this matter to the attention of the Security Council. He is also authorized by Rule 13(g) of the Rules of Procedure of the General Assembly to include in the Assembly's agenda any items which he deems it necessary to put before the Assembly. Applicants hereby request the Secretary General to include their Indictment, Complaint, and Petition on the agenda of the 46th General Assembly, and to bring it to the attention of the Security Council.

41. The General Assembly is authorized to act under Chapter IV, Article 22 of the United Nations Charter to establish an *ad hoc* Tribunal empowered to grant the Relief requested herein. For instance, in 1950, the General Assembly established a special tribunal to deal with various claims arising in the former Italian colony of Libya. Given the circumstances detailed in this Indictment, Complaint, and Petition, the creation of such a Tribunal would be justified and necessary to carry out the very Purposes and Principles for which the United Nations was established: to ensure peace and security and to guarantee the protection of fundamental human rights. Applicants request the 46th General Assembly to establish such a Tribunal as a subsidiary organ and to charge it with the responsibility to investigate and adjudicate

their Indictment, Complaint, and Petition, as well as to order all forms of Relief requested in Section VI herein.

42. That all Members of the United Nations have pledged themselves under U.N. Charter Chapter IX Articles 55 and 56 to take action to ensure respect for human rights. Article 55 states in part:

With a view to the creation of conditions of stability and well-being which are necessary for peaceful and friendly relations among nations based on respect for the principle of equal rights and self-determination of peoples, the United Nations shall promote:

. . . .
(c) universal respect for, and observance of, human rights and fundamental freedoms for all without distinction as to race, sex, language, or religion.

Article 56 states:

All Members pledge themselves to take joint and separate action in cooperation with the Organization for the achievement of the purposes set forth in Article 55.

43. Such a pledge indicates that under the Charter, Member States must be prepared to take action to assist in enforcing and protecting human rights. Should an organ of the United Nations determine that the rights of Applicants were violated by Respondents and recommend action, Member States have pledged themselves to cooperate with the United Nations in taking necessary steps under the Charter to promote "universal respect for, and observance of, human rights."

44. These human rights provisions of the United Nations Charter were further elaborated upon and specified by the Universal Declaration of Human Rights, which was adopted by consensus by the United Nations General Assembly in 1948. The Universal Declaration of Human Rights enunciates the basic standards of international human rights law to which all individuals around the world are entitled. Indeed, it is the official position of the United Nations Organization and of the Respondent United States of America that the Universal Declaration of Human Rights is binding upon all states and for the benefit of all people around the world as a matter of customary international law.

45. Among the plethora of rights guaranteed to the Applicants by the Universal Declaration of Human Rights that are currently being systematically violated by the Respondents, the most sacred and most fundamental right of all is their very right to life itself, as recognized by Article 3 thereof: "Everyone has the right to life, liberty, and security of person." Respondents act as if the "everyone" referred to in Article 3 does not include the Applicants, the 4.5 Million Children of Iraq.

46. Applicants also assert that the Respondents have

grossly, consistently, and systematically violated the fundamental right that has been guaranteed to them by Article 5 of the Universal Declaration of Human Rights: "No one shall be subjected to torture or to cruel, inhuman or degrading treatment or punishment."

47. Applicants, The 4.5 Million Children of Iraq, also assert that the Respondents have violated *all* of the rights guaranteed to them by the International Convention on the Rights of the Child of 1989.

48. Applicants also assert that the Respondents have violated the special protections of international humanitarian law guaranteed to children by the Fourth Geneva Convention of 1949 and the Additional Protocol I thereto of 1977.

49. Under the human rights provisions of the United Nations Charter, the Universal Declaration of Human Rights, the Genocide Convention, the Children's Convention, and the Fourth Geneva Convention and Protocol I, Applicants are proper parties to invoke the jurisdiction of the United Nations in requesting Relief on their own behalf in order to be relieved from the inhuman, degrading, cruel, criminal, and genocidal conditions perpetrated upon them by the Respondents.

50. Due to the fact that the Respondents represent and constitute the only self-styled "superpower" sitting as one of the five Permanent Members of the Security Council, the Respondents have repeatedly and abusively used and threatened to use their voting power and their so-called "veto power" to continue the international economic embargo upon Iraq in a manner that is *ultra vires* the "primary responsibility" for the maintenance of international peace and security that has been conferred upon the Security Council by Article 24(1) and (2) of the United Nations Charter: "2. In discharging these duties the Security Council shall act in accordance with the Purposes and Principles of the United Nations." According to Article 1(3) of the Charter, one of the foremost Purposes of the United Nations is proclaimed to be ". . . promoting and encouraging respect for human rights and for fundamental freedoms for all. . . ."

51. That as a direct result of the illegal and *ultra vires* conduct by the Respondents at the Security Council, the Applicants have nowhere else to turn for Relief except to the General Assembly, the Secretary General, the Economic and Social Council, the Human Rights Commission, the Sub-commission on Prevention of Discrimination and Protection of Minorities, Unesco, and Unicef, etc. in order to save themselves from the death, disease, malnutrition, starvation, and genocide that is currently being inflicted upon them by the Respondents.

52. That the General Assembly has the inherent power to create methods and instrumentalities to carry out the Purposes and Principles of the United Nations Charter, the Universal Declaration of Human Rights, the Genocide Convention, and the other aforementioned instruments of international law. The Secretary General also possesses in-

herent powers to carry out these Purposes and Principles. The same is true for the Human Rights Commission, the Sub-commission on Prevention of Discrimination and Protection of Minorities, as well as for Unesco and Unicef, etc.

53. That the Respondents represent and constitute a Member State of the United Nations and therefore would be obligated to act in compliance with any determination by any United Nations organ concerning this matter.

VI. Prayer for relief

54. Applicants pray for the issuance of a Directive by the Secretariat, or the General Assembly, or the Economic and Social Council, or the Human Rights Commission, or the Sub-commission on Prevention of Discrimination and Protection of Minorities, or Unesco, or Unicef or any other competent organ or agency of the United Nations to hear this Indictment, Complaint, and Petition; to investigate and adjudicate the allegations of genocide by Respondents against Applicants; and to order the termination of all forms of multilateral and bilateral economic sanctions against Iraq.

55. Applicants also pray for the massive provision of international humanitarian relief to Iraq by the United Nations Organization as a whole, its specialized agencies and affiliated organizations, as well as by all Member States thereof, in order to save them from death, disease, malnutrition, starvation, genocide, and extermination at the hands of the Respondents.

56. Applicants also pray for due compensation to be paid by Respondents to Applicants and their families for the deaths as well as physical and mental injury caused by Respondents' actions in violation of the Genocide Convention and the Universal Declaration of Human Rights, *inter alia*.

