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Executive Intelligence Review

May 15, 1992 • Vol. 19 No. 20

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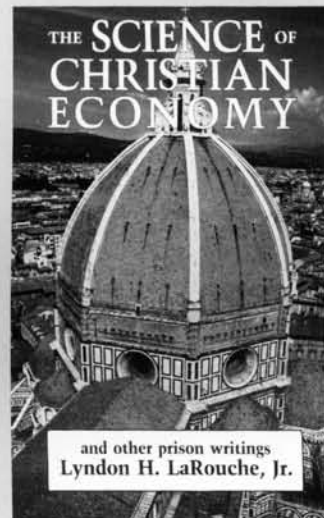
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*EIR (ISSN 0886-0947) is published weekly (50 issues) except for the second week of July, and the last week of December by EIR News Service Inc., 333½ Pennsylvania Ave., S.E., 2nd Floor, Washington, DC 20003. (202) 544-7010.*

**European Headquarters:** Executive Intelligence Review Nachrichtenagentur GmbH, Postfach 2308, Dotzheimerstrasse 166, D-6200 Wiesbaden, Federal Republic of Germany  
Tel: (0611) 8840. Executive Directors: Anno Hellenbroich, Michael Liebig

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

**In Mexico:** EIR, Francisco Díaz Covarrubias 54 A-3 Colonia San Rafael, Mexico DF. Tel: 705-1295.

**Japan subscription sales:** O.T.O. Research Corporation, Takeuchi Bldg., 1-34-12 Takatanobaba, Shinjuku-Ku, Tokyo 160. Tel: (03) 208-7821.

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Domestic subscriptions: 3 months—\$125, 6 months—\$225, 1 year—\$396. Single issue—\$10

**Postmaster:** Send all address changes to EIR, P.O. Box 17390, Washington, D.C. 20041-0390.

## From the Managing Editor

In a speech delivered to an international conference of medical experts in Baghdad, Muriel Mirak-Weissbach quoted the preamble to the U.N.'s Declaration of the Rights of the Child: "Mankind owes to the child the best it has to give." Adopted in 1959, this declaration still carries the force of international law.

This issue of *EIR* highlights, on the one hand, the wonderful potential for carrying out such a program, as our cover photo depicts—but on the other, the dark age that is now upon us because of the failure to take up the challenge of that U.N. declaration.

Lyndon LaRouche's speech to the International Caucus of Labor Committees' conference in Kiedrich, Germany gives the best overview for understanding this battle for a new renaissance, against the forces of evil and banality. The worst problem we face is our own illusions: from the man injured in Los Angeles who doesn't believe this has really happened to him until he goes home and sees it on television, to the east European who nurtures the illusion that the IMF's "free market" austerity will reverse the disaster of communism.

The effects can be seen around the world:

- In Iraq, where, as Mrs. Mirak-Weissbach reports from Baghdad, the deadly effects of Operation Desert Storm and the embargo continue to strike hardest against the children;

- In Los Angeles, where the real issue is 27 years of neglect of the nation's poor;

- In Colombia, where successive governments' foolish adherence to IMF policies has now resulted in electricity rationing, with shocking consequences reported by our bureau in Bogotá.

Our cover *Feature* tells the story of the late Dr. Robert Moon, one of America's leading physicists, who conveyed to children his own love of scientific investigation, through a rigorous program of reproducing crucial experiments from the history of science. We are happy to report that one youngster who was much influenced by Dr. Moon, 17-year-old Brandon Howard of Purcellville, Virginia, has recently been given a national PTA award for a musical composition in the classical idiom. We are certain that Dr. Moon would have been proud.

*Susan Welsh*

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## Rockefeller and Kissinger demand more 'free trade'

by Ana M. Phau

Trilateral Commission banker David Rockefeller and Henry Kissinger convened a conference in Washington on April 22-23 to discuss how to ensure that the economies of the continent are totally controlled by "free trade." In this way, the looting of Ibero-America would not only be continued and secured, but the continent could then be impressed into helping impose the General Agreement on Tariffs and Trade (GATT) worldwide. Underlying all the discussions, however, was a real worry over how to stop the revolution against these same policies now exploding in Ibero-America.

Hundreds of businessmen, the majority from Ibero-America, attended the so-called "Forum of the Americas," billed as "A Public Policy Conference on Open Trade and Investment: A Vision and an Agenda for the Americas" and cosponsored by Rockefeller's Americas Society, the Latin American Business Council (CEAL), and the Business Council on National Issues (BCNI), in cooperation with Nicolás Ardito Barletta's International Center for Economic Growth (ICEC).

Rockefeller seemed to be coming out of a Walt Disney movie, judging from his pretensions that the Ibero-American debt payments are going to save the collapsing U.S. banking system. "It's a happy irony, at least to this banker," he said, "that economic reforms in Latin America have so altered the economic picture that some U.S. banks are counting on their now-profitable, remaining Latin American debt to carry them through their bad real estate loans in this country."

Although these bloodthirsty bankers do need the billions of dollars looted from Ibero-America through the imposition of International Monetary Fund (IMF) conditionalities and free trade conditions that have "opened up" the economies of the continent, in no way are these funds going to stop the U.S. banks from collapsing.

### A timetable assigned

The Rockefeller-Kissinger duo delivered their marching orders in no uncertain terms. Rockefeller demanded in his speech that a free trade zone in the hemisphere be established by the year 2000, and Kissinger said that the North American Free Trade Agreement (NAFTA) has to be completed before the November U.S. elections.

"I believe this conference must explicitly call for a free trade agreement that embraces the entire hemisphere, from Baffin Island to Tierra del Fuego. And not at some unspecified future date. We must call for an American Hemispheric Free Trade Area no later than the year 2000, eight years from now. That's eight years, I hasten to add, for the *completion* of the free trade agreement," Rockefeller told the conference. This is the first time anybody has given the Enterprise of the Americas Initiative of the Bush administration a specific timetable. The task of the conference, Rockefeller said, is "to lay the intellectual and practical foundations to modernize the social, political, and legal structures of this hemisphere so that they can embrace the mission of securing economic freedom."

In fact, on the next day, Bush acknowledged receiving his orders, telling the audience, "You may have heard some suggest that politics will dictate delaying the North American Free Trade Agreement until after the election. Well, those voices are not speaking for me. The time of opportunity is now. I've instructed our negotiators to accelerate their work. I believe we can conclude a sound, sensible deal before the election, and I want to sign a good agreement as soon as it's ready." Bush lied that NAFTA would produce thousands of "good jobs" in the United States.

Rivalry among other speakers was clear when it came to showing their commitment to these genocidal policies.



*David Rockefeller (left) and Henry Kissinger, at the "Forum of the Americas" meeting in Washington. The bankers' push is on for a North American Free Trade Agreement, before the U.S. elections.*

Mexican Secretary of Commerce and Industrial Development Jaime Serra Puche insisted that NAFTA is crucial to make free trade and liberalization "permanent policies, permanent rules," and praised the accord for assuring North American businesses access to cheap labor. The Mexican minister seems to view ensuring a "permanent" supply of cheap, unskilled labor, such as those who work under concentration camp-like conditions in Mexico's *maquiladoras* today, to be one of the great tasks of government, since he called western Europe's new-found access to masses of cheap labor in eastern Europe "the most important technological breakthroughs in Europe over the last five years!" This has "opened up opportunities to European firms to use labor-intensive technologies . . . [which] has lowered the relative cost of labor"—i.e., wages—in all of Europe, he argued.

Venezuelan Development Minister Pedro Vallenilla tried to assure the crowd that there are no social problems in Venezuela, that the only problem is that the Venezuelan poor are very impatient. And Brazil's Central Bank president Francisco Gros promised the audience that the Collor government is committed to doing everything possible to end what he called "the reckless search for growth at any cost" which guided Brazil in past decades. Brazil's big error, according to Gros, was to "pursue self-sufficiency in just about everything," and "produc[e] domestically everything we used," thereby developing an economy "which is still largely insulated from the outside world."

In his speech, Kissinger cynically joked about how little he had cared about Ibero-America in the past. However, he explained, since the Anglo-American establishment cannot control what happens in Eurasia any longer, it can certainly try in Ibero-America. "The area in which real creativity is possible is, in my view, the western hemisphere among the group of nations that are represented here," he said.

He praised the Bush administration's Enterprise for the Americas Initiative and characterized it as "the single-most creative American foreign policy initiative and in many

respects the most important."

### **'Democracy' Kissinger-style**

For Kissinger, the lack of funds over the last decade to fight the cholera epidemic spreading throughout the continent, to build hospitals and infrastructure, and to fight narco-terrorism in Ibero-America, are all a product of "statism" and overregulated economies, not of the programmed and systematic looting of these nations through the imposition of IMF austerity. The solution, says Kissinger, is the "free market." While the transition to the free market may be a difficult one, he said, it is the only viable policy for the continent. "I do believe," he said, "that in the western hemisphere, there is a trend, based on the conviction that democracy is the most relevant form of government and that market economics is the only way to fulfill the aspirations of the population."

Fat Henry cited the example of Argentina's President Carlos Menem to show what has to be done in Ibero-America. In Argentina, Kissinger said, Peronism "has finally been integrated into the political process. . . . All the lectures on market economics and political democracy could not succeed until the Peronista Party was integrated into the political process. . . . I think it will be the historic merit of President Menem to have returned the Peronista Party into the democratic political process."

The way the case of Peru was handled revealed the lack of control Kissinger and his friends actually have over the developments in Ibero-America. Kissinger argued that the United States must keep a cool head when dealing with Peru, in order to focus on the most immediate task: ensuring that no other "Perus" overturn the free trade "democratic order" in the western hemisphere. Thus, he argued that when "you're dealing with narco-traffickers, Shining Path, and a corrupt judiciary, a certain amount of understanding of the problem is needed—even if we don't agree with the solution." But, as he explained to a journalist who questioned him on the "lessons for other policymakers" from the recent developments in

Ibero-America, "I think in Peru the major lesson [is that] one should prevent that a situation get so much out of hand."

Rockefeller made clear, however, that "democracy" is still non-negotiable. "A return to unelected military rule of course would be unthinkable and untenable. . . . Domestic and foreign investment would once again dry up, and any hope for economic recovery would be completely lost," he stated.

In case anybody missed the point, Americas Society President George Landau concluded one of the panels, reminding the audience that since the Feb. 4 coup attempt in Venezuela, foreign investment in Venezuela fell by 92%, and 70% of the investment in bonds and stocks fled the country. "I think it should be a warning to coup plotters, not just in Venezuela, but anywhere, that if you want regional markets, if you want NAFTA, if you want economic growth, coup plotters should think twice. They're never going to save the country; they're only going to ruin it."

What these people really mean is that it doesn't matter if you have a U.S.-imposed Marxist as head of the government, as in the case of Haiti, or a corrupt President, as in the case of Venezuela, as long as you follow the orders of the Anglo-American financial establishment and sacrifice the population in order to impose deadly IMF conditionalities and save the U.S. banks.

### Stop protectionism at all costs

The first panel, chaired by Rockefeller, discussed how regional free trade accords, such as NAFTA, are not only not contradictory to global trade agreements, but serve to maintain GATT's policing powers over the economies of the West, and ensure that no government retreats from free trade. In fact, participants argued, it is because Ibero-America can play a key role in securing GATT, that it is urgent that NAFTA be signed, sealed, and delivered before November.

Agreement on the new GATT accord is currently stymied, because some of the demands made by GATT—such as fixing international controls over services and intellectual property rights—are currently limited by national legislation, Arthur Dunkel, director general of GATT, told the conference. The solution, he insisted, is to limit national sovereignty. Dunkel, who flew in from Geneva for one day to be at the conference, happily noted that "a whole range of domestic laws and regulations which have hitherto been considered part of national sovereignty are now open to negotiation. This may be the most innovative, but least perceived, aspect of the round in many parts of the world."

No specific sector should be split off from the general negotiations, insisted Dunkel, because the issue is to use the global approach to force concessions on particular issues which governments would refuse to touch otherwise. The key task of GATT right now, he said, is "how to hold the line against protectionism. . . . The pervasive nature of protectionism is such that only collective action by governments can defeat it and ensure progress towards liberalization."

### Industrial nations targeted

Although they were not represented at the meeting, a huge amount of pressure was put on industrialized nations to end their protectionist policies toward basic industries, open up their economies to cheap-labor products from the developing sector, and destroy their economies. In fact, according to these lunatics, these protectionist policies in the industrialized nations are responsible for the misery in Ibero-America. If protectionism continues in industrialized nations, this "will bring great economic pains to Latin America, precisely at the juncture where the region is changing its development strategy and trying to show that market competition is the best way to enhance their economic prospects," said Argentine Deputy Economics Minister Carlos Sánchez.

Sánchez warned: "But if international protectionism continues, Latin American growth prospects will surely decline and, as experience shows, an environment of low or no growth is the best scenario for protectionist arguments to gain political strength."

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## Documentation

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### Balance of power politics

*From the "Forum of the Americas" keynote speech by Henry A. Kissinger.*

When I started working for Nelson Rockefeller, my lack of knowledge about Latin America was only matched by my lack of interest in Latin America. And the Rockefeller family was extraordinarily persistent, kept after me and then when I came into government I was engulfed for a while in the Vietnam War, Middle East wars, East-West relations, but under the tutelage of Bill Rogers who worked with me first as assistant secretary of state for Latin America and then as undersecretary of state, I became more and more aware of the crucial importance of Latin America.

It's sort of curious. When you're used to East-West thinking, I would think nothing of taking a trip to London for dinner, but Mexico City seemed light-years away. That was a big operation for me to go to Mexico City. Today it's different. I go to Latin America more than I go to Europe. . . .

Now the communist world has disintegrated. The Soviet Union is no longer a threat. The alliances created during that period will have to change their significance. There's a great deal of discussion about the spread of democracy and market economics as a natural phenomenon all over the world and there's a certain guarantee for peace. That may or may not be true. There's no historical evidence at this point either way and there's not even historical evidence that democracy is spreading in the countries where communism has col-



lapsed. But it is spreading in the western hemisphere and market economics are dominant in the western hemisphere.

In Eurasia, the biggest problem the United States faces is how to establish new relationships in alliances that are no longer held together by a common thread. . . . But with respect to all of this, we are subject to evolution and developments that we can influence only marginally. What happens in the former Soviet Union will not be determined primarily by American policy, although it can make a useful contribution to it. And it will be affected by legacies of history, ethnic rivalries, geopolitical conflict that cannot be managed from Washington, and for which, quite frankly, we are historically not very well prepared.