57. Applicants pray that proper sanctions be taken against Respondents for any refusal to comply with any of the orders or decisions that the United Nations or any international organ makes in relation to this matter.

58. Applicants pray that the United Nations authorize a full investigation of the matters presented in this Indictment, Complaint, and Petition and subsequently authorize a complete and public disclosure of all evidence and findings of fact at the conclusion of such investigation.

59. Applicants further pray that the appropriate organs of the United Nations Organization—as well as of all the Member States thereof—institute criminal proceedings against Respondent George Bush for committing the international crime of genocide against the Applicants, as required by the Genocide Convention and the municipal legal systems of all civilized nations, including his own.

VII. Conclusion

The peoples and countries of the world must not turn their eyes away in shame from Iraq as humankind approaches the dawn of the next millennium of its parlous existence. As Iraq's children go, so goes the entire world!

Book Review

The Lee myth is debunked, but not the more dangerous myth-makers

by Fredric W. Henderson

Lee Considered: General Robert E. Lee and Civil War History

by Alan T. Nolan

University of North Carolina Press, Chapel Hill, N.C., 1991

231 pages, hardbound, \$22.50

Alan T. Nolan, in the preface to his new book, explains that his intention was not to write or rewrite the biography of Gen. Robert E. Lee, the main commander of the rebel forces in the U.S. Civil War of 1861-65, but to ensure that Lee's image in American history was fully considered, stripped of its mythology, for the first time. In doing so, Nolan has opened to question whole areas that any thoughtful student of the Civil War should find troublesome about the way in which history has treated this most prominent of Southern leaders. He also proves that Lee historiography has all too often chosen to ignore the blatant contradictions in Lee's actions, glossed over his flaws, and allowed him to escape the scrutiny that almost every other figure in American history has been subjected to.

Nolan recognizes that the struggle with the issues of Lee's views and actions in regard to slavery, secession, the South's posture after its military defeat, and with the mainly mythical interpretation these issues have been given by his biographers and historians of the Southern cause generally, is crucial for understanding the history of the Civil War, as one of the world's most important conflicts. However, in Nolan's final chapter, "The Lee Tradition and Civil War History," where he has promised the answer to why this is the case, his book falls short of what is sorely needed to correct the errors of such history. He accepts two revisionist premises:

1) that "Writers . . . have tended to magnify the differ-

ences between Northerners and Southerners out of all proportion. In 1861 the United States did not contain . . . two civilizations" (quoting from Grady McWhiney and Kenneth Stampp); and

2) that slavery was, in and of itself, the primary historical factor in the struggle. He thus produces a powerful demystification of Lee, but supplants one set of myths with another, only slightly more truthful.

I will first deal with Nolan's successes in debunking the Lee myth, and second, outline what it will take to accomplish what he fails to do in his last chapter—to understand both how historians have gone down a series of wrong tracks, and why.

'A god, a saint, a hero'

The image of Robert E. Lee has evolved over the 130 years since America's bloodiest conflict as that of a man who is not really mortal, but virtually angelic. As Thomas Connelly, a leading historian of the Southern military effort, has described it, Lee has become a "god for Virginians, a saint for the white Protestant South, and a hero for the nation."

It has become well-nigh historical gospel that Lee saw the doctrines of secession and disunion as treason, years before the secessionist crisis; that he had no love for slavery, and only with great anguish did he, as a son of his beloved Virginia, take up arms against the nation and Constitution he had sworn to defend. The story goes that having fought the "noble fight," as the quintessential Southern gentleman, he was gracious and forgiving in his efforts to bring North and South together again after defeat.

However, one may ask, what of General Lee's service in the cause of disunion, a political and military effort directed at destroying the very nation that today idolizes him? Or his defense of the institution of slavery, that abomination which was the fulcrum of Southern economic institutions? Or his

standing as a military strategist—ironically in a fashion directly the opposite of Washington, another Virginian to whom he is so often compared—who won almost every battle yet still lost the war? On these and other questions, Mr. Nolan provides some fine insights, and many unimpeachable truths.

Being an attorney, Nolan lays out in eight, somewhat dry, but well-documented chapters his arguments as to why the mythical Lee of historiography is not the Lee of reality. He proves that Robert E. Lee was not so very different from other Southerners of his class, in his views on slavery and secession. Thoroughly undermining the notion that Lee fought for the Confederacy *despite* his supposed opposition to slavery, and his reluctance in accepting the “inevitability” of breaking up the Union, Mr. Nolan presents a body of fact to demonstrate that Lee’s statements (made in the 1850s in private letters) on these issues, so often cited by historians, are directly contrary to his actions and utterances in other contexts.

Possibly more controversial are the arguments he makes which cast doubt on the honesty of Lee’s motives in his decision to resign his military commission in the U. S. Army and cast his lot with the Confederacy. Nolan makes a strong case that most of what has been said about Lee being torn by his sense of honor and duty over this decision, is semi-chivalric nonsense. While Lee’s oft-quoted “I shall never again raise my sword, except in defense of my Virginia” has been used by Lee’s defenders to argue otherwise, there can be no doubt, as Nolan proves, that Lee had conclusively and in a calculated fashion decided on a course to militarily oppose the Union. Nolan likewise argues persuasively that Lee’s purported conduct towards his “Northern brethren” both during and after the war was anything but that of a gentleman.

Misses fundamental issues

Mr. Nolan fails, however, in explaining the “why” of Lee’s historically polished image. Like so many others of revisionist bent, he stumbles by ignoring the most fundamental aspects of what led to the conflict in 1861, by denying that there was any deep cultural, political, and economic, conflict between South and North. Quoting from David M. Potter, he asserts, “the efforts of historians to buttress their claim that the South had a wholly separate culture self-consciously asserting itself as a cultural counterpart of political nationalism, have led, on the whole, to paltry results.”

To explain the problems of Lee and Civil War history, is to address the problems of the history of the nation as a whole after Lee surrendered at Appomattox. It was not in the South alone that Robert E. Lee was made a demi-god.

Prior to the war, the South had been turned into a wretched parody of everything America had opposed in the Old World. Its free trade-based slave economy was a direct repudiation of the doctrines of George Washington and his first Treasury Secretary Alexander Hamilton; it was the product

of growing British control of Southern economic life and thought. Its political and social organization reeked of the aristocratic despotism of oligarchical Europe, rejected by the revolutionaries of 1776. Instead of a commitment to spread republican institutions and the policies of economic development that were essential to them, the South’s rulers pursued the dream of a vast, slave-based empire throughout the southern half of the Western Hemisphere. To sustain a belief in a native superiority which flew in the face of reality, it developed a culture infected by the worst romanticism, with the glorification of feudal institutions and customs which bred the cult of Southern “chivalry.”