The United States has never had to deal with what it will face in Eurasia, in the Middle East, which is a group of sovereign nations of more or less equal capacity from which we can neither withdraw and which we cannot dominate.

All American historical textbooks, most of American literature on international affairs, rejects the concept of equilibrium, the concept of balance of power, by which nations of more or less equal strength will be driven to conduct their relationships. And in my view, the big intellectual drama of American foreign policy, the most intense debates of the next decade, will arise when we realize that there is no terminal point to history, that there will be no end to the evolution of foreign policy, that we can neither withdraw nor dominate, and that we therefore have to deal in nuances, in balances, in imperfect outcomes, in regions of profound passions that do not always march to a North American drummer. So, I look at much of what we do in Eurasia at this moment as consolidating, if we can, old relationships in western Europe and as some kind of damage limitation and the prevention of catastrophe in the countries where communism has collapsed. And the same is importantly true in such regions as the Middle East.

The area in which real creativity is possible is, in my view, the western hemisphere among the group of nations that are represented here. And like all converts, I may become more fanatical on that subject than the true believers. . . .

I have not always agreed when it was said that certain areas of the world, like the former Soviet Union, are now democratic and are now market oriented and to use that as the basic justification of our foreign policy. But I do believe that in the western hemisphere, there is a trend, based on conviction, that democracy is the most relevant form of government and that market economics is the only way to fulfill the aspirations of the population. . . .

It is only within the last decade that the approach through import substitution, through state domination of major sectors of industry, indeed of the economy, of military dictatorships, has been abandoned. . . .

A few years ago in the beginning of the Salinas term in Mexico, I spoke to one very highly placed official, and he was outlining some of the ideas that would dominate the new

administration. And I said, what about a free trade area? And he said, don't ever mention that in Mexico. He said, that will be perceived as exploitation by North America. We can go step-by-step. We can make sectoral agreements. But don't ever mention a free trade area if you don't want to damage all of us who believe in free trade. Today, the free trade area is a fundamental political commitment of the Salinas administration, and indeed if for any reason we in North America faltered on that commitment, we would do untold damage to all of those who have committed themselves to a course of action that a few years ago would have been considered absurd. . . .

I began by saying that I believe the most creative policy of this administration, the one for which it will be longest remembered, is the Enterprise Initiative. . . . The Enterprise Initiative can work only if there are market economies and generally democratic governments in Latin America. Autocratic governments will always be tempted to appeal to traditional nationalism. Planned economies will always be tempted to return to the vested interests and to state control which has dominated so much of the Latin American economy. . . .

I do not believe that we can confine this process to Mexico, the United States, and Canada. Once the Free Trade Agreement is signed and approved by the Congress, we should look at countries like Chile that meet all of the requirements; countries like Argentina, that two years ago one would have thought could not possibly be talked about in this context; and I would say that with all the ups and downs, countries like Venezuela, Colombia are certainly eligible for discussions on the subject. And when one looks at Brazil, the largest of the countries, and its recent political changes, one can see today where this vision of an area from Alaska to Argentina is not just a dream, but may become the most dynamic reality of the contemporary world. . . .

As a result of the particular structure that has existed in many Latin American countries, there can arise the difficulty that some governments that attempt reform suffer from the legacy of their own past and are not given as much credit by the populations for the austerity that is inevitable from reform. The gap between the richer and the poorer can apparently increase, and perhaps increase in reality in the early stages of economic reform. . . .

In Peru, I do not know whether what was done was in any way justified, and far be it from me to justify it. But, on the other hand, I also believe that when one deals with narco-traffickers, Shining Path, one dominant, radical party, a corrupt judiciary, that a certain amount of understanding of the problem is necessary even if we don't agree with the solution. . . .

Let me go back to where I started. I believe that the free trade agreement between Canada, Mexico, and the United States is the key to the evolution that I have described. That will enable us to defend market economics and a democratic evolution in the western hemisphere and to extend it. . . . It should be signed on all sides and defended on all sides as a

political vision and not purely as a trade negotiation. . . . My view is that this administration has already paid the price politically for the agreement, so they might as well defend it because their opponents will not let them forget it. . . .

### Bush: NAFTA all the way

*Excerpts from President George Bush's speech at the conference:*

We're well on our way to creating something mankind has never seen: a hemisphere wholly free and democratic, with prosperity flowing from open trade. From Mexico City to Buenos Aires, that vision is becoming a reality. . . .

Alongside this economic revolution, we have witnessed and played a vital role to shape a political revolution just as powerful. Two years after we initiated Operation Just Cause, Panama has replaced the repression of the Noriega era with freedom and democracy. In El Salvador, after 12 years of civil war, our consistent efforts have brought peace. In Nicaragua, we succeeded in our goal of restoring peace and democracy through free elections. . . .

This peaceful revolution throughout the Americas did not happen by accident. It is the work of a new generation of courageous and committed democratic leaders with whom we have worked closely in pursuit of common goals. The new spirit was demonstrated in June of last year, when the OAS [Organization of American States] General Assembly passed a resolution designed to strengthen the international response to threats to democracy. . . .

Recent events in Haiti, Venezuela, and Peru remind us that democracy is still fragile and faces continued dangers. In all our nations, powerful special interests cling to old ideas and privileges, promote protectionism, and resist expanded trade.

For the diehards—for Castro's totalitarian regime, for those in the hemisphere who would turn the clock back to military dictatorship, for the stubborn holdouts for economic isolation—I want to make one point clear: . . . As long as I am President, the United States will devote its energies to the true and lasting liberation of the people of the western hemisphere. . . .

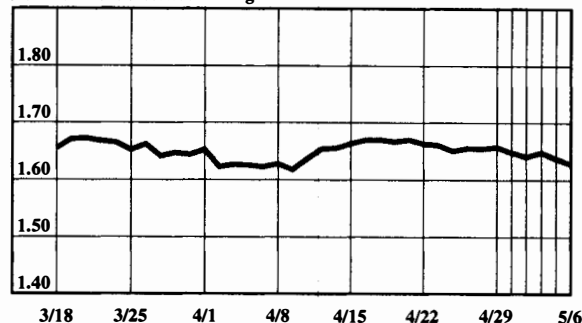
Democracy's rebirth led Argentina and Brazil to join hands to halt the spread of nuclear arms. Democracy energized Brazil to slow deforestation of the Amazon rain forest. Democracy gave Argentina the will to stop the Condor ballistic missile program financed by Libya and Iraq. Colombia's democracy is leading the fight against the drug trade and working to restore its economic vitality. . . .

The United States' economic destiny is linked to Latin America's. No army of protectionists can change that. When Latin America suffered its debt crisis of the early 1980s, we suffered through a corresponding drop in trade. . . . We'll knock down barriers wherever we find them, to open markets. . . . We will fight hard against protectionism both at home and abroad. . . .

## Currency Rates

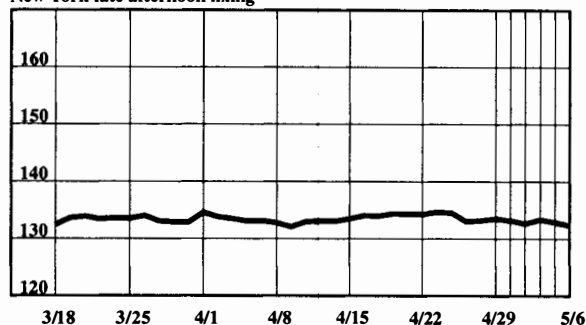
### The dollar in deutschemarks

New York late afternoon fixing



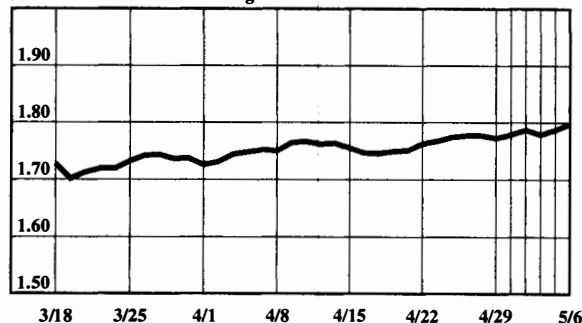
### The dollar in yen

New York late afternoon fixing



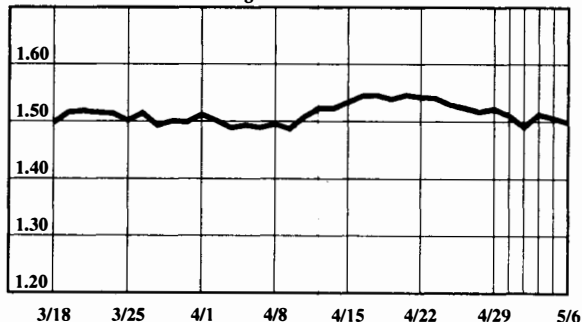
### The British pound in dollars

New York late afternoon fixing



### The dollar in Swiss francs

New York late afternoon fixing



# Medical experts meet in Iraq, assess genocidal impact of war

by Muriel Mirak-Weissbach

Baghdad, the city targeted for destruction during the Gulf war, has again become the venue for international meetings and discussion. At a conference organized April 28-30 by the Arab Emergency Health Committee (AEHC), on the theme "Save the Children in Iraq," more than one speaker recalled that Baghdad has been known as "the city of science and peace." One aim of the deliberations was certainly to help restore the city to this, its historical function.

Nowhere is the scientific tradition associated with Baghdad better exemplified than in the field of medicine. As Dr. Hassan Khreis, chairman of the AEHC, stressed in his opening greetings, "Iraqi culture goes way back in history, contributing to human civilization and leaving its fingerprints on science and knowledge." As an example of "the civilization of the Iraqi people," he cited the case of Haroun al-Rashid, who "sent his private doctor to treat the emperor of France, despite differences between the two."

Medical science, the hallmark of Arab culture, has continued to occupy a position of prestige in Iraqi society, where the most sought-after profession among students is medicine. The Medical City, where the conference held its deliberations, represents the largest such medical complex in the Middle East, combining teaching facilities for the faculties of medicine and dentistry, with the Health Ministry and an array of clinics and hospitals.

Thanks to this continuing dedication of resources to medical science, Iraq before the war enjoyed the best health care available, especially for children. As Taha Muhei Eldean Marouf, a member of the Revolutionary Council and vice president of Iraq, referenced in his speech welcoming the participants, Iraq's preventive medicine and health care for children, including health education and extensive nursery schools, had drastically reduced infant mortality. By the same token, it was the military destruction of these facilities, and the paralysis of normal preventive medicine through the embargo, that laid the basis for massive jumps in the death rate among children under the age of five.

The task of the conference was to spell out exactly how this process unfolded. Over 40 speakers, mainly specialists from Iraq's hospitals and medical universities, went through statistical evidence to demonstrate how the war first and the embargo thereafter have reversed the progress made in the health sector, opening up a genocidal spiral.

Dr. A.G. Arawi, from the College of Medicine of the Mustanseria University, examined the effect of sanctions on morbidity and mortality of children, according to the experience of the Saddam Children's Teaching Hospital in the capital. Out of a total of 49,158 hospital admissions, before the sanctions 458 were cases of marasmus and 6 were of kwashiorkor. Nineteen months after the introduction of sanctions, the figures had risen to 808 and 58 respectively, for a rise of 2.8%. Mortality, which had been at 7% in the 19 months prior to the embargo, rose to 12% in the same period thereafter. These childhood diseases, which are directly dependent on nutrition deficiencies, accounted for only 1% of hospital admissions before sanctions, but 2.5% with sanctions. Indeed, before the embargo, kwashiorkor had virtually disappeared.

A similar picture emerged regarding communicable diseases, as Dr. Tarke Helli, pediatric cardiologist of the College of Medicine at Mustanseria University, showed. Deaths in the Third World due to infectious diseases are massive, as one child dies every four seconds. Against this backdrop, the progress made in Iraq, following the introduction in 1985 of universal vaccination programs, was impressive. With the blockade, imported vaccines are no longer available, and the results are lawful, as **Table 1** shows, quantifying the cases recorded as hospital admissions in Baghdad alone.

The tetanus neonatorum figure had been very low, Dr. Tarke explained, because pregnant mothers were routinely vaccinated. As for polio cases, he pointed out that the single case recorded in 1990 was, in fact, a doubtful diagnosis. The picture at the Saddam Children's Teaching Hospital (**Table 2**) is similar.

Dr. Ahmed Hardan, director of the Communicable Diseases Control Center in Iraq, said he expected an outbreak of meningococcal meningitis, a disease which moves in three-year cycles, the last of which peaked in 1989. He otherwise registered increases in pulmonary tuberculosis, hydatid cyst, kala azar, and cutaneous leishmaniasis.

A comparative study of health conditions of pregnant women in the city of Basrah in 1990 and 1991 yielded the same tragic trend: Among prenatal problems recorded, anemia doubled, gastroenteritis tripled, pre-term labor cases doubled, while abortions and maternal mortality (death during childbirth) also increased. As a lawful result, still births

TABLE 1

**Hospital pediatric admissions in Baghdad**

Disease	1990	1991	1992 (first 3 months)
Measles	75	299	90
Tetanus neonatorum	5	23	15
Diphtheria	4	10	10
Cholera	10	60	45
Mumps	3	23	40
Polio	1(?)	30	10
Septic meningitis	160	510	120

increased and hospital prenatal mortality, which scored 30 out of 1,000 in 1990, jumped to 42.5 out of 1,000 in 1991.

**Supplies, equipment not available**

As the outbreak of disease increased, due to deteriorating sanitation and nutrition levels, caused by the embargo, the doctors' ability to provide medical care decreased. The most direct negative consequence of the embargo was on the availability of medical supplies. As Mr. Q. Salman explained, Iraq's General Company for Marketing of Drugs used to study the medical needs for the year in January and February, and send its findings to the Distribution Department. It, in turn, would establish quantities and communicate this information to the Import Department in March. In April, the Import Department would contact suppliers for contracts, and make credit and shipping arrangements. Pharmaceutical supplies, accounting for 80% of the country's needs, would arrive in the fourth quarter of the year. Thus, when the blockade was introduced in August 1990, it prevented that year's supply from reaching the country. As a result, there are 402 kinds of drugs which are at zero level of supply, and 498 which are below the required level. Although officially excluded from the embargo, medicines cannot be purchased because Iraq's foreign assets remain frozen, and no means exist for the country to earn revenues through export of oil.