By 1860, in this battle between British free trade and “American System” economic policies, the conflict between North and South had been brought to a crisis. The election of Abraham Lincoln meant the re-imposition of the policies of Henry Clay and Henry C. Carey, and the end of the dominance of the anti-republican British economic outlook over national policy. Having captured Southern institutions, the British moved to destroy the nation by provoking the Civil War in 1861, utilizing Southern Freemasonic networks and Northern free traders, especially those—ironically—within the radical abolitionist movement. The story of this effort has been recounted by two historians associated with today’s leading American System economist, Lyndon LaRouche: Allen Salisbury’s *The Civil War and the American System*, 1978, and Anton Chaitkin’s *Treason in America*, 1985. While this British-backed effort failed in the war, those same political forces regrouped to attempt to ensure that the resurgence of republican policies did not politically eliminate them.

Two currents of historiography

For about 30 years after the war, within memory of most of the active participants, there was an ongoing debate over what the defeat of the South would mean for the nation, and history was seen in the light of that policy battle. After that, the academic historiography of this period developed in two main currents, both badly flawed. Starting around 1895, for nearly a half-century the school of Dunning, Fleming, and the Southern “Lost Cause,” in both its Southern and Northern variants, reigned supreme, as the “history of reconciliation.” It was in this polluted soil that the seeds of the Lee myth sprouted, along with a mass of related lies. That unreal history was, thus, an apology for the fact that, in the name of “reconciliation”—an era of ersatz good feeling—the rights and dignity of American blacks were sacrificed and any hope of liberating the South as a whole from the enslavement of its free trade-imposed backwardness was destroyed, perpetuating the misery and degradation that had been imposed on the vast majority of those who lived there.

Then, in the 1940s and 1950s, the Revisionists began to alter the way in which the Civil War was viewed; but, while reversing some of the terrible frauds of the “Lost Cause” perspective, they refused to recognize the essential cause of

the conflict and thus perpetuated the most insidious aspects of the original myth. They failed to understand, or chose to ignore, the fact that it was two very different views of the doctrines upon which the American republic was based—a republican one, reviving the outlook of Hamilton, Washington, and Franklin; and an oligarchist one, reviving the outlook of King George III—that collided in 1861. So the modern-day revisionists merely applied a “corrective” to the earlier bias of the historians of reconciliation.

In this sense, the history of this crucial period has taken on the linear and false form of the “mere balancing” of differing, *ignorant* viewpoints. Rather than addressing the more politically volatile questions raised by using the absolute criteria of universal history, the revisionist or neo-revisionist historians of the last 30 years have sought to present a supposedly “objective” but, in fact, totally relativistic outlook. In place of such an understanding of the real causes for the war, and the determining features of the period afterwards, revisionists and such neo-revisionists as Nolan have indulged in the type of nonsensical psycho- and socio-history that is the core of Nolan’s failed attempt to explain why the Lee myth continues to have such influence.

The ‘Lost Cause’: The British attempt to recapture the U.S.

The “Lost Cause” has been grossly misunderstood as a romantic, almost benign fantasy, more than anything the psychological crutch for a region defeated in the conflict of 1861-65. That it might have been grounded in real, and powerful, forces of the ante-bellum South, which were to be perpetuated after the war, has been dismissed except for a tiny handful of historians. The one historian, Rollin Osterweis, who has devoted much thought to the effects of such a cultural and political mythology on both the South, and its history, has largely been ignored by the revisionists.

Yet, this myth of the “Lost Cause” provides a critical insight into a unity of Northern and Southern thought on the major issues that arose from the war. This can be seen most dramatically in the work of a man that both schools have chosen to bury, the very man who coined the term by which this political and cultural outlook would be known. Edward A. Pollard, who wrote the South’s first history of the conflict, *The Lost Cause: A Southern History of the Late War* and *The Lost Cause, Regained*, is today dismissed as only a misguided diehard of the Southern cause. He is more interesting than that.

With the exception of Gen. Jubal Early and the Southern Historical Society under his reign, Pollard’s *Lost Cause* books did the most to build the Lee myth. Pollard, who wrote both of his volumes within a year of the war’s end, had spent the better part of the war as editor of the *Richmond Examiner*, where he attacked the incompetence of Confederate President Jefferson Davis, and raised Lee to the level of the Confederacy’s military savior and premier statesman.

Pollard was *the* historian of the South as it was licking the wounds of defeat. While his works on the war, once widely read, have a certain vogue today for those who worship Lee and the supposedly “noble” cause which he served, and were recently reprinted, they have been dismissed by the revisionists. But the polemical sections of *The Lost Cause* and the more important *The Lost Cause, Regained*, reveal not only the apology for the South’s effort to destroy the Union. They are a call to arms for continued struggle, *in political form*, of the Southern oligarchy, so as to ensure not only the survival of its principles, but, as Pollard describes it, their “ultimate triumph.”

Though ignored by Mr. Nolan, and most other historians of the period since World War II, Pollard, more concisely than any of today’s historians, understood that political and military conflicts arise from the clash of irreconcilable ideas and principles. Realizing that the South, backed by Britain, had lost in its effort to fracture the United States and that the war meant the end of slavery as it had existed before the war, he also understood that neither secession nor slavery were the primary goals to those who had led the South into war.

‘Lost Cause, Regained’

He argued in the *Lost Cause, Regained* that the South, as an instrument of pro-British policy, could still prevail. In an important sense, it did. Lincoln’s plan for Reconstruction of the South was overthrown, thus ensuring the survival of the South’s oligarchical class. In tandem, the “American System” economic practice of Lincoln’s adviser Henry Carey, et al., was destroyed in the British-inspired Specie Resumption Act of 1879. These two catastrophic policy failures became the basis for the “reconciliation” of the 1890s, precisely when the British grab for full control over American cultural, economic, and foreign policies manifested itself most blatantly. The Union that came about patched together a resurrected Southern aristocracy with the Northern political and financial power which shared similar views on the fundamental issue—the determination to castrate republican institutions and policies in the United States. Thus, a combination of the type that had provoked secession and war in 1861, emerged in the postwar period to corrupt national policy and national ideology.

Pollard argued for the continued fight of Southerners for what he described as their “superior” culture and social and political institutions. While slavery was dead as an institution, the basic economic relations of the pre-war South, a dependence on British finance, and its Northern allies, based primarily in New York, would remain intact. In a cruel irony, this would be the predominant feature of economic life in the much vaunted “New South” well into the 20th century; in 1930, the proportions of the Southern population engaged in agriculture and industry would be exactly the same as in 1860!

Using white supremacy as the rationale for this, and ar-

guing for the continued oppression of Southern blacks, Pollard adduced the Darwinian crank version of “natural science” and “natural history” promoted by the British imperialists to concoct the ideological common ground between Southern oligarchs and former abolitionists and both radical and moderate Republicans. The collapse of Reconstruction and the obliteration of “American System” economic policies represented the “failures” that justified the argument for the superiority of the British doctrines. The social drivel of Thomas Huxley and Charles Darwin, heavily laced with the influences of British romanticism, bolstered the old free-trade economic outlook of Adam Smith and John Stuart Mill, to provide the nexus of unity.

Treason in the Northern media

Pollard died in 1872. His pro-British brethren, North and South, continued his “war of ideas,” with the hefty support of continued British ideological attacks on republican institutions and principles. Such “liberal” Northern journals as *The Nation* and *Scribners Weekly*—later renamed *The Century*—played a critical role in this process. These had been leading Republican (in the case of *The Nation* radical) publications until the late 1860s, but staunch supporters of free trade. As Reconstruction collapsed, they ran targeted exposés alleging political corruption in the South, as the former secessionists moved to once again usurp power, and became the apologists of “reconciliation.” *The Nation*’s editor E.L. Godkin, and other such “reform” Republicans, opined that the Reconstruction period proved that blacks were unfit for self-government, and that the doctrines of the Republican Party of Lincoln and Carey couldn’t survive the test of so-called “natural history.”

Scribners was a classic example of this exercise in hypocrisy and manipulation. Beginning with a series of articles by Edward King called “the Great South,” that ran throughout 1873-74, *Scribners* became what co-founder and editor Roswell Smith described as “the interpreter of the South to the nation.” Throughout the rest of the 1870s and into the 1880s, under the new name *The Century*, the publication showcased postwar Southern literature. Through such Southern writers as Joel Chandler Harris (the creator of Uncle Remus), George Washington Cable, Thomas Nelson Page (the creator of Marse Chan and Meh Lady), James Lane Allen, and Grace King, the glories of Southern life were spread all over the nation. A romantic and tranquil South, peopled by the benevolent planter Marse Chan and his lady, and their contented blacks, made palatable for the North the myth of black inferiority, and the alleged black acceptance of that imposed inferiority. After 1877, the year of Compromise, *Scribners/The Century*, became the major promoter of the mythical image of a “New South” economically, as well. In 1883, *The Century* serialized Walter B. Hill’s “Uncle Tom Without a Cabin” a piece that portrayed the supposed plight of Southern blacks, adrift without slavery, and painted a flattering picture of

Southern paternalism as the solution. In 1883, with great fanfare, *The Century* would begin its famous “Battles and Leaders” series of Civil War reminiscences, to feed the flood of romantic recollections of Civil War veterans, and to romanticize the Southern military effort.

During the same period, Sophie Bledsoe Herrick, as its influential science editor, made *The Century* the leading popularizer of the scientifically incompetent and dishonest theories of Darwin, Thomas Huxley, and the Social Darwinists in America. Herrick was the daughter of Albert Taylor Bledsoe, one of the South’s leading apologists for slavery before the war and a collaborator of Pollard’s afterwards. Before coming to *The Century* she had worked in helping to found his *Southern Review*, a leading voice of the South in its postwar “battle of ideas.” *The Century*, along with *The Nation* and other Northern national weeklies, also unanimously promoted the doctrines of free trade, in opposition to what they argued was the “slavery” of “American System” economic policies.

From Robert E. Lee to Teddy Roosevelt

The peacetime triumph of the very doctrines that had failed to destroy the nation during the Civil War, in the form predicted by Pollard, goes a long way toward explaining the apotheosis of Robert E. Lee, the historical figure. Lee, the personification of the Southern cause, was an imperialist, a racist, an aristocrat, and a genocidalist. The myth made that all respectable. It would be turned into a national character type in the person of Teddy Roosevelt, when he became President thanks to the assassination of President McKinley in 1901. Sadly, America has had to live with this legacy since, as America more explicitly embraced in the 20th century the very hated British policies it fought against in the Civil War.

All of this is ignored by Mr. Nolan, as it has been by every other historian who has attempted to understand the post-1865 period. The lesson of Mr. Nolan’s book is that the failure to do battle with such policies, and the failure to apply the measure of universal history to assess both past and the present, is what ensures that such myths remain untouched. And so long as such myths have power over people’s views, Americans will tolerate the un-American policies that are destroying it. Lee was a traitor, who fought to destroy what Abraham Lincoln justly described as “man’s last best hope on Earth.” Admitting that fact is no more vindictive or divisive than recognizing that President Bush’s policies are an abomination as horrible as that which President Lincoln sought to defend America, the “last best hope,” against.

Myths live on and shape history, because those who ought to be the nation’s political and intellectual elite remain small-minded. Rather than examine the evil, cruel, and ugly events in our past and apply the lessons to the present, it is always easier for some to live with fiction, and more convenient for them that the rest of us do so as well.

Elephants and Donkeys

by Kathleen Klenetsky

Bush readies run for reelection

George Bush is gearing up his 1992 reelection campaign apparatus. Bobby Holt, the Texas millionaire who has been a major fundraiser for Bush, is expected to register a Bush-Quayle '92 reelection committee with the Federal Election Commission by sometime in October, and the President himself has embarked on a cross-country tour to tout the alleged accomplishments of his reign.

The flurry of activity coincided with Bush's receiving a clean bill of health from his physicians. Bush, who said earlier this year that only ill health would prevent him from running again, pronounced himself in "perfect health" after a physical examination Sept. 13.

Presidential physician Burton Lee declared that Bush had been "restored to his normal vigorous state of good health," following treatment for hyperthyroidism and a heart condition.

With that medical imprimatur, one of the two big obstacles to Bush's reelection drive has faded. The second, the prospect that the Democrats in Congress might use the occasion of the Robert Gates nomination hearings, and the ongoing investigation into the "October Surprise" scandal, to tie Bush directly to the sordid Iran-Contra affair, has also disappeared, at least for now.

Now, the only thing Bush has to fear is reality, especially the nosediving U.S. economy.

But reality never fazed George in the past, and it certainly doesn't seem to be giving him pause now. He sent out his budget chief Richard Darman to declare on national television Sept. 23 that the "recession" was now officially over—an announcement that no doubt

came as a big surprise to the thousands of failing banks and businesses and the growing ranks of the unemployed and homeless, but was apparently good enough for Bush who, though he may be deemed physically fit, certainly can't be considered sane.

Nevertheless, there seems to be some inkling within the Bush camp that something could go seriously wrong between now and election day.

The Sept. 14 *Washington Post* reported that the Bush campaign plans to spend \$26 million in the primaries alone—even though there's no Republican challenger. Could it be that the President feels it necessary to campaign against any doubts the American electorate might harbor concerning the state of the economy, or the overall direction of U.S. policy under Bush's administration?

Clinton: This is mainstream?