The embargo has also crippled Iraq's medical machinery. The more sophisticated the equipment, the more effective the embargo, which holds back vital components to its functioning. For example, nuclear medicine: Iraq has six nuclear medical departments in hospitals and private practice. These require nuclear generators, pharmaceutical agents, gamma cameras, and gamma counters, most of which are imported. Consequently, diagnostics as well as treatment involving nuclear medicine have ceased since the embargo took effect. This includes radioiodine therapy, and other therapies used to treat cancer. Plans to complete Iraq's nuclear medicine project have been dashed. Cancer patients suffer undoubtedly the most. Oncologist Dr. Al Hani filled out the picture, show-

TABLE 2

**Admissions to Saddam Children's Teaching Hospital**

Disease	1990	1991	1992 (first 3 months)
Measles	5	64	60
Cholera	3	24	
Typhoid	45	114	30
Whooping cough	4	28	25
Septic meningitis	216	448	
Gastroenteritis	1,459	2,067	

ing that 3,949 new patients were admitted for cancer treatment in 1990, but only 2,504 after the war. In Yarmouk Hospital, whereas 350 biopsies had been performed before the war, only 150 were possible thereafter. In the case of thyroid cancer, 1,350 patients have had their treatment discontinued. Compared to the 6,991 patients per year treated before the war, only 2,529 received treatment after the war. Surgery for cancer patients has been dramatically reduced, due to lack of anesthetics. Even supportive treatment, providing pain killers for intractable pain, is excluded by the lack of medicine.

**Children are hit the hardest**

Children are the most vulnerable victims. Dr. Ibrahim Nasir took the example of leukemia, because "it is the most common form of cancer which affects children and because the medical profession is proud to have reached such high cure rates and survival rates" in this disease. Yet, this very same chemotherapy treatment which has been shown to be so successful, is being denied young cancer victims. Of the five steps in therapy, the third, CNS prophylaxis, is most important in decreasing the relapse rate. This rate, due to insufficient chemotherapy supplies, has increased 260%, contributing to a 250% overall increase in mortality.

Conference participants had a chance to see with their own eyes what these statistics look like in flesh and blood, during a brief visit to the Saddam Children's Teaching Hospital. There the director mentioned that a lot of new cancer patients seem to be arriving from southern Iraq, and no one knows why. The cancer patients in the hospital were forlorn, hopeless. What therapy they were receiving was a makeshift combination of medicines designed for adults with different kinds of cancer. But, with no other choice, the doctors do what they can to keep a patient alive.

Once presented with the crude medical facts and figures, the conference attendees, many of whom had come from Europe and North America, could not deny that what was unfolding was genocide and constituted a violation of the

most fundamental human right—the right to life. This aspect was dealt with in presentations by two speakers. Comparing the 1990 convention on the rights of the child with the reality of the war and embargo, Dr. Huup Diereck showed the toll taken on Iraqi children. Prior to the war, Iraq's children had enjoyed a privileged status, since illiteracy had been virtually wiped out between 1975 and 1980; compared to Iraq's 10% illiteracy figure, Saudi Arabia has 40%, the United Arab Emirates 46%, and Kuwait 30%. Iraqi children have compulsory and free education from kindergarten through university. The war changed that radically, destroying 50% of the educational institutions. Basic school needs, like notebooks, paper, and books, are unavailable even now, because of the embargo. Teachers, too, isolated from the rest of the world since 1990, have been unable to take part in international conferences (including medical conferences), or to read up on new research in professional journals, which affects what they can impart to their students.

Obviously the greatest violation of children's rights lay in the fact that, through wanton bombings of civilian targets and the destruction of infrastructure, the very process of birth and growing up were being halted. This deliberate elimination of at least one generation constitutes the crime of genocide.

## The rights of the child

*The following is abridged from the speech of Muriel Mirak-Weissbach to the April 28-30 conference "Save the Children in Iraq," in Baghdad. Mrs. Mirak-Weissbach is a leading member of the Committee to Save the Children in Iraq.*

The preamble to the Declaration of the Rights of the Child, proclaimed by General Assembly resolution 1386 (XIV) says, "Mankind owes to the child the best it has to give." This declaration is a legal instrument of international law, proclaimed on Nov. 20, 1959, in an era when society still placed value on the life of a child; it was proclaimed by the United Nations, the same institution which has shaped itself into a tool of war against the Iraqi population, largely against its children. . . .

It is worthwhile to look at the most significant principles of this declaration and a later one, to identify the nature of the violation of the rights of the child which has taken place in Iraq, and to outline the principles which must guide a renewed effort to effectively defend these rights.

The document reads:

"Whereas, mankind owes to the child the best it has to give, *Now therefore*, The General Assembly proclaims this Declaration of the Rights of the Child to the end that he may

have a happy childhood and enjoy for his own good and for the good of society the rights and freedoms herein set forth, and calls upon . . . national governments to recognize these rights and strive for their observance. . . .

"Principle 2: The child shall enjoy special protection, and shall be given opportunities and facilities, by law and by other means, to enable him to develop physically, mentally, morally, spiritually, and socially in a healthy and normal manner and in conditions of freedom and dignity. . . .

"Principle 4: The child . . . shall be entitled to grow and develop in health; to this end, special care and protection shall be provided both to him and to his mother, including adequate pre-natal and post-natal care. The child shall have the right to adequate nutrition, housing, recreation, and medical services.

"Principle 8: The child shall in all circumstances be among the first to receive protection and relief."

In a later document, called the Declaration of the Protection of Women and Children in Emergency and Armed Conflict, Proclaimed by General Assembly resolution 3318 (XXIX) of Dec. 14, 1974, the same U.N. specified. . . .

"1) Attacks and bombings on the civilian population, inflicting incalculable suffering, especially on women and children, who are the most vulnerable members of the population, shall be prohibited, and such acts shall be condemned.

"6) Women and children belonging to the civilian population and finding themselves in circumstances of emergency and armed conflict . . . shall not be deprived of shelter, food, medical aid, or other inalienable rights, in accordance with . . . instruments of international law."

### Every principle violated

The blockade and the war against Iraq have violated the spirit and the letter of every single one of these principles. And it is the children themselves who provide the proof. Four out of the five Iraqi children whom our committee recently took to the United States for surgery, were wounded by explosions that occurred while they were in their civilian homes. Three other children, of a group being treated in Germany, were bombed in the Ameriya shelter—a civilian shelter where they were supposed to enjoy "special protection." As for "shelter, food, medical aid," "pre-natal and post-natal care," they are still being systematically denied by the embargo. . . .

The consequent effects on rising mortality rates among infants and children under five means that the embargo threatens to *eliminate an entire generation*. Prof. Francis A. Boyle, eminent legal expert at the University of Illinois and a member of our committee, filed a complaint to the U.N. last July, in the name of 3.5 million Iraqi children, charging the crime of *genocide*. In August, the International Progress Organization (which is one of the groups, together with the Schiller Institute of Helga Zepp-LaRouche and the Patriarchate of the Chaldean Church, which founded our committee) presented



a memorandum to the U.N. Economic and Social Commission on Human Rights, taking up Professor Boyle's initiative, and denouncing the U.N. Security Council's embargo for "violations of human rights and fundamental freedoms" against Iraqi children. More recently, His Beatitude Raphael I Bidawid, Patriarch of the Chaldeans of Babylon, denounced the embargo as "a genocide" in an interview with Vatican Radio, following which the Pope spoke out to lift the sanctions.

The genocide being perpetrated against Iraq's children is the expression of a policy which has dominated British-American strategy since at least 1974. Through a series of papers and conferences, the policy has been outlined, to use economic, financial, and military means to induce famine, wars, and epidemics, in order to drastically reduce population growth in the Third World. These documents start with Henry Kissinger's NSC strategy paper "NSSM-200" of 1974, and continue through the Carter administration's *Project 1980s* and *Global 2000*, up to the current plans today for the UNCED conference in Rio, in June. That "Earth Summit" will try to institutionalize linkage between population control and economic planning. In short, the policy of the new world order is to deny the Third World technology, to stop population growth and to control its resources. The war against Iraq was fought ultimately for this reason.

### **Hatred of children, hatred of God**

In order to put through these policies, the malthusian institutions behind them, like the Club of Rome and certain NATO think-tanks, have attempted to undermine traditional monotheistic religions and to break their moral resistance to genocide. Christianity has been eroded in the West; now Islam is being targeted, for similar reasons, which are important to understand.

All our principles of international law, including those instruments of the U.N. which guarantee the rights of children, derive from our civilization's understanding of what makes mankind utterly distinct from and superior to all other species. This is expressed in the Book of Genesis, embraced by Christianity and shared by Islam: That man is made in the image of the living God, *imago viva Dei*. Man displays this likeness, not outwardly, but through his uniquely human capacity for creative thinking; thus, the injunction from the Creator, to multiply and populate the Earth, to exert dominion over nature; to develop ideas, to create, to invent, and through this, to improve the condition of mankind. It is on the basis of this concept of man that we define certain rights to be inalienable; this concept underlies the very notion of the dignity of the human being. This, too, is the reason why our cultures properly place such a high value on the life of a child, because the child embodies this quality most directly.

A child comes into the world full of potential. Through the support and guidance of parents, the child begins the

learning process, which is potentially infinite. The child shapes its first words, takes its first steps, or makes any other small, but crucial, breakthrough, and thus provokes immeasurable joy on the part of its parents. This joy, which they express and which the child experiences as Love, is, in turn, what makes it possible for the child to develop further. Why do we love the child? Because it shows this God-given capacity for development, and rejoices in its own discovery of those creative powers, whether by putting together building blocks, or solving a puzzle, or making a joke. We share with the child its joy at creative discovery, and celebrate, in so doing, our own humanity. We see in the child that which is universal in mankind: development, growth, progress. Thus, the monotheistic religious traditions of our civilization and all the great secular institutions which have sprung from them place a premium on progress and growth as universal principles. For this reason, we exalt the value of the human being, the discrete individual, and most especially the child.

In the West, precisely these values have come under consistent attack by the malthusian lobby, for obvious reasons; if one wishes to stop children from coming into the world, and commit genocide, then one must undermine the value system which defends the dignity of human beings. Now, they say that Islam is the new enemy.

### **Our task**

Defending the rights of the Iraqi child today presents a "challenge to the wisdom and morality of our generation," to use an expression of the Pope. Whether or not we prove capable of defending the rights of Iraqi children will determine our ability to defend the rights of children in Palestine, in Afghanistan, Libya, throughout Latin America, or anywhere in the world. Defending the rights of the child means defending the most precious values common to the best of what our civilization has produced.

To do so, we do not need to draft new documents. We need to enforce those which exist. . . .

1) As far as humanitarian aid to save Iraqi children is concerned, efforts should be combined and coordinated to maximize the impact. Many more NGOs should organize free hospital care and surgery abroad for Iraqi children for as long as the need exists, and should force the Sanctions Committee, as we have done, to allow Iraqi Airways to fly for humanitarian purposes.

2) Religious organizations worldwide should be mobilized in a Christian-Islamic dialogue aimed at lifting the embargo and reviving the universal moral principles in defense of life, against the ideology of usury, exploitation, oppression, and death.

3) Efforts must be redoubled toward uniting the victims of the new world order into a coalition capable of implementing a new, just ordering of world economic relations, in coherence with those moral principles upon which the rights of the child are based.

# Colombia in crisis over the collapse of infrastructure

by Javier Almario

Life in Colombia has been completely altered by two months of draconian energy rationing, a severe labor crisis, and a collapse in communication with the outside world—all the result of more than 10 years of “economic adjustment” policies which included a drastic reduction of public investment in construction and maintenance of physical economic infrastructure. The accumulated discontent among the population could explode in a nationwide revolt at any time.

What has most dramatically affected daily life has been the eight hours or more a day of electricity rationing. “Colombians now spend their time from 5 p.m. [when the blackouts descend] onward muttering and conspiring against the government,” wrote commentator Javier Sanín in the daily *La Prensa*.

“I left college because I got tired of studying by candle light,” commented one young worker. In Colombia, a large proportion of young adults who want to pursue their studies have to do so at night, because their parents haven’t sufficient money to pay for their children’s continued education. The children are thus obliged to work during the day to pay for night school.

“We were on the verge of canceling the semester,” said one university professor. “When the students learned this, they each began to bring a candle so as not to lose the money they had already paid for their courses.” Said another, “At my university, there is an electrical generator, but its power does not reach the laboratories. So, the engineering classes are exclusively devoted to theory.” Said a university dean, “This year we are not going to hold vacations. We will spend out vacation time recovering from time lost because of the rationing. We will also be holding classes on Saturdays and Sundays.”

## Life under siege

Every aspect of daily life is affected. The average period of rationing is from 6 a.m. to 10 a.m., and then from 5 p.m. to 9 p.m. Mothers are getting up at 5 a.m. to prepare breakfast and lunch for their families. At night, families are eating their dinners cold. Parents are also trying to get their children to nap after dinner, so that they can waken them after 9

p.m. to do their homework and other chores. Cold baths and showers in the morning are now the norm.

If an automobile owner needs to tank up, he is obliged to go from station to station until finding one whose alternating hours of rationing enable its pumps to function. If the neighborhood through which one drives has no electricity at that hour, street lights and traffic lights are also out, doubling the time it takes to get from one place to another. At night, the situation is worse. In the capital city of Bogotá, traffic accidents have doubled, and so have traffic deaths.

People leave school or work and race directly to their homes, in terror of the nightly blackouts. Muggings, vehicle thefts, burglaries, and assassinations have doubled. Homeowners are spending small fortunes to buy kerosene and oil lamps, flashlights, batteries, and candles, as the price of these products has tripled.

In the banks—if they are not on strike, that is—it is common for the tellers to put up signs asking clients to return after 10 a.m., when electricity is turned back on, since without electricity, the computers don’t function. Electronic withdrawal machines have been rendered useless by the rationing.

Although industries located in major industrial parks are only subject to four hours of rationing a day, the great majority of small and medium-sized companies are located in residential zones, where the rationing is eight hours or more daily. Experts have determined that industrial production has already fallen this year by 15%, solely due to the rationing, which is expected to continue through mid-1993. The same experts say that growth of the Gross National Product will be less than 1%, as compared to the 3.5% the government is forecasting.