Of course, Bush can count on lots of help from the Democrats. Despite a new gaggle of entrants into the race—Sen. Tom Harkin of Iowa and Gov. Douglas Wilder of Virginia both formally declared their candidacies in September, while Bill Clinton, governor of Arkansas, Sen. Bob Kerrey of Nebraska, and Jerry Brown, California's political equivalent of Abbott and Costello, are making tracks in that direction—the party is no closer to backing a feasible alternative to Bush than they were two months ago.

Bill Clinton is a perfect example of what's wrong with the party. As the recently resigned chair of the Democratic Leadership Council, Clinton purports to speak for the moderate wing of the party. Yet, his wife, Hilary, has served as chairman of the board of The New World Foundation, which funds a wide range of "lefty" operations.

According to the foundation's re-

port for 1987 and 1988, recipients of its largesse include the National Lawyers Guild Foundation; the Meadowcreek Project of Arkansas, for a program which "brought Arkansas students and Soviet youth together to study global environment issues, sustainable agriculture, and renewable energy technologies"; and the Environmental Policy Institute.

In her foreword, Mrs. Clinton writes: "In operational terms, the foundation has turned increasingly to the support and development of progressive activist organizations."

Meanwhile, two liberal Democratic influentials who backed Jesse Jackson's presidential bid in 1988—Harold Hickey and Anne Wexler—reportedly plan to sign on with Bill Clinton's campaign.

Harkin and the Israeli lobby

Sen. Tom Harkin is striving to present himself as a home-grown populist, in the "raise less corn and more hell" tradition. But since when is acting as a mouthpiece for Israel a characteristic of populism?

Harkin is considered one of the apologists for Israeli policies in the U.S. Senate. And no wonder: Typical of the lengths he'll go to is a statement which he made recently in a discussion with some reporters. Harkin flatly declared that Israeli settlements on the West Bank were not an obstacle to peace. The very idea that they might be problematic "is ridiculous on its face," he said. "The biggest obstacle is the lack of any will on the part of other countries to take off the boycott [of Israel] and sit down and negotiate with Israel."

Maybe this is why Harkin received close to \$250,000 in donations from Zionist Lobby political action committees in his last Senate race.

Rep. Gonzalez probes Kissinger Associates

The House Banking Committee, chaired by Rep. Henry B. Gonzalez (D-Tex.), in its ongoing hearings on the Bank of Credit and Commerce International (BCCI), has begun to grill members of the global influence-peddling firm Kissinger Associates, Inc., on what they knew of the bank's dirty operations and on its connections to the equally dirty Banca Nazionale del Lavoro (BNL).

The BCCI was shut down worldwide in July because it functioned as an intelligence operation involved in fraud, bribery, arms and drug trafficking. BNL was shut down by the Italian government this past spring for financial irregularities, including the indictment of the top executives of its branch in Atlanta, Georgia for \$3-4 billion in allegedly illegal loans to Iraq.

In the Banking Committee's hearings on Sept. 11 and 13, it emerged that BNL and BCCI were extensively interlocked, involving large interbank transfers and overlapping boards through the Swiss subsidiaries of the two banks.

This is where Henry Kissinger comes in.

On April 25, 1991, Gonzalez had made a statement to Congress "that he had found several links between former Secretary of State Henry Kissinger, Deputy Secretary of State Lawrence Eagleburger, and National Security Council director Brent Scowcroft and the Banca Nazionale del Lavoro," according to a press release from Gonzalez's office.

The current hearings took up from that point. According to one source, the first to be queried was Kissinger

Associates' chief economist, Alan Stoga, who had traveled with a delegation of the U.S.-Iraq Business Forum to Baghdad for meetings with Saddam Hussein and other Iraqi officials in 1989. Although Stoga reportedly told the congressional investigators that he had just gone along on the junket to see the sights, Business Forum documents show that the delegation told the Iraqis that they would be cut off from credits unless they surrendered their vast oil reserves to the Six Sisters and "privatized" other raw materials like bauxite.

Stoga's testimony prompted the Banking Committee chairman to write a letter to Kissinger, dated Aug. 1, 1991, that raised seven questions. These ranged from what Kissinger, as a member of BNL's International Policy Board, knew of BNL Atlanta's loans to Iraq; to whether Stoga was an official representative of Kissinger's firm during his Business Forum junket to Baghdad. Gonzalez also asked about any financial ties between Kissinger Associates, Inc. and the U.S.-Iraq Business Forum, Business Forum chairman Robert Abboud, the BNL, the BCCI, and the BCCI-controlled First American Bank. Finally, Representative Gonzalez asked Kissinger whether Brent Scowcroft and Lawrence Eagleburger, when they were respectively vice chairman and president of Henry's firm, had had dealings with any of these institutions.

Sources in Kissinger's office say that he "definitely replied" to Gonzalez's letter. A well-informed congressional source confirms this, but adds that Kissinger seemingly gave minimal facts in response, to avoid the possibility of obstruction of Congress charges. But, the source indicated that certain facts from the response will start to point the BNL-BCCI scandal toward the White House.

Criminal implications

The Italian government closed the BNL, in which it had a 70% stake, not only because of the Atlanta indictments, but also for a host of unspoken reasons that include BNL's being implicated in the "Bulgarian Connection" to the 1981 Mehmet Ali Agca assassination attempt against Pope John Paul II.

In his April 25, 1991 statement, Gonzalez said that Kissinger had remained a member of the international board of policy of BNL until late March 1991. Further, his associate, Lawrence Eagleburger, had in 1986 helped found a branch of the largest Yugoslavian bank, Ljubljanska Banka, known as LBS Bank of New York. Citing a report from the Federal Reserve Board, Gonzalez noted that "BNL fueled a significant amount of LBS's growth in the U.S. with 20% to 25% of LBS's business from BNL."

Throughout the Senate Foreign Relations Committee hearings which led to Eagleburger's confirmation as deputy secretary of state, LBS Bank and several of Eagleburger's fellow board members were being tried—and convicted—by the Philadelphia U.S. Attorney on money-laundering charges.

However, Eagleburger's link to all of this was never brought out by the Philadelphia prosecution team, by the FBI's Washington Metropolitan Field team that did Eagleburger's background check for the Senate, or by members of the Senate Foreign Relations Committee that passed favorably upon Eagleburger's confirmation. What the House Banking Committee chairman has since stated, is that Eagleburger's LBS Bank had major dealings with exactly those BNL officials who were themselves subsequently indicted for banking irregularities.

Unemployment bill hits Bush economic policy

A proposal by Democrats to extend unemployment benefits for 20 additional weeks has become the spearhead of an attack on Bush economic policy.

The proposal, passed by the House Sept. 17 by a vote of 283-125, would mandate that the President declare a budget emergency, which would allow funds to be allocated despite the budget guidelines worked out between Congress and the White House last year.

An almost identical bill was passed by the Congress in August, was signed into law, but was killed by Bush's refusal to declare a budget emergency—which would have been an indirect admission by the administration that the economy was in a serious crisis.

A similar bill is being debated in the Senate. Sen. Donald Riegle (D-Mich.), one of the chief opponents of the "fasttrack" trade negotiations with Mexico, attacked the administration's coverup of the real state of the economy. He called the Gramm-Rudman budget restrictions as "phony as a \$3 bill."

In floor statements on Sept. 19, Riegle said that the deficits were "out of control" because "we do not have any significant productivity improvement and we do not have enough jobs for our people." He blamed the rising deficits on Reagan-Bush supply-side economics, attacking the "fast track" agreement for Mexico as exporting jobs abroad. "We need to have more capital investment in this country," said Riegle. "We need to drive the business sector at a faster rate. . . . We need to invest more in technology and to get that technology applied in new products in this country and not let the technologies shift overseas."

Riegle also attacked the policy of "raiding all the trust funds and using the money for things for which they were not intended to be used." He ridiculed attempts by the administration to "reform" Gramm-Rudman, calling it "the only fig leaf in town" behind which everybody was trying to hide.

In the House debate, Rep. Charles Hayes (D-Ill.) said on Sept. 17: "Common sense would tell us that the best way to decrease the deficit is to put people back to work to, in fact, increase our revenue by increasing the pool of taxpayers."

In order to preempt a heated debate on economic policy, Sen. Robert Dole (R-Kan.) presented a Republican alternative which would extend unemployment benefits by six weeks rather than the 20 weeks proposed in the Democratic package. The Dole bill would finance the benefits with money raised by auctioning federal broadcasting frequency rights.

Nervousness grows over Yugoslav slaughter

The escalation of the Serbian aggression against Croatia, and the lack of response by the Bush administration, have become a concern of some congressmen. Rep. Frank Wolf (R-Va.), in floor comments on Sept. 19, called on President Bush to immediately demand a cease-fire and to warn anyone who violates the cease-fire that he would impose political and economic sanctions against them.

Wolf, along with Rep. Chris Smith (R-N.J.), visited Yugoslavia during the first week of September as part of a congressional human rights group. A strong backer of Bush, Wolf said that he was "disappointed in the

Bush administration and those who are advising the President on this very, very difficult issue." Wolf tried to divert criticism from the White House by blaming the State Department which, he said, "does not like to take advice from anybody." Wolf compared the State Department's "wait and see" attitude to the attitude they took toward the Ceausescu regime in Romania. The United States awarded Ceausescu Most Favored Nation status, and Congress only succeeded in revoking it against a lobbying effort by the State Department.

On Sept. 19, Sen. Albert Gore (D-Tenn.) called on the administration to take measures to stop the fighting, including: severing diplomatic relations with Belgrade; recognizing Slovenian and Croatian independence; freezing Yugoslav assets abroad; ending shipments of all supplies of jet fuel, military equipment, and spare parts to Yugoslavia; and making substantial levels of anti-air and anti-armor equipment available to Slovenia and Croatia. Gore also called for the demobilization of the Yugoslav Army.

Sen. Dennis DeConcini (D-Ariz.) encouraged the Conference on Security and Cooperation in Europe (CSCE) to introduce peacekeeping forces into Yugoslavia.

Panel opposes High Court on coerced confessions

The House Judiciary Committee on Sept. 22 inserted a provision into this year's crime bill which would reverse a U.S. Supreme Court ruling in March that allowed convictions to stand even though they had been obtained through a coerced confession. The action is the first sign of congressional resistance to

the Rehnquist Court's drive for police-state measures in the United States.

The March decision by the Supreme Court in *Arizona v. Fulminante* reversed a century of precedent in which cases based upon a coerced confession were thrown out of court.

Committee chairman Rep. Jack Brooks (D-Tex.) said that the Supreme Court's decision "defies our common understanding of fairness" and would create a "what-have-we-got-to-lose attitude" among law enforcement officials. The provision mandates that no coerced confession could be considered a "harmless error"—the term the Supreme Court had used.

Other provisions of the bill, however, include severe time restrictions on *habeas corpus* appeals from prisoners facing capital punishment.

Michel tries to halt 'October Surprise' probe

House Minority Leader Robert Michel (R-Ill.) warned Democrats that Republicans would retaliate with a probe of alleged Democrat-Sandinista collaboration if the "October Surprise" investigation were continued. The threat, made at a meeting with editors and reporters of the *Washington Times* on Sept. 23, is an attempt to stave off a Democrat-initiated investigation of the October Surprise, in which members of the Reagan-Bush campaign allegedly sought to delay the release of American hostages held by Iran, thus ensuring a Republican victory in the 1980 elections.

"If there is enough smoke for the investigation of an October Surprise," said Michel, "it can very well be countered by justifying an investigation of a Managua Surprise."

Michel indicated that he was prepared to sacrifice the "collegiality" which he has prided himself on maintaining with his Democratic counterparts in order to assure Bush's reelection. Michel also said that he would not want to make the "Managua Surprise" a "party-defining" issue against the Democrats unless they insisted on probing GOP involvement in the October Surprise.

Michel's threatened probe followed testimony by a CIA official in September to a congressional committee in which he said that there existed electronic interceptions of discussions between members of Congress, their aides, and the Sandinistas. The discussions allegedly involve House Majority Whip David Bonior (D-Mich.).

Although House Democrats have been threatening to expose the Reagan-Bush hostage deals with the Iranians, little has been done to initiate such a probe. The Senate confirmation of Bush-appointed CIA Director Robert Gates is now generally considered a "done deal," despite Democratic threats to use the Gates hearing to revive the Iran-Contra scandal, and seems to indicate that Democratic leaders are not yet prepared to make Iran-Contra an issue in the election.

Gore calls for sending Iraq to the Stone Age

Although, with the threats by George Bush of new military incursions into Iraq, liberal Democrats are jumping on board the "Get Saddam" bandwagon, none has exposed more clearly the real nature of this "new world order" than Sen. Albert Gore (D-Tenn.).

In floor statements on Sept. 19,

the environmentalist senator said that it is necessary to block Saddam's "access to knowledge and technology," effectively sending the formerly relatively highly developed Iraq back into the Stone Age. "In general," said Gore, "the world does not need the contributions of Iraqi space science or of Iraqi work in nuclear physics—practical or applied. The United States should work to completely block future Iraqi activity of any kind in these areas, to the extent they are dependent upon equipment, services, or training—including university training—available from any country with advanced capabilities."

Gore claimed that "there is no way to think about certain branches of science and engineering in Iraq except as tap roots for programs aimed at programs of mass destruction." He also called for sanctions against any country which would dare give Saddam access to "technology and knowledge. . . . We have to get much tougher about exposing the network of foreign suppliers used by Saddam Hussein. If this means deeply embarrassing certain friendly governments, so be it."