Printing presses and laundries have doubled the time they need to get work done because of the rationing. The great majority of health clinics have had to suspend services, especially dental clinics and laboratories. Sophisticated hospital equipment was damaged by the blackouts, as very few institutions have private generators enabling them to anticipate blackouts. “Don’t let your children be vaccinated these days, because many of the vaccines—including the polio—are

very sensitive to temperature changes and could be altered,” is what pediatricians are recommending to parents.

### **No ‘bread and circuses’**

Perhaps the greatest irony is that in the midst of this crisis, the government is unable to offer the population the traditional “bread and circus.” Rationing is keeping the population from the “narcotic” of television. Numerous soap-opera programs and television producers have gone bankrupt because no one is willing to pay for commercial time during the hours of rationing. And so, families are gathering together earlier, out of fear of the darkness and insecurity outside the home, and without television, have begun to talk to each other. The common theme, of course, is the deterioration of living conditions in the country, and grumbling against the government and against the political class can be heard in every household.

The conclusions being drawn are not always correct, of course. The great majority of people are convinced that the rationing is occurring because of drought, and because the politicians have stolen the money needed to construct energy plants. This is not entirely wrong, but the truth is that it is the World Bank and International Monetary Fund, and the financial oligarchy they represent, which have decided that Ibero-America should remain underdeveloped, and that investment in such national infrastructure as energy, telecommunications, ports, highways, and railroads should be drastically curtailed. Consecutive governments have blindly obeyed this policy.

Since 1982, the World Bank in particular has told Colombian governments that it would no longer finance electricity generation. Instead of confronting the situation, these governments have turned around and sold the Colombian people the World Bank lie that the country was “over-extended” in electricity generation, and that new investment was a waste. The result of this criminal behavior is the rationing today.

In a recent speech, President César Gaviria stated that the only way to overcome the rationing was to seek “the help of God and nature” in calling down the rains and filling the reservoirs. Public Works Minister Juan Felipe Gaviria gave an interview to the daily *El Espectador*, in which he admitted that he was praying for it “not to rain,” because Colombia’s highways only operate in dry weather! The main highway between the city of Cali and the Pacific port of Buenaventura caves in virtually daily because of flash floods. And the Bogotá-Villavicencio highway, where 30% of the food that supplies the nation’s capital is transported, has at least 27 major fissures where cave-ins could occur.

### **Labor strikes back**

The recent strike at the state telecommunications company Telecom left the country incommunicado for over one week. The reason for the strike was the workers’ opposition to government plans to privatize Telecom and to sell it at

bargain-basement prices to the multinationals. A portion of Telecom’s services is subsidized by the poorest sectors of the population, and privatization would leave a good half of its current users without service. Privatization, of course, is one of the demands that the World Bank, the International Monetary Fund, and Wall Street have imposed as the condition for further credits.

During the period of the strike, television news shows were without their correspondents, banking and commercial transactions were virtually suspended, and the country had to return to the era of doing everything by mail. Companies, banks, and individual citizens were forced to rely on messenger services to keep tabs on their business operations. Radio stations used their frequencies to transmit personal messages on births, deaths, and emergencies.

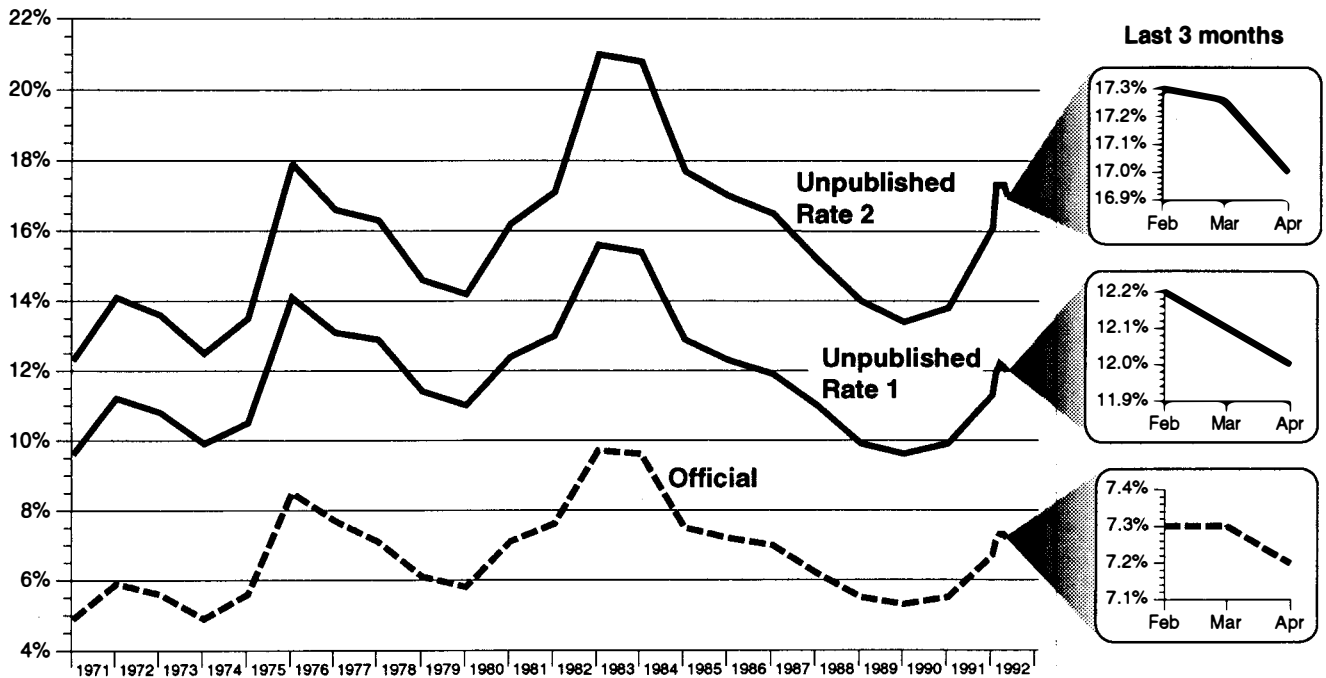
Although the government settled the Telecom strike with a promise not to sell the company, the international pressure on Gaviria is such that privatization schemes are still on the agenda, as too is the prospect of a new telecommunications strike. In fact, the only thing that led the Gaviria government to negotiate with the Telecom union at all was the threat that all state workers—oil, ports, television, mail, teachers, etc.—would strike in solidarity with the telephone workers.

Agricultural production is also seriously affected by the free trade *apertura*, or “opening,” dictated by the new world order. Growers, especially in the regions of Cundinamarca, Tolima, and Huila, are on the verge of launching an agricultural strike in which they would use their machinery to block all the main highways leading into Bogotá. The protest is centered against the World Bank/International Monetary Fund “recommendations” of totally free imports, which have pulled the rug out from under the majority of Colombia’s agricultural producers. At the same time, the Gaviria government is pursuing the liquidation of the Agrarian Bank, one of the few institutions still offering development credit to the agricultural sector. Colombia’s debt-strapped farmers are being forced to sell their equipment to pay off their debts, which threatens to lead to food shortages. Already, all foods have begun to soar in price.

The World Bank’s hand in this is clear enough. It has just publicly informed the Colombian government that a promised agricultural credit of \$300 million would not be disbursed until 400 offices of the Agrarian Bank are closed, and 5,000 of its workers fired. These 400 offices are located in distant regions, where the Agrarian Bank is virtually the only banking institution available.

Without telephones, without electricity, without highways, and facing the prospect of food shortages and new labor strikes, Colombia has begun to resemble Iraq after “Operation Desert Storm.” The difference is that in Colombia, the United States did not have to spend money for a massive bombardment. The International Monetary Fund and World Bank have had the Gaviria government and its predecessors do their dirty work for them.

# U.S. Unemployment Coverup



**Data used for unpublished unemployment rates**  
(thousands)

Year	Civilian labor force (a)	Official unemployed (b)	Want a job now (c)	Part-time, economic reasons (d)	Official U-5b rate b/a	Unpublished Rate 1 (b+c)/a	Unpublished Rate 2 (b+c+d)/a
1970	82,771	4,093	3,881	2,198	4.9%	9.6%	12.3%
1971	84,382	5,016	4,423	2,452	5.9%	11.2%	14.1%
1972	87,034	4,882	4,493	2,430	5.6%	10.8%	13.6%
1973	89,429	4,365	4,510	2,343	4.9%	9.9%	12.5%
1974	91,949	5,156	4,514	2,751	5.6%	10.5%	13.5%
1975	93,775	7,929	5,271	3,541	8.5%	14.1%	17.9%
1976	96,158	7,406	5,233	3,334	7.7%	13.1%	16.6%
1977	99,009	6,991	5,775	3,368	7.1%	12.9%	16.3%
1978	102,251	6,202	5,446	3,298	6.1%	11.4%	14.6%
1979	104,962	6,137	5,427	3,372	5.8%	11.0%	14.2%
1980	106,940	7,637	5,675	4,064	7.1%	12.4%	16.2%
1981	108,670	8,273	5,835	4,499	7.6%	13.0%	17.1%
1982	110,204	10,678	6,559	5,852	9.7%	15.6%	21.0%
1983	111,550	10,717	6,503	5,997	9.6%	15.4%	20.8%
1984	113,544	8,539	6,070	5,512	7.5%	12.9%	17.7%
1985	115,461	8,312	5,933	5,334	7.2%	12.3%	17.0%
1986	117,834	8,237	5,825	5,345	7.0%	11.9%	16.5%
1987	119,865	7,425	5,714	5,122	6.2%	11.0%	15.2%
1988	121,669	6,701	5,373	4,965	5.5%	9.9%	14.0%
1989	123,869	6,528	5,395	4,656	5.3%	9.6%	13.4%
1990	124,787	6,874	5,473	4,860	5.5%	9.9%	13.8%
1991	125,303	8,426	5,736	6,046	6.7%	11.3%	16.1%

Monthly data (seasonally adjusted)

Year	Civilian labor force (a)	Official unemployed (b)	Want a job now (c)	Part-time, economic reasons (d)	Official U-5b rate b/a	Unpublished Rate 1 (b+c)/a	Unpublished Rate 2 (b+c+d)/a
1991:							
April	125,672	8,274	5,519 <sup>1</sup>	6,162	6.6%	11.0%	15.9%
May	125,232	8,640	5,519 <sup>1</sup>	5,932	6.9%	11.3%	16.0%
June	125,629	8,745	5,519 <sup>1</sup>	5,705	7.0%	11.4%	15.9%
July	125,214	8,501	5,846 <sup>1</sup>	5,881	6.8%	11.5%	16.2%
August	124,904	8,488	5,846 <sup>1</sup>	5,892	6.8%	11.5%	16.2%
September	125,607	8,442	5,846 <sup>1</sup>	6,374	6.7%	11.4%	16.4%
October	125,549	8,582	5,932 <sup>1</sup>	6,328	6.8%	11.6%	16.6%
November	125,374	8,602	5,932 <sup>1</sup>	6,408	6.9%	11.6%	16.7%
December	125,619	8,891	5,932 <sup>1</sup>	6,321	7.1%	11.8%	16.8%
1992:							
January	126,046	8,929	6,118 <sup>1</sup>	6,719	7.1%	11.9%	17.3%
February	126,287	9,244	6,118 <sup>1</sup>	6,509	7.3%	12.2%	17.3%
March	126,590	9,242	6,118 <sup>1</sup>	6,499	7.3%	12.1%	17.3%
April	126,830	9,155	6,118 <sup>1</sup>	6,272	7.2%	12.0%	17.0%

<sup>1</sup>The want a job now figure is compiled quarterly. The figure used for monthly calculation of the Unpublished Rate 1 is that from the most recent available quarter.

## Explanatory Note

In April, over 6.1 million jobless and 6.3 million more semi-employed people were ignored by the U.S. government's Bureau of Labor Statistics in its calculation of the official (U-5b) unemployment rate. To bring out the truth, EIR is publishing the rates you would see if the government didn't cover up.

The widely publicized official unemployment rate is based on a monthly statistical sampling of approximately 57,000 households. But in order for someone to be counted as *unemployed*, the respondent member of the household (often not the person who is out of work) must be able to state what specific effort that person made in the last four weeks to find a job. If no specific effort can be cited, the jobless person is classified as "not in the labor force" and ignored in the official unemployment count.

But nearly 6 million of these discarded people are also reported on the monthly survey indicating that they "want a regular job now." EIR's *Unpublished Rate 1* is calculated by adding these discarded jobless to the officially "unemployed." The *Unpublished Rate 2* includes, in addition, over 6 million more people forced into part-time work for economic reasons such as slack work or inability to find a full-time job. These people show up as *employed* in the official statistics even if they worked only *one hour* during the survey week.

For comparability with the official rate, the EIR rates are calculated on the same base figure, the BLS defined *civilian labor force*. This figure comprises all civilians classified as either *employed* or *unemployed*. For a number of reasons the *civilian labor force* can be considered as a bloated figure. Its use as the divisor in unemployment rate calculations thus further masks the depth of the unemployment problem. Large segments of the population, who might not under healthy economic conditions be forced to seek work, have become a part of the *civilian labor force* over the past 25 years of "post-industrial society" economy. This includes young mothers, the elderly, and many college students.

## World food shortages worsen

*A German farm expert looks at the insanity of agrarian policy in the light of the latest FAO report.*

‘Agricultural overproduction’ has long been viewed by a misinformed public as a major evil—and who should be surprised, since this refrain has been trumpeted up and down the land for years? Yet the real situation could not more drastically contradict this fictional picture.

The latest world food supply report of the United Nations Food and Agriculture Organization (FAO) shows no surplus, but alarmingly low food stocks worldwide. This year, wheat and feedgrain crops will probably rise slightly, compared to last year’s very low level, yet production remains below longstanding trends, according to the FAO report, released in April. In this fiscal year, which ends June 30, world food stockpiles will be reduced by a further 30 million tons to only 314 million tons, and there is no hope for a recovery next year.

The wheat situation is especially tenuous. The crop is only expected to reach the minimum requirements in the current fiscal year. Feedgrain production will likely suffice, because the demand for meat, and hence for feedgrains, remains low. In the case of rice, too, supplies are extremely stretched. Because of this market situation, grain prices on the world markets have tended to hold up. Thus, export prices for wheat in April were around 40% above 1991.