Gore, who claimed to have undergone a "moral crisis" when he shifted his vote in January to support the U.S. military aggression against Iraq, accused Bush of half-measures by not having the troops go into Baghdad, as recommended by Gen. Norman Schwarzkopf, and eliminating Saddam. He also called for the creation of a war crimes tribunal against the Iraqi leader.

Senator "Blood and" Gore also called for blocking Saddam Hussein's access to international support, building the stock and resources of his opponents, and cutting off his access to any resources he needs to rebuild his military machine.

National News

Rehnquist squeamish on overloading courts

U.S. Supreme Court Chief Justice William Rehnquist has asked the House Judiciary Committee to reject a proposal sponsored by Sen. Alfonse D'Amato (R-N.Y.) which would make all murders committed with a gun federal and capital offenses.

Rehnquist made the unusual request in a letter in his capacity as head of the Judicial Conference of the United States. A Judicial Conference letter accompanying the Rehnquist letter said the bill "will swamp the federal courts with routine cases that states are better equipped to handle."

Rehnquist made the request despite his record that the Supreme Court will not put any obstacles in the way of states killing poor and minority defendants.

D'Amato said last July that he hoped the federal system would become "so over-clogged" that Congress would have to provide more judges and prisons. Some observers believe that Rehnquist felt the tactic could back-fire, resulting in less respect for a hamstrung judicial system.

William Weld peddles abortion

Massachusetts Gov. William Weld has proposed legislation to liberalize the state's abortion laws, including easing of parental consent requirements for teenagers seeking abortions.

"In my mind, freedom of choice goes to the heart of the principles embodied in our Constitution, freedom from government interference in the private lives of citizens," said Weld.

Current Massachusetts law requires women under age 18 to get consent from both parents for an abortion; Weld's bill would lower the need for consent to under the age of 16, and require consent from only one parent.

In addition, the proposal would repeal a law barring the use of Medicaid to fund

abortions, allow public employee health insurance to cover abortions, and bar anyone from blocking access to abortion clinics, a move aimed at stopping right-to-life demonstrations. The bill would also rescind the designation of October as pro-life month.

Weld's proposal was harshly denounced by Boston's Cardinal Bernard Law in a rare press conference. George Bush campaigned for Weld during the election.

R.I. depositors getting angrier

Nine months after Rhode Island Gov. Bruce Sundlun closed 45 bankrupt banks and credit unions and promised people they would get their money back, 200,000 Rhode Island depositors still haven't received their money, and many are destitute. Their activities portend growing anger at the collapsing economy.

"The anger here, the frustration, is just incredible," said a local pollster. "It's at fever pitch. Middle-class America is out in the streets, and they're angry. I've never seen anything like it in my life."

The *Boston Globe* commented: "Perhaps the most striking aspect of this tension-filled drama is that its principal players are not ideologues or political activists, but regular folks; a majority of them appear to be middle-aged and many of the most fervent are elderly. Few of them may ever have considered participating in public protests before. But nothing had ever come between them and their money quite so directly before.

"The object of their ire has not been only Sundlun," the *Globe* reported. "There is clear, widespread discontent with politicians in general." This has reached the point where each time Sundlun renews his promises or announces new "plans," the protests grow. Demonstrations and spontaneous outbursts are occurring frequently. For example:

- Protesters have had almost daily rallies, with placards comparing Sundlun, who is Jewish, to Adolf Hitler.

- During the first week of September, 250 protesters blocked a highway for two

hours outside a closed credit union in Warwick. Seven were arrested. On another day that week, 400 marched into the State House, with a dozen people chasing the House Speaker down a hallway.

- On Sept. 6, a crowd of 1,000 surrounded Sundlun's car when he went to a political event.

- On Sept. 7, some 1,500 demonstrators at a State House rally screamed epithets at Sundlun and demanded his resignation. Rhode Island's longtime U.S. senators Claiborne Pell (D) and John Chafee (R) were booed, with people yelling at Pell: "You're sending all our money to Israel."

Hashemi death questioned by Kunstler

The strange death of Cyrus Hashemi is recounted in a letter to the editor by attorney William Kunstler, published in the Sept. 17 *New York Times*. Hashemi supposedly died of "acute leukemia" in London in July 1986, although medical experts say the cause is highly improbable. He had passed a full physical exam days before his death.

Hashemi's role in the arming of Iran under the ayatollahs during the Carter and Reagan administrations has been reported on extensively only in *EIR*.

Hashemi's body was sent to a cemetery in New Jersey, and then moved to Connecticut shortly after Kunstler (who represented arms trader Nicos Minardos in the Sam Evans/Aviem Bar Am "merchants of death" case) filed a motion in court for an exhumation. At this point, the U.S. government moved to dismiss the charges against Kunstler's client and his co-defendants.

Kunstler wrote, "To prevent exhumation, the government falsely informed the trial judge in open court that the body had been cremated." Cyrus Hashemi's brother Jamsheed believes he was murdered by the CIA and the Mossad, added Kunstler, who called for an investigation to determine if Hashemi was killed to prevent him from talking about the "October Surprise"—that the Reagan-Bush campaign conspired to delay the release of American hostages held in Iran until after the 1980 elections.

Briefly

● **RONALD REAGAN** was the person who made German reunification possible through his demands that the Russians tear down the wall, German Chancellor Helmut Kohl said Sept. 16 in Washington. Kohl gave no indication that he thought George Bush in any way responsible.

● **U.S. DISTRICT** Judge Albert V. Bryan, Jr. of the Eastern District of Virginia, has announced that he's retiring to "senior status" in December, the Sept. 16 *Washington Post* reported. Bryan, 64 and a Nixon appointee in 1971, presided over the railroad of Lyndon LaRouche to prison in 1989.

● **THE UNITED STATES** has been asked to provide information on the deaths of Iraqi soldiers who were buried when U.S. tanks, fitted with ploughblades, crushed Iraqi trenches. A spokeswoman for the International Committee of the Red Cross (ICRC) said its president, Cornelio Sommaruga, had passed to the U.S. ambassador an Iraqi request for details on the incidents.

● **SEN. TOM HARKIN** (D-Iowa) declared his candidacy for U.S. President Sept. 15 with a promise to reverse the "greed and selfishness" of the Republican economic policies. On his credentials for being President, he said, "All I ever needed to know I learned growing up" in Cummings, Iowa, which has a population of 150.

● **HENRY HUDSON**, the corrupt U.S. Attorney who prosecuted political prisoner Lyndon LaRouche and six associates, may soon be appointed by George Bush to be head of the U.S. Marshals Service, the Sept. 19 *Washington Post* reported.