The FAO finds this picture, in the face of the fact that a whole series of nations will need to import more grain, “disquieting.” The grim situations in Africa and in the former Sovi-

et Union are especially striking. In most countries of southern Africa, the worst drought in decades has wiped out the grain harvest. Even the Republic of South Africa and Zimbabwe, the region’s breadbaskets, which usually can fill any deficit in neighboring countries with exports, will have to import considerable grain this year.

Twenty-six million people in 14 countries are hit by the drought catastrophe, warns Germany’s World Food Aid: Africa is threatened with “the worst famine of the century.” That is saying something, considering the deadly famines which have swept through the continent in the last 20 years. Angola, Somalia, and Namibia alone need 12 million tons of grain, if the worst is to be prevented. Even if the huge quantities of food aid needed by the southern part of the continent alone are supplied, there is a danger that logistical barriers will keep it from being shipped to hungry people fast enough.

The situation in the Community of Independent States is also precarious. Last year, the grain harvest fell by some 27%, sugar production dropped 19%, meat by 7%, and milk by 6%. Supplies to the population worsened even more sharply. While prices of basic food commodities rose in the first quarter of 1992 by 1,100-1,200%, farm production compared to 1991 sank by 20-25%. Food availability worsened by about a third, according to the official Committee for Statistics in Moscow. In the first two months of 1992 wholesalers sold 59% less sugar, 33% less eggs, and 28%

less butter. In dairy products sales were about half, while they fell two-thirds in meat, sausage, and fish.

Hunger rules in many other parts of the globe; in all, starvation stalks some 100 million people. One would think that is reason enough to undertake every imaginable effort to ease this boundless misery. Instead, not only is the production of vital commodities like bread drastically reduced, but more and more food and fodder are being reprocessed as plastics or fuels.

Further reductions in grain prices, which the European Parliament has already approved to a level of 20%, will cause the production of cereals and hence of meat and dairy products to fall drastically. Meanwhile, in Heideck, Bavaria, not long ago the first energy plant running on vegetable oil came on line, and in Freiburg, another German city, 20 taxis recently began driving using vegetable oil.

The myth of agricultural overproduction wrecks one’s ability to think logically, and a classic example is U.S. Secretary of Agriculture Edward Madigan. At the same time that his Department of Agriculture put out figures showing that U.S. flour stocks were too low to fulfill government’s food aid programs for the poor, Madigan announced that an incisive step will be undertaken to reduce the grain surplus: Plates, cups, and saucers will be manufactured out of flour, which the users, after the meal is consumed, will no longer need to wash, but will rather eat up. What an achievement! Instead of giving flour for homeless shelters, schools and kindergartens, hospitals, and other social institutions, now there would be flour in the form of a “reconstituted raw material” to replace plastic dishes. The fact that U.S. grain stockpiles had fallen to an all-time historic low, had apparently not yet sunk in to the secretary.



## Canada says no bailout for O&Y

*Bankruptcy looms for the real estate giant Olympia & York, and the market bloodbath has already begun.*

**T**he insolvent real estate giant Olympia & York suffered two severe setbacks on May 4, sharply reducing the likelihood that the firm will be able to avoid formal bankruptcy.

The company's hopes of a government bailout were dashed by a statement issued by Canadian Finance Minister Don Mazankowski. "We think that's clearly a private matter, and it can best be resolved in the private sector," Mazankowski said.

The Ontario provincial government also threw cold water on Olympia & York. "We are monitoring the situation, but there never was any intention to get involved more actively," a spokesman for Ontario Premier Bob Rae said.

Olympia & York had been seeking a \$100 million guarantee from the two governments, to help the company sell its Exchange Tower in Toronto to its banks. The idea was that the banks would buy the building, with the understanding that O&Y would buy it back in two years. The government's role in this indirect bailout would be to cover the banks' losses were Olympia to prove unable to repurchase the building.

The money from this proposed sale would have been used to pay off some of the \$250 million in commercial paper secured by the Exchange Tower in Toronto. That paper is currently in default, and the holders have scheduled a meeting May 20 to discuss their options, which include declaring a formal default and seizing the building.

The second setback was O&Y's inability to make a \$14.5 million inter-

est payment on bonds secured by the company's First Canadian Place building in Toronto. Olympia has issued \$400 million in commercial paper secured by First Canadian Place, on top of an \$85 million mortgage.

The First Canadian Place default is the most serious yet of all the company's missed payments. Dominion Bond Rating Service, which rated the bonds one notch above junk bond status, promised to declare the bonds in default were the payment to be missed.

The company is now in default on a number of loans and commercial paper issues in addition to the Exchange Tower and First Canadian Place paper. These include an \$800 million mortgage secured by Tower B of the World Financial Center in Manhattan, New York City; a \$355 million loan secured by One Liberty Plaza in Manhattan; and a \$378 million loan secured by the 68-story Scotia Plaza in Toronto. Proceeds of the sale of O&Y's interest in Interprovincial Pipe Line were used to catch up on another commercial paper payment program, which was in default from mid-March to early April.

The growing impatience of Olympia's creditors was demonstrated when the company missed its April payment on the \$155 million mortgage on the Aetna Center tower in Toronto. The mortgage-holder, Prudential Insurance Co., responded by sending notices to the tenants instructing them to send their rent payments directly to Prudential, instead of Olympia. That move got the arrogant Olympia's attention: in a hastily called meeting,

the two companies reached an undisclosed agreement and Prudential withdrew its action to seize the rents.

While the Olympia & York drama plays toward its inevitable bankruptcy, however, a bloodbath is occurring in the Canadian stock market, where Olympia-related companies are being devastated.

In the two months since the Olympia crisis surfaced, investors have fled the stocks of Olympia & York's major Canadian banks, wiping \$2.8 billion—13%—off the stock prices of Canadian Imperial Bank of Commerce, Royal Bank of Canada, Bank of Nova Scotia, National Bank of Canada, and the Bank of Montreal.

Montreal's National Bank, believed to have lent between \$250 million and \$400 million to O&Y, has tumbled more than 30% since the crisis surfaced. National Bank alone dropped 25% during the five-week period ended April 27, Canadian Imperial Bank dropped 12.2% during that period, and Royal Bank dropped 7%. Analysts say that stock losses for the big five Canadian banks have already surpassed the estimated \$2.1-2.5 billion they have loaned Olympia.

Companies affiliated with Olympia are also being hit hard, especially those owned jointly by Olympia and the Bronfman family's Edper. Stocks of their Trizec Corp. real estate company have dropped to about one-third of their 52-week high, and to barely half the lows they hit during the stock market crash in the fall of 1990. Trizec lost some 25% of its stock value during the five-week period ending April 27, including 18% in the last five days alone.

Trizec was the biggest loser on the Toronto Stock Exchange during that five-day period, followed by its real estate subsidiary Bramalea Ltd., which lost 15.7%. The Canadian Bond Rating Service has slashed Bramalea's bond ratings to junk levels.

## Wheat planting starts

*Canberra is resorting to emergency planting credits after its free trade policies have decimated the farm sector.*

**F**armers in Australia start sowing winter wheat as of the end of April. This year marks a historic planting season, because the farm sector is so decimated by the binge of government free trade policies, and government-approved usurious interest rates, in recent years, that banks are now cutting off credit. What financing is being provided, is not to reinstate the once-healthy Australian agricultural economy, but rather to give the world grain cartel another cycle of loot—low prices to the farmer, and scarce, high-cost food to the consumer.

The government and the cartel grain trade companies are putting out special low-interest loans, to finance the farmers to buy seed. This turn of events seems ridiculous in once-proud Australia, and reflects the extent to which free trade has broken the back of the rural economy, to the point where producers have to beg, borrow, or steal to plant their crops.

Many recent political developments reflect the growing revulsion against free trade. In the April elections, the Labour Party lost the supposedly "safe" seat of former Prime Minister Bob Hawke in Wills, near Melbourne, to an anti-free trade political novice. Later in the month, Mr. Braithwaite, a prominent member of the National Party in Queensland, quit his party over the federal National Party's support of free trade.

Farm wheat prices at present are about Aus. \$130 per ton, when over \$200 per ton is the needed level to maintain productivity. World grain shortages, in terms of minimum bush-

els needed per household, have never been lower. Yet grain cartel companies (e.g., Cargill, Continental, Louis Dreyfus, Bunge, André/Garnac) have put out the word that at the September harvest season in Australia, wheat prices will fall even lower.

Australia is one of the six regions in the world capable of producing food surpluses for export to bridge the world food gap until global production could be improved over the next few years, but the Australian food output potential is being ruined.

Last wheat crop season, Australia produced less than 10 million tons of wheat, down from a 15 million ton harvest in a decent year. Drought hit the eastern wheat belt hard. But the bad weather came on top of years of systematic cartel-imposed low prices, and free trade in all types of farm commodities.

One-third of the family farms in Australia have been lost over the past decade. Bank foreclosures on farms now are proceeding at a rate of about one each hour. Because of free trade policies, Australia, with a near-perfect climate for agriculture, is now becoming a food importer.

Last year, Australia imported \$48 million worth of sheep products. At the same time, the government was paying producers Aus. \$1.80 per head to shoot their sheep, a national, 18-month "sheep kill" policy supposedly intended to drive up producers' prices. An estimated 30 million sheep were shot. This destruction of food output potential goes right across the board for all commodities.

Australia at this point is now importing \$2 billion worth of farm products, a situation brought about mostly by free trade and the Lima Agreement, which liberalized trade. Oranges are coming in from California; bananas from Southeast Asia. Meantime, a government "tree pull" policy has induced farmers to destroy orchards. Trees have been bulldozed. Potatoes have come in from Canada, while in Australia they were left in the ground. Tomatoes have been plowed under.

The Australian pig industry has been all but decimated by pork imports from Canada. Dairy products are brought in from New Zealand. Australia has closed down most cheese factories. About \$86 million of imported cheese has come in.

The same picture prevails for livestock feedstuffs. In the 1991 drought, molasses, the main supplement for cattle feed, ran out. Because of the government's policy of relying on the "free market" and pre-selling, no provisions have been made to store food and feed stocks to span even one bad year. Molasses was imported from Thailand.

Moreover, under the pressure from the cartels for free trade, the government set aside various standard border regulations regarding quarantine, inspection, etc.

As farmers have been devastated by this onslaught, the banks are foreclosing on a vast amount of property, with the best of the property going into the hands of the big cartels or the big insurance agents. One of the biggest insurance companies in Australia, AMP, actually owns 48,000 square kilometers of ranchland.

The situation is so desperate that the Red Cross, the Salvation Army, Lifeline, and other charities have been giving out emergency stipends and other aid to rural families who are destitute.

## NAFTA zigzag has everybody nervous

*Is the "Salinas economic model" just a Woody Allen disguised as an Arnold Schwarzenegger?*

**T**he widely acclaimed "Mexican economic model" is going from bad to worse. The impressive musculature that President Carlos Salinas de Gortari presents to the world is turning out to be nothing but an inflatable doll, which has already started to lose air.

The latest puncture was received at the 32nd Mexico-U.S. Interparliamentary Meeting in San Antonio, Texas May 1-2. There, U.S. Sen. Phil Gramm (R-Tex.) declared that the North American Free Trade Agreement (NAFTA) would not be discussed by the U.S. Congress any time this year, and suggested May 1993 as a likely target date instead. Responding to Mexican denials, Gramm insisted that the date for beginning the congressional debate on NAFTA was not speculation on his part, but rather a reflection of "U.S. political seasons; it is the policy of the George Bush government."

The Salinas government has placed its stakes on NAFTA, with the fraudulent argument that it will bail out the Mexican economy. What it will do, is turn Mexico into one big *maquiladora* sweat shop, driving down wages in both Mexico and the United States.

The new timetable Gramm forecasts, whether true or not, has led various analysts and investigators for Mexico's reprivatized banks to announce that they "expect massive flight capital" and an eventual peso devaluation. Even the 1991 Annual Report of the Bank of Mexico admits that "it would be imprudent to totally discount the contingency of some partial reversal of capital movements."

Members of the private sector have told this news service that "high expectations have ended, and we are now returning to a more traditional analysis of the national economy. The current account and trade deficits are untenable."

The Mexican government has implicitly recognized that things are not going so well for itself either. On April 20, the Finance Department announced that Mexico was going to renew, "as soon as possible," the Extended Fund Facility it has held with the International Monetary Fund (IMF) for the past three years.

According to unidentified spokesmen for the department, the idea behind extending Mexico's letter of intent with the IMF is "to maintain security for investors and for international financial institutions." In other words, to try to prevent capital flight. According to these spokesmen, the Mexican government hopes that the IMF will recognize "as positive and natural" the government's immense current account and trade deficits.

What is really expected, is another story. The IMF will most likely treat Mexico like any other country which has failed to fulfill its conditionalities, and will impose a peso devaluation as the only means of "reordering" the deficits.

The intention of the IMF technocrats is to turn Mexico into an export economy. Mexico is now a highly indebted nation (\$124 billion in 1992, according to the Institute of International Finances in Washington), and a major importer.

Mexico's alleged export capacity

was always just a cover story to attract foreign capital and create the speculative bubble in the Mexican stock exchange, which Washington is now threatening to burst if Salinas does not hand over Mexico's oil under the guise of the trade agreement.

According to the Mixed Commission for Export Promotion, of the 339 export projects begun in 1991, only 130 (38.3%) have a defined date, program, and definition of concrete objectives. Of the remaining 209 projects, 16 were abandoned because of problems such as "technical bankruptcies, embargoes, or similar situations"; 53 offered "diverse problems" that led to their abandonment; 20 have "no classification"; 46 were only "initiatives"; and 74 are so ill-defined that no one knows exactly what they are. Of the 130 export projects considered real, only 55 are in operation, and the rest "are postponed in anticipation of completion of plant installation, finalization of credit lines, or by decision of the companies themselves."

The truth is that no one in Mexico is taking the government very seriously. On April 28-29, the Third Stock Market Convention heard Joseph Marie Cordova Montoya, coordinator of the Office of the Presidency, declare that Mexico will need "at least" \$150 billion in foreign capital flows over the next 10 years "to finance its development needs." Under current world economic conditions, it is impossible to predict what will happen this year, let alone over the next 10.

Perhaps the most appropriate response to the Salinas government's latest projections, is the U.S. joke now making the rounds inside Mexico. Actor Woody Allen once asked Arnold Schwarzenegger how long it would take to develop a body like his. Schwarzenegger studied Allen closely, and replied: "Perhaps in two generations."

# Business Briefs

## Space

### Shuttle flight will include three space walks

The maiden flight of the Space Shuttle *Endeavour* is an ambitious one, which will include three extravehicular activities, or space walks. The first, on flight day four, will be to rendezvous with, repair, and reboost an Intelsat-VI communications satellite, which is stranded in a useless orbit.

On two additional space walks, the astronauts will practice and evaluate construction methods being developed for the deployment of the pieces of Space Station Freedom. The crew will practice techniques to manipulate large, heavy objects in space, and test five different prototype devices to assist a spacewalker whose tether has come loose to get back to his spacecraft.

Scheduled for a May 9 launch, the *Endeavour* will become the fourth orbiter in the U.S. space shuttle fleet, replacing the destroyed *Challenger*. This will be the 47th Space Shuttle mission since the program began in April 1981.

Each Shuttle is named for a sea vessel used in research and exploration. The name of the new orbiter was chosen by school children in a nationwide competition.

## Russia

### Finance Ministry and IMF will wreck infrastructure

A commentary by Russian Deputy Finance Minister and chairman of the Committee for Foreign Investment Leonid Grigoriev, reveals a significant opposition to infrastructure projects within the Finance Ministry, which translates into a willingness to cooperate with the International Monetary Fund (IMF) against such projects.

Grigoriev explains that Russia's IMF partners, in "putting up this money . . . are supporting our reforms carried out under difficult conditions, and nothing else. In order to re-

ceive these \$18 billion, our enterprises will have to enter into 1,500 contracts, [which] should meet the standard requirements of efficiency used by the World Bank and will be controlled both by the Russian government and the World Bank."

These contracts, says Grigoriev, must not revive significant water infrastructure projects like the Volga-Chograi canal, or the Ob-Irtysh river water diversion project, which would have provided a water flow for the Aral Sea. He also denounced the "Baikal-Amur railway which cost several times the estimated amount, and carries a fraction of the amount of cargo of the projected targets. . . . In any market economy, any such projects, constructed at the expense of the state, that is, the taxpayer's money, would bring the government down."

These projects "were born of a centrally planned economy, not a market economy. They relied on governmental property, not private property. They were developed with fixed prices in view, rather than liberalized prices. . . . Common sense suggests that, for example, if oil and gas prices are freed, projects that promise energy savings will look rather efficient."

## Science

### Cosmic background appears to have fluctuations

Evidence of temperature fluctuations in the cosmic background radiation was reported by a team of scientists at the Washington meeting of the American Physical Society on April 23. The finding is hailed as a major boost for Big Bang cosmology, but, if confirmed, is important from any standpoint, as an important feature of the cosmos.

The cosmic background radiation (CBR) is in the microwave range—its intensity peaks at a wavelength of 1 millimeter—and is much less intense than the beams in microwave cookers, its temperature being 2.730° above absolute zero. The radiation comes to us in virtually equal intensity from all directions, the reported temperature fluctuations being only six parts per million.

The cause of the CBR is unknown, but is assumed by most scientists to have arisen with the "origin of the universe" in a primordial explosion, derided as the "Big Bang" by the original opponents of the theory. According to Big Bang theory, there must be fluctuations in the CBR if structures such as galaxies were ever to form.

The announcement that there are apparently fluctuations in the CBR is based upon extensive computer analysis of hundreds of millions of measurements by the Differential Microwave Radiometer aboard NASA's Cosmic Background Explorer satellite, launched into a polar orbit in 1989.

The team of scientists announcing the result, led by George Smoot of Lawrence Berkeley Laboratory, says the evidence for the existence of fluctuations is statistically "not strong." Smoot says there is a "10-20% chance the finding is wrong, and predicts a "gold rush" of physicists trying to confirm or disconfirm it.

## Europe

### West breaking promise on medicine to the East

The ambassadors of Czechoslovakia, Hungary, and Poland told a Washington press conference in mid-April that the West is not keeping its promise to finance the delivery of medicine from East European producers to the Community of Independent States (CIS) through triangular trade, a plan which is already two years old. As a result, "the population is dying" in the CIS states, the ambassador of Hungary, Pal Tar, is quoted in the German press.

"We have the medicine and want to help," he said, but none of the three East European countries are wealthy enough to deliver the medicine free of charge. While the European Community has put up \$500 million for such triangular trade, the United States has set aside nothing so far.

Czech ambassador Rita Klimova reported that she has contacted 25 U.S. congressmen. "We have a lot of promises. We are waiting now for actions."

## Environment

### Bacteria found to 'eat' CFCs

Scientists have discovered bacteria that eat chlorofluorocarbons (CFCs), according to an Associated Press wire printed in the May 2 *Washington Post*. The bacteria are found along the Potomac River in Virginia and in swamps and marshes in Maryland, Virginia, and South Carolina, according to a spokesman for the U.S. Geological Survey. Derek Lovley, a USGS microbiologist says the CFC-eating bacteria work only in the absence of oxygen, such as landfills, swamps, marshes, rice paddies, and other wetlands.

According to Lovley, "mechanisms that remove even a minor fraction of the CFC-11 and CFC-12 in the lower atmosphere will have a significant long-term impact on the amounts that reach the stratosphere." Lovley said the bacteria could be used to dispose of leftover CFCs, breaking down the chemicals into carbon dioxide and chloride or fluoride salts.

## Ecological Holocaust

### Rate of cholera infection in Ibero-America soars

The latest Ibero-American country to fall to the cholera contagion is Costa Rica, which now reports at least two separate outbreaks of the disease. A special fund has already been earmarked to try to contain its spread, but authorities are especially worried because the origin of the contagion has not been located.

According to the World Health Organization, during the period from Jan. 1 through April 23 of this year, 119,000 cases of cholera were recorded in Ibero-America. That figure, reported April 24, is a 59% increase over the 75,000 cases reported March 26. The majority of these were in Peru, with 93,136 infected and 328 dead. However, most of the increase in cases over the past month came in Brazil, where the government has acknowledged that cholera cases in the Amazon region are 2-3

times the original estimates, and where intense poverty in the northeast is yielding cholera mortality rates of 2-2.5%.

According to an April 23 United Nations Development Program report, Argentina suffers a lack of potable water and minimal health services for a full one-half of its population, posing a serious risk that the cholera contagion now spreading across the country will be next to impossible to contain. The UNDP report claims that these deficiencies in water infrastructure and health care are not due to lack of financing, but to lack of "political will."

Recent revelations of two cholera victims in the Brownsville area of Texas are raising fears of an imminent outbreak of the disease in the U.S. southwest.

## Africa

### AIDS breaking down whole nations, says doctor

"AIDS is breaking out of the framework of any previously known epidemic disease and has assumed a social and political dimension," according to Lieve Franssen, Doctor for Tropical Disease and head of the Anti-AIDS Task Force of the European Community.

Looking at the explosive spread of AIDS in Africa, she comments, "In some areas of Uganda and Rwanda one can see apocalyptic scenes, which remind one of the times of plague in Europe during the Middle Ages."

In countries like Uganda, Rwanda, Zambia, and Tanzania, the population pyramid is starting to deform in a dangerous way. Children and old people nobody takes care of are left, as the "active" part of the population is dying of AIDS. In Akagera (a region of Tanzania), 30,000 orphans have to be cared for. The World Health Organization estimates that by the end of this century, more than 2.9 million women and 2.7 million children will have died of AIDS, leaving 10 million African children AIDS orphans.

In cities like Kinshasa and Abidjan, AIDS has become the major cause of death. In Kampala and Kigali in Rwanda, 20% of the population is HIV-infected.

● **ROMANIAN** economist Iulia Traistaru told a Loccum conference on the post-communist world that "the reforms of the International Monetary Fund were announced top down without any public debate, no democratic debate whatsoever," and that this could lead to the "economic colonization" of Romania and internal strife worse than anything suffered under the communists.

● **IRAN** will supply Ukraine with 4-5 million tons of oil this year, and has also agreed to supply 25 billion cubic meters of natural gas. A joint company to be set up by Iran, Ukraine, and Azerbaidzhan will carry the gas to Ukraine, and some will then be reexported to Europe.

● **THE GERMAN** business magazine *Impulse* has attacked the DuPont Corporation for promoting a ban on chlorofluorocarbons (CFCs) in order to make enormous profits by cornering the market on CFC substitutes. The article quotes from the book *Ozonloch—das missbrauchte Naturwunder*, by Roger Maduro and Ralf Schauerhammer. The English version of the book, *The Holes in the Ozone Scare*, will appear in May.

● **THE NETHERLANDS** has secured \$1 billion in sales contracts from China for Fokker aircraft, dredging vessels, industrial machinery, an ethylene plant, telecommunications equipment, a salt-making factory, and chemical supplies. Economic Affairs Minister Koos Andriessen announced after a six-day visit to Beijing. He indicated that the deals were a reward for halting submarine sales to Taiwan.

● **BANGLADESH** has launched a birth control project aimed at cutting its birthrate in half, from the present 2.17% to 1.08% by 1995, Reuters reported from Dhaka.

● **6,000 CHILDREN** are sick with meningitis in Cameroon and 500 have already died as a result of the epidemic, reports the World Health Organization.



## How a great physicist taught science to children

by Susan Welsh

The crisis in American science education is making headline news these days, with devastating statistics on students' test scores, teachers' lack of training, and the gross errors and methodological incompetence of textbooks. Anyone concerned with solving this problem can draw inspiration from the effort of the late Dr. Robert Moon, one of the great physicists of our time, to teach something about electromagnetism—and life—to a group of children ages 8-14, at summer camps in New York and Virginia during the summers of 1984, 1985, and 1986.

Dr. Moon (1911-89) was one of the pioneers in the development of nuclear energy. He was the first to build the scanning X-ray system that led to the CAT scanner, and the first to discover the correct cathode surface for a high-current electron gun. Before World War II, he developed the most advanced cyclotron then known, and during the war, he served on the Manhattan Project. He was a professor emeritus at the University of Chicago, a founder of the Fusion Energy Foundation, editor-in-chief of the *International Journal of Fusion Energy*, and a staunch collaborator of Lyndon LaRouche. (The FEF, *IJFE*, and the summer camp at which Moon taught, were all forcibly closed down during 1986-87, in an assault by the combined federal, state, and private "Get LaRouche" task force.)

One of Moon's collaborators, Dr. Jonathan Tennenbaum of the Fusion Energy Forum in Germany, described in an obituary for Dr. Moon, how the scientist shared his love of God's creation with everyone around him (*EIR*, Dec. 1, 1989):

"I shall never forget one night at a children's camp in Virginia, when Dr. Moon was taking some of his young friends on an exciting guided tour of the planets and stars using the camp's telescope. As the night went on, his pupils retired to bed, one by one. I woke up just before dawn, and glanced out the window: Lo and behold! There was Dr. Moon, alone, still standing at the telescope, absorbed in the study of some important phenomenon up there in the heavens."



*Dr. Robert Moon works with children at a summer camp in Virginia in 1986. His approach was to have the students reproduce, "from scratch," some of the crucial experiments from the history of physics.*

In an interview with *EIR* published Oct. 30, 1987, Moon described his experience growing up on a farm near Springfield, Missouri, in a way that conveys the love of discovery and productive labor which motivated him until the day he died, and which, more than anything else, he communicated to his students:

"When I was a boy, we had four cars and we lived on 10 acres, out in the country. We had a pig apiece and a cow apiece, each one of us four boys, my three brothers and I. That might not seem so exciting to some, but it was good training for us. We were busy from morning to night: Milk the cows, separate the cream, and so on, but we did it. . . .

"This was the sort of thing that I grew up with. There were automobiles to repair, batteries to rebuild, generators to rewind, a lathe to turn wood. I built my own lathe to do woodcutting. We had a lot of trees on the farm and we would cut them down and turn them into lamps and things like that. All of these things were a lot of fun.

"Of course, when I was growing up, electricity was first coming into general use. When I was still quite young, I became fascinated with the problem of understanding what made the front-door buzzer work. This raised one of the most fundamental laws of physics, Faraday's law of induction. It is this law which makes the application of electricity possible, even today.

"In 1917, at the age of six, I first came upon the idea of a transformer. My aunt had a doorbell buzzer which was connected to a battery—two dry cells in series—and I used

it to help her change the battery. One day I saw a bell-ringing transformer in a shop window that was hooked up to a transformer. This was a completely new idea to me.

"I already understood Ohm's law, but I did not yet know about Faraday's law. . . . With my child's mind, I first tried to create the concept of a transformer. . . .

"Throughout my boyhood I was led to this kind of exploration, taking the simple things around me as a jumping-off point for fashioning my own experiments. Electricity was particularly exciting to me, because it was just taking the place of gas, gas lights."

### **'Navigating upstream'**

Moon based his doctoral thesis on the theoretical work of the quantum physicist Louis de Broglie, one of those who battled against the acausal theory of physics promulgated by Niels Bohr, which is still hegemonic today. In an essay published in the *International Journal of Fusion Energy* (April 1985), titled "The Gifts of Louis de Broglie to Science," Moon described the "poetic" quality of the creative process, citing the view of de Broglie that "great physicists fight great battles."

"Ideas are buried," Moon wrote, "within the individual's spirit and burst forth when the individual's freedom is not suppressed by worldly materialism and dogmatism. Ideas do not come from conscious mentation or reading, since ideas are part of the individual's spiritual makeup and must be searched for from within in order to be discovered. Ideas

may flow contrary to the prevailing stream of human thought. The individual will most likely have to navigate upstream and avoid aimless drift, in order to find fertile soil in which to plant an idea for the benefit of mankind.”

In an interview with *Fusion* magazine (January-February 1985), Moon described one of his own great battles against an ossified scientific establishment:

“When I was just a youngster of 19, I came to the University of Chicago and I presented a proposal on creating fusion energy in the laboratory to the physics department. But they weren’t at all interested in nuclear energy. They said the energy is there but it will never come out; all has been done that can be done. As far as they were concerned, the books were closed.

“But there was one professor at Chicago, William Draper Harkins, a physical chemist, who had written several papers which I had read on the structure of nuclei, and the particles that should be in the nucleus, and so on. He took me on as a thesis student. ‘We just have a small amount of equipment for the things you want to do,’ he said, ‘but it’s very important to construct some of the equipment we don’t have in order to do your thesis work.’ So I went ahead and built the first Geiger counter on the campus. . . .