● **A NAVAL** blockade would be used to prevent a mass exodus from Cuba if unrest sparked an emigration similar to that of 1980 when around 125,000 refugees poured into Florida, the Sept. 20 Fort Lauderdale *Sun-Sentinel* reported.

Washington State Dems fear big LaRouche vote

Democratic Party officials in the state of Washington are worried that candidates associated with economist Lyndon LaRouche could win a sizeable primary vote. The officials are claiming that this would be due to Republicans voting in the Democratic primary. In Illinois in 1986, officials ignored warnings by party pollsters showing that LaRouche candidates were getting a high percentage of the vote. That year, LaRouche candidates won the Democratic Party primary for the statewide offices of lieutenant governor and secretary of state.

Strategies, the quarterly newsletter of the Washington State Democratic Party, has reported that one possible result of a first-ever primary for Washington State "could be a massive Republican vote for someone like Lyndon LaRouche. Wouldn't the Republicans just love to see us with some 'LaRouchees' in our National Convention delegation?"

Democrats are demanding that the Republican secretary of state require voters to state that they wish to participate in the primary as Democrats; that is, state their party allegiance, instead of merely requesting a ballot, which they fear would allow cross-over voting by Republicans.

Court pressures FBI to produce documents

At a status conference held Sept. 20 in the Freedom of Information Act (FOIA) lawsuit brought by *EIR* counterintelligence editor and Lyndon LaRouche associate Paul Goldstein, Judge Thomas P. Jackson was told by the FBI that it would begin turning over documents to plaintiffs after an FBI review to be concluded in 15 days. While it is expected that some documents will be released, many more are expected to be withheld. Jackson ordered the government to file an index of withheld documents.

In June, Judge Jackson told the FBI to

make partial releases to Goldstein as they processed the records.

Goldstein told the court Sept. 20 that not one piece of paper had been turned over since that hearing. The files at issue in the case to-date have revealed a "Do Not File" file document and the North-Secord telex revealing infiltration operations against LaRouche as late as 1986. It was also in this case that the FBI—after LaRouche was railroaded to jail—admitted that it has maintained a file on LaRouche compiled under the authority of Executive Order 12333.

'Make Israel the 51st state,' says columnist

A tongue-in-cheek commentary by syndicated columnist Richard Reeves published in the Sept. 16 *Richmond Times Dispatch* argued that Israel should be made the 51st state since it is the only way to "cut back on aid to our friends."

He continued, "States—the old 50—are getting less and less money from Washington each year, and Israel gets more and more. We could go even further, since Israel's not very big, and make it a city. Call it, say, 'Detroit,' and the people who live there would not get a penny, much less \$10 billion loan guarantees to build townhouses for newly arrived homeless people from the Soviet Union. . . ."

"(The United States, incidentally has a \$25 million limit on loan guarantees to foreign governments, but Israel is now exempted from the law. The \$10 billion is 400 times the legal limit for the rest of the world.) . . ."

"If we make Israel the 51st state, there would be peace because an attack on Israel would be an attack on the mighty United States. Then President Bush could tell Gov. [Yitzhak] Shamir that there is no point in throwing money at the problems, that welfare dollars produce nothing but dependency, and any real economic trouble can always be eliminated immediately by reducing capital gains taxes and seeking among a thousand points of light. And as a bonus, when the Soviet emigrants say they want to go to America, Shamir can say: 'You're here. Welcome to the Promised Land, the U.S.A.'"

Total war

From the first days of Desert Shield, we have warned that George Bush could not *win* a war against Iraq. Yes, Iraq could be crushed militarily, but this is not the same as victory for the United States. The reason was clear. Not only was this not a just war, but the United States lacked any clearly defined war aims.

We forecast all too correctly, that Desert Storm would unleash an epoch of warfare more devastating than either the First or Second World War. What was portended was total warfare of the sort that decimated Germany during the Thirty Years' War of the seventeenth century. Let's look at the record.

In the Jan. 11, 1991 issue of *EIR*, as the U.S. and Britain deliberately sabotaged chances for a negotiated settlement with Iraq, LaRouche issued a strategic evaluation. He pointed out that the war in Iraq was the start of a series of conflicts which were being provoked as part of a plan to reimpose Anglo-American imperialism on the world.

He wrote then: "The purpose of this war has nothing to do with Kuwait as such. The war was planned, essentially, back in the mid-1970s—and actually earlier. The long-range policy of this Anglo-American faction then, was the establishment of a one-world government, ruled by the Anglo-American interests by aid of special arrangements reached with Moscow. The prospect then, when the policy was first articulated, was that as soon as the East-West conflict could be brought under control by 'New Yalta' agreements with Moscow, the Anglo-American and other military forces would be directed to new targets: the targeting of military operations which had been through East-West to North-South.

"The purpose of the warfare would be the looting of developing nations, of Central and South America, Africa, Asia, and so forth; and the specific targets would be population and raw materials wars—that is, wars fought by aid of food control and famine, to force reduction of the darker-skinned populations of the planet, and wars fought to put valuable strategic minerals and so forth, such as petroleum reserves, under the control of European occupation forces."

In his message to a March 1-3, 1991 conference

on the economic future of Europe in Berlin, Lyndon LaRouche elaborated the perspective of total warfare, warning that the new imperialists could not impose their version of a Pax Romana, but instead would bring about their own downfall, and a terrible new dark age. He said, "We are headed toward a Thirty Years' War, in the sense that the Peloponnesian War in ancient Greece was a Thirty Years' War. The Thirty Years' War in Central Europe was an echo of the Peloponnesian War, and the period from 1912-45 in Europe, is effectively another Thirty Years' War.

"We're talking about a conflict in every dimension, in every level, spreading, intensifying, and ultimately reaching the point that weapons are used in conflicts among major powers—a general devastation of this planet deep into the early decades of the coming century, unless we stop this.

"Up to now, from at least 1986 on, from 1982 in part, and earlier, it seems that the British liberals—the same fellows who caused the Thirty Years' War of 1912 to 1945, are predominant: They're winning. They're winning, because France acquiesced to them, as earlier it was key to causing wars, and because the world is generally acquiescent to this power, to this liberalism, to IMF conditionalities.

"Unless that trend is reversed, it is *certain* that the new Thirty Years' War period now in progress, will be the rule of this planet deep into the early decades of the next century."

Today, little more than a year since Desert Shield began, Bush is threatening renewed hostilities against Iraq; Croatia is being barbarically dismembered by Serbian troops, in a war which threatens to spread into other republics of Yugoslavia; violence has erupted in Romania; and French troops have now moved into Zaire—with U.S. support—on the pretense of maintaining order there.

We are entering step-by-careless-step into precisely the total war which LaRouche forecast. There is still time stop the process, but only if we drive from power the insane genocide faction, and only if LaRouche's proposal for a true United Nations Fourth Development Decade becomes reality.

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