“While I built the equipment for the nuclear work, I did another thesis on the study of surface structure by means of slow electrons (less than 50 electron volts energy). Then I got involved in building the cyclotron. You know, we built the best cyclotron in the world, right in the middle of the Great Depression!”

## The Moon-Hecht model

Toward the end of his life, Moon made a revolutionary contribution to science, whose import has not yet been acknowledged by the guardians of orthodoxy in quantum physics. In the spring of 1986, shortly after his 75th birthday, he developed a new model of the atomic nucleus, which makes it possible to account geometrically for the existence of the 92 naturally occurring elements in the periodical table.

The hypothesis is based upon the concept of the astronomer Johannes Kepler (1571-1630), that the universe is constructed according to harmonic proportions, starting with the five Platonic solids. If this is true for the solar system, as Kepler demonstrated, then perhaps it is also true in the microcosmic realm, Moon reasoned. (The theory is presented by Moon’s collaborator Laurence Hecht in *21st Century Science & Technology*, May-June 1988.)

It was during this period of creative discovery, that Moon taught the classes that are described in the accompanying articles. They grew out of an earlier series of classes which he pioneered at the University of Chicago, with advanced high school students. With the younger group of children at summer camp, he took as his point of departure the crucial experiments in electromagnetism of André-Marie Ampère (1775-1836). Ampère was an impassioned Leibnizian, and his discoveries were a powerful blow to the dominant Newtonian conceptions of physics. He developed the concept that molecules are structured according to the vertices of the regular or nearly regular polygons—a concept which Moon’s model takes much further.



*Students construct the apparatus for Ampère’s experiments. In the foreground is the solenoid—a piece of PVC pipe with copper wire coiled around it, which is needed to cancel out the effect of the Earth’s magnetic field.*

# Dr. Moon's method: teaching the joy of scientific discovery

by Robert McLaughlin

*The author worked closely with Dr. Robert Moon for four years and was his laboratory assistant at a children's summer camp in New York and Virginia in 1984, 1985, and 1986. McLaughlin is currently an international telecommunications consultant based in Canada, and is co-author of two books, Fix Your Own PC and Troubleshooting Your Lan. This report on Dr. Moon and his pedagogy is based on an interview conducted by Susan Welsh.*

The first thing to understand, is that Bob Moon wasn't really teaching physics. If you had a class of 20 kids and one kid comprehended everything that happened, you'd probably be doing really well. You teach a class in physics, and you're hoping to improve, overall, the students' understanding of what physics *is*. More important, Moon thought, was to provide a way for students to understand that they can actually comprehend things, and that there are a lot of important issues to deal with in life, and that sometimes the scientific method will help you out. The cornerstone of Moon's life was belief in God and in the scientific method. That was it.

The discussions between him and the students would be half about the scientific material, and half about life. As far as he was concerned, if they learned some lessons about life from this old man, that was far more important than if they walked out of there and understood what a volt was.

The kids developed a lot of respect for him as a human being, and some of them, because of their admiration and love for him, tried to figure out what made him tick.

For him, the most important thing, since he was in his early 70s at the time, was not the next great experiment or the next scientific discovery, but laying the foundations for the people who would follow him. I think he had been thinking about what was going to come after him for a long time, because the series of classes that he did had started at the University of Chicago in the early 1950s, with advanced high school students. The University of Chicago has a summer program where advanced high school science students are brought in with their teacher and trained in various kinds of experiments that they could do in a high school. He ran that program for a long time. They did Ampère's experiments, which is what we did at camp, and Cavendish's experiments.

## The Ampère experiments

They are not really hard experiments, that's the beauty of them. It is very obvious what is going on. They are crucial experiments, in the sense that they changed the way the scientific community thought about a problem in a very fundamental way. But they're all experiments that were done in the late 1700s or early 1800s, which means that anybody who's clever could do these things in their kitchen nowadays. They're not particularly expensive experiments—although they're not particularly cheap either. Ampère's experiments will cost you, if you've got access to a machine shop, a couple of thousand dollars. A couple of thousand dollars these days for four science classes is not really that bad—\$500 a class. The problem is that things like brass, copper, and batteries are not cheap.

I had to scour the hardware stores of Loudoun County, Virginia to find the things we needed—or things I could substitute. I would come back with them, and Bob Moon would say, "What the hell is this?" One time he wanted some copper, and the best I could do was copper flashing. It took me three days to find what we needed, which was a piece of copper about four inches long. The man in the hardware store wouldn't sell me a piece of copper that small. The smallest he would sell me was a yard length of copper flashing, which was \$40. We needed brass rods: The only brass rods I could find in the county were threaded, so we had to take all the threads off the rods first, in order to be able to use them.

The point was to have the students build the apparatus from scratch. For half of Ampère's experiments, doing it from scratch is no problem, because they involve things like sticking a wire in front of a compass and seeing the compass move. It's the final experiment which is the one that proves the relationship between magnetic intensity and current. That is, when you increase the current, the magnetic field goes up as a square, and how intense the magnetic field is does not depend upon the geometry of the wires that make the field.

This apparatus basically is a big wooden frame with a couple of coils, and inside these coils is a little coil. These things make a magnetic field, and as these are interacting, this twists, and the device measures how much twist there is, and tells you what the force is. Since the students had to



*Moon and his assistant, Robert McLaughlin (center), work with children at camp. In the rear of the photo, Moon is instructing a group on the use of the lathe.*

make it from scratch, we had to buy lumber to make the frame. They had to wind the coils. You have to have bearings and things like that, and because magnetic fields are involved, they have to be brass bearings, and because you want the students to understand what's going on, you have the students make the brass bearings.

We had a lathe, a drill press, some hammers. A lathe is a very intense machine. The equipment you need to make a lathe do what you want to do, costs a few thousand dollars. But it's actually very straightforward. There are a lot of people with metal lathes and drill presses in their garages. Anybody who hot-roads cars could do this.

That's where Moon learned it. When he was five, he fixed his father's car when it broke down. By the time he was nine, he had his own garage, and when he was 12, somebody tried to arrest the owner of Moon's Garage for employing child labor. He was quite proud of that garage. In those days, he'd take almost every part of a car, take it apart, retool it, work it with a lathe and a drill press, put it back together, and that's how you'd repair the car. You couldn't call somebody up and get the spare parts. Very rarely could you get spare parts. And a lot of the parts in the cars were hand made, so there *weren't* any spare parts. Every carburetor was different. So you had to retool the carburetor. That's where

he learned how to machine.

The class we were teaching at camp was very advanced. There are some questions about the appropriateness of it for the age group. It's impossible to do any crucial experiment in physics isolated by itself, and have people understand everything that's going on. As a teacher, you sometimes have to say, "Look, you won't understand everything that's going on. Don't worry about it. What's important is that you grasp the big picture, and in time the pieces will fall in." And that was the approach we took.

If one took it that the point of the class was to turn out people who understood the point of Ampère's experiments, then we failed. The point was, we were trying to turn out people who understood what went in to doing an experiment in physics—the planning for it, designing it, making the pieces, trying to get a glimmer of how an individual who did a great thing went about doing a great thing. In that, we were successful. And that was really what we were after. It was not important to us whether they understood what an amp was or what a volt was. What was important to us was that they took a pile of wire, a pile of lumber, a pile of brass, and turned it into something that worked, and realized, "Yeah, I can do things."

Moon spent a lot of time explaining to the children how



he looked at the world, trying to make sure that they understood that everybody has gifts, everybody has different abilities. It's your job to know yourself. It's your job to employ those gifts and abilities that God gave you, to make the world better. And that's your responsibility. It doesn't particularly matter what they are, and you shouldn't be ashamed if you're not one of the great personages of history. There's nothing wrong with having a nice, simple, plain life. Just as long as, when all is said and done, the world is a little better because of your life. He spent a lot of time going over that again, and again, and again, trying to communicate that with personal recollections, little stories from his childhood.

You don't normally do experiments like this in a high school physics class, or even in college. In engineering schools, a mechanical engineer will end up with maybe two semesters in a machine shop, which is why, when you come out with your engineering degree, you spend another five years really learning how to be an engineer. This is true in college, too. If you take normal undergraduate physics, you won't go anywhere near any of this stuff until you hit graduate school.

In schools, this mostly has to do with the fact that it's really hard to get 1) the money, 2) the material, and 3) the cooperation among the departments. The whole problem with schools is the compartmentalization. That was Bob Moon's biggest complaint: The physics people don't talk to the mathematicians.

### **Moon's experimental method**

Moon had maybe four major interests in physics. As time went on, he would want to do an experiment—not so much to prove or disprove a theory, but experiments to find out what nature was doing, which are the most fundamental kind of experiments. He'd come up with an idea and say, "I think nature does this." And then he'd want to do an experiment.

But none of the equipment to do the experiment existed. He did experiments in radioactivity, for example, but to do so he had to detect very minute quantities of neutrons, and people told him he couldn't do it, because there was no equipment that could do it. So he invented a funky kind of detector, in order to do his experiment. Every one of the experiments that he did in his lifetime, as a professional physicist, was of that caliber. Every one of them was, "I want to do this"—and then a process of invention of gizmos in order for him to do the experiment. What he did for the Manhattan Project was to invent the detectors. He became renowned for being able to invent a gizmo that would let somebody do something that hitherto everybody thought was impossible.

Moon liked controlled chaos. Very infrequently do you ever really know what you're doing! In science in particular, a lot of times you have half an idea in your head, and you spend a lot of time trying to turn that half an idea into a whole idea. A lot of times the half-idea you started out with turns



*Robert Moon in the 1940s viewing the scanning X-ray system he designed—a system which led later to the development of the CAT scanner. Shown are the control panel, storage system, and viewing kinescope.*

out to be completely wrong, and you stumble into something completely different. You don't know what you're doing, you are in a state of chaos. So if you're going to do science, get used to the idea that you really don't know what you're doing most of the time. And if you did know what you were doing, you probably wouldn't be doing it. You don't do a crucial experiment if you know what the result is; because if you know what the result is, it's not a crucial experiment. If you don't know what the result of the experiment is, and nobody's ever built the apparatus before, you don't know whether the apparatus is really working or not. You don't know whether you designed it right or not. You don't even know what kind of physical principles you're talking about while you're doing it.

Albert Einstein only did one experiment in his life. He came out with a value for this experiment, and it was off by 2 from what was expected, and he was quite happy about it. Why was he happy? Because it told him something new about the electron. He wasn't an experimentalist. He didn't know

much about how to build the thing he wanted to build. He didn't know what the result was going to be. He wasn't sure it was going to work to start with. But he knew it was something he wanted to find out about.

Moon didn't tell a lot of people about what he did. He was a very humble man. There was a committee formed once to give him a Nobel Prize, and he did everything he could to disrupt the committee, because he didn't want it. He thought it was an honor he didn't deserve, that it would bring things into his life that he didn't want. He didn't want the money that comes with the Nobel Prize, because money always disrupted his life. He didn't want the acclaim that came with it, because he liked being the quiet little guy in the corner. If he got the Nobel Prize, they'd all be bothering him.

He did some very outstanding things in his lifetime, but if you didn't pay attention to him, you didn't know what they were, because he never published anything. Moon's published works are, I think, 40 pages. Most of his work is published in bulletins of the University of Chicago. He rarely published anything in a journal. Almost all his work was published as documents that were issued by the laboratory at the University of Chicago. He did that deliberately. Only a small, select group of people at any given time knew what he was up to, and he liked it that way. When he did things that were spectacular, he got into a lot of trouble. One of his biggest accomplishments was to design and build the

University of Chicago cyclotron. He became very famous for all the things he invented, and spent four years going across the United States, teaching people how to use all these things—and was not able to get anything else done.

Moon's problem with graduate students was, they would go through high school and college and they would do experiments where they were told exactly what to do, step by step, and they'd get to the graduate level and wouldn't have a clue about how to plan out what they were going to do. Instead of acting as a thesis adviser, which would have meant setting them up in the corner of a lab, he ended up instructing them in how to deal with the fact that they didn't know all the details of what they were going to do, and how to deal with an unexpected result.

Not knowing exactly what is going on is not per se a bad thing. You have to build up a certain amount of confidence in yourself. You come up with ideas, you're not sure where they came from, they're very gray. But you have to have confidence in your ability to come up with these ideas, to be able to go forward with them. And there's no way to get that confidence other than starting with something small, and taking it forward. Otherwise, if everything's pre-packaged, you'll never, ever develop confidence. You might understand some principle. It might become clearer from the experiment. But it won't teach you anything about how to conduct your own experiments. That's what you have to learn.

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# The importance of Ampère's work

by Laurence Hecht

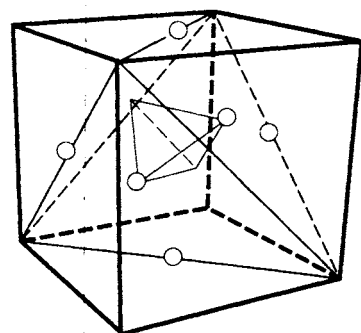
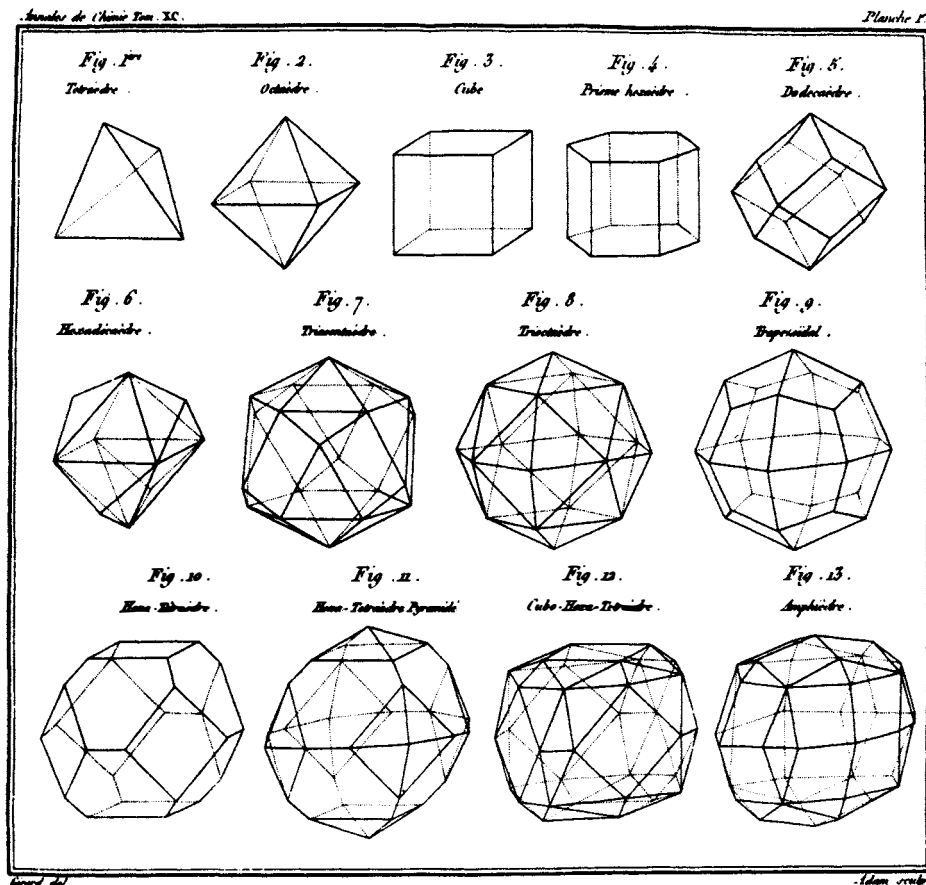
André-Marie Ampère (1776-1836) was professor of physics at the central School at Bourg, taught mathematics at the Ecole Polytechnique in Paris, and was elected a member of the Academy of Sciences in 1814, at a time when France was the center of world scientific activity.

Though best known for his electrical researches begun in 1820, Ampère's scientific work was wide-ranging and always profound in its philosophical appreciation. As a youth he studied natural history and botany, learned Greek, Latin, and Italian, studied French literature, wrote poetry, and attempted to develop a universal language. He had a special interest in mathematics: He taught himself advanced algebra and the calculus by reading Euler's works, and mastered the most advanced mathematical physics work of the day, Lagrange's celestial mechanics, while still in adolescence.

But at the age of 18 he suffered a terrible blow when his father, a provincial official in a village outside Lyons, was led to the guillotine.

Early in his scientific career, Ampère had rejected the materialism and atheism of the *Ideologues*, the Enlightenment philosophy fashionable among French intellectuals of the day. After a close study of Immanuel Kant, he rejected that philosophy, too, for its underestimation of the powers of mind. Ampère thus returned to one of the inspirations of his early youth, the philosophical writings of Gottfried Wilhelm Leibniz, and ended his life in a close study of Leibniz's doctrine of the pre-established harmony.

Before conducting his groundbreaking researches in electrodynamics, which he began at the age of 44, he had done important work in theoretical chemistry. Ampère was one of the first to embrace the revolutionary 1811 hypothesis of the Italian physicist Amadeo Avogadro, that equal volumes of gases at the same temperature and pressure contain the same number of molecules. In a groundbreaking paper in 1814, Ampère applied Avogadro's hypothesis to the phenomena observed by the chemist Gay-Lussac: that the volumes of gases which combine in a chemical reaction are in the ratios of small integers. He concluded that Gay-Lussac's observations could only be accounted for by assuming, with Avogadro, that equal volumes of the gases contain the same number



Ampère's geometrical model (left) depicted the most fundamental molecules as made of points arranged as the vertices of the regular or nearly regular polygons (top row). Reactions between these molecules could only occur if they resulted in solids with a degree of regularity and symmetry, as shown in the bottom 2 rows. The diagram above, from the Moon-Hecht model of the atomic nucleus, shows the probable location of the 8 neutrons and 8 protons of the oxygen-16 nucleus. There is a neutron on all 6 faces of the cube and on 2 of the 4 vertices of the inner tetrahedron (alpha particle). Eight protons cover the 8 vertices of the cube.

of molecules. This proof of the existence of molecules, led Ampère to conceive a scheme of molecular interaction based on the Platonic and derived solids of hexagonal symmetries.

### The nature of electricity and magnetism

Ampère's electrical research began in 1820. This led quickly to his invention of the galvanometer and soon to his working out of the laws of interaction of electrical currents. Crucial to Ampère's deductions was his hypothesis that with-in what appeared to be the continuous flow of electrical current were actually discrete entities, current elements, which he considered irreducible carriers of the electric energy.

This led him to hypothesize that the phenomenon known as magnetism was in fact inseparable from electricity. Hans Oersted's 1820 demonstration of the association of magnetism—previously only known in connection with magnetized bodies such as iron (permanent magnets)—with electric currents moving in wires, had led to the upsurge in researches into the phenomenon of which Ampère was a part. But Ampère was the first to advance the modern hypothesis that electricity was responsible for the magnetic action in all cases. He supposed that in the case of permanent magnets, the magnetism is caused by tiny electric currents moving in circles, which he referred to as the *magnetic molecule*.

The experiments which Ampère carried out to test his hypothesis and to determine the laws of interaction of current-carrying wires, still valid today, were a model of simplicity. They involved the arrangement of wires, either straight, circular, or wound into spirals known as helices, in various geometric configurations one to another. His deductions were immediately and repeatedly attacked. In 1821 an anonymous pamphlet recounting the history of electromagnetism appeared in England and was translated immediately into French. The work, which erroneously challenged Ampère's hypothesis that permanent magnetism is the result of electrical currents, turned out to be written by Michael Faraday, then in the employ of Sir Humphrey Davy, a powerful figure in the British science establishment.

Today, when unexplained phenomena such as cold fusion, the unusual clusterings of molecules into buckyballs and met-cars, high-temperature superconductivity, and sonoluminescence, beseech the inquiring mind to examine the fundamentals of our knowledge of atomic and nuclear processes, more than ever the method of scientific hypothesis exemplified by André-Marie Ampère is needed. It was the aim of Prof. Robert Moon to open up this inquiring spirit in young minds and to provide sound paths for its development by carefully steering them through the classical experiments by which the fundamental laws of electrical interaction were first deduced. To the truth-seeking mind, which attempts to know not by citation or textbook authority, but by the method of rigorous hypothesis and experiment, the questions examined by Ampère are as fresh today as the day he first explored them, and with respect to many of the fundamentals, still unanswered.

## The Ampère crucial experiments

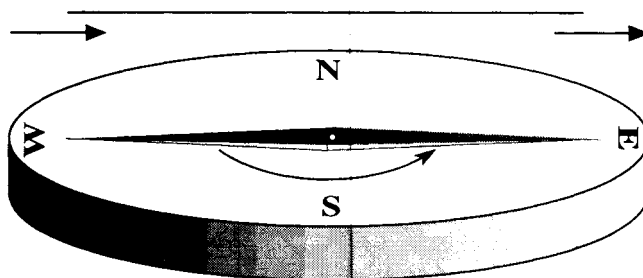
Dr. Moon's plan was to have the students rediscover Ampère's original results, but also to construct more advanced diagnostics for the experiments than those that were available to Ampère when he first did his research in the 1820s.

In particular, Dr. Moon had the students construct the elements of a "torsion" balance, originally designed by Tom O'Donnell, the leading machinist and engineer of the University of Chicago, whose creations were key to the success of the Manhattan Project of World War II. This torsion balance provided the means of making very minute measurements of the mechanical interaction between "current elements." Moon's idea was that after the students had "rediscovered" the Ampère results, they could move on to examine more advanced questions, which Ampère's more limited facilities would not allow—such as how Ampère-Gauss-Riemann electrodynamics could allow for the possibility of force-free "cold nuclear fusion."

The apparatus made by the children included carefully constructed magnetic coils, the so-called Ampère solenoids, which provide the means of canceling out the effects of the Earth's magnetic field.

Experiments 1-4 are very simple, and take about one class period to do. The first establishes that a compass needle is deflected by an electric current, telling you that a magnetic field has been created. The next experiments explore what the magnetic field is like. Experiments 6-9 are the most complex, and the construction of the apparatus for them requires

FIGURE 1  
Deflection of compass needle by a current



Connect a thick wire to the battery, place the compass on a table near the wire, and observe what happens to the compass needle when you run current through the wire.

FIGURE 2

**Two parallel wires attract when current flows in the same direction**

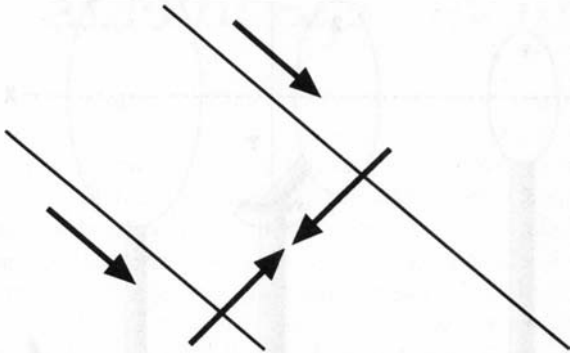
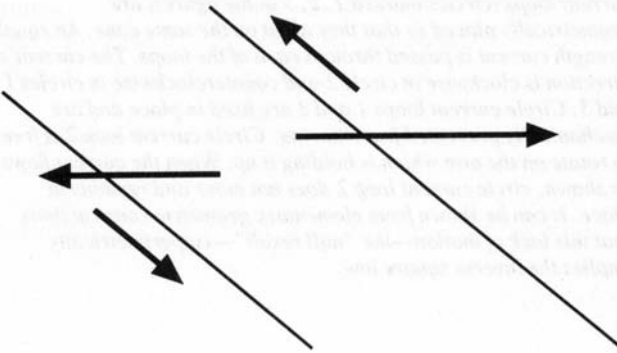


FIGURE 3

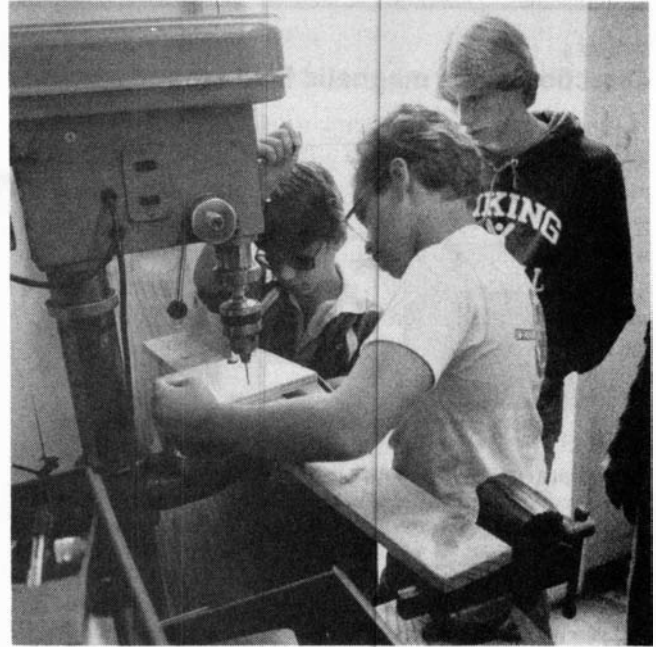
**Two parallel wires repel when current flows in the opposite direction**



several weeks.\*

The last four experiments, if successful, produce no observable results: They are “null” experiments. If something *does* happen, then the hypotheses upon which the experimental design was based must be reexamined and new hypotheses formed and new experiments designed. Of these, only the experiment shown in **Figure 6** was done by the students. The others in the series were intended by Moon for future work.

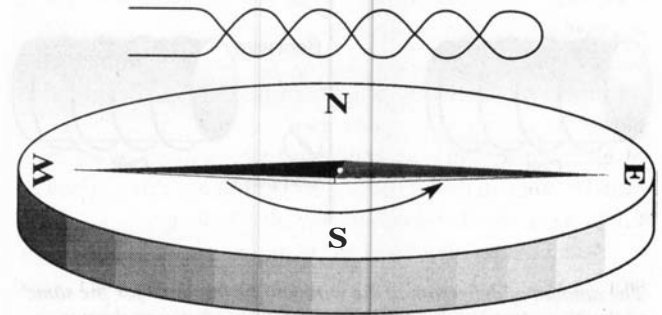
\* We present here our best approximation of what Dr. Moon did in his 1984-86 classes, reconstructed from the memories of some who participated (particularly Moon’s assistant, Robert McLaughlin), with expert help from others who knew Moon well, but were not there (Charles B. Stevens and Laurence Hecht). The editor wishes to thank all three for their help, while noting that this description of the experiments is not a step-by-step “how-to” manual, and may not be complete or fully accurate.



Working with the drill press. “What was important to us was that the student came to realize, ‘Yeah, I can do things.’ ”

FIGURE 4

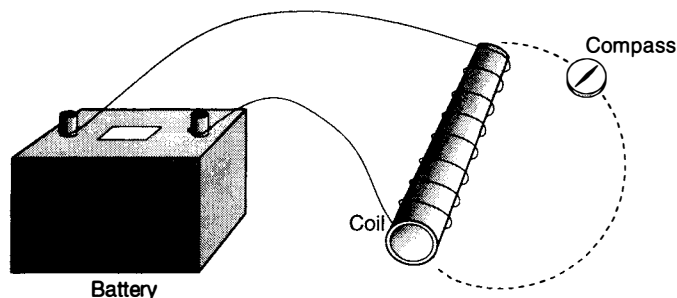
**Current flowing in a twisted wire has no effect on a compass needle**



**The inverse square law**

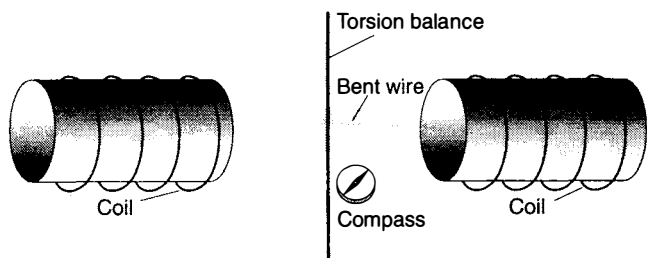
Benjamin Franklin had carried out null experiments which led to the demonstration of the inverse square law for the interaction among “statically” charged bodies, as Joseph Priestly, Franklin’s collaborator, went on to show in detail. Franklin had suspended an electrically charged ball with a nonconducting thread within a closed metal can. The can’s surface was also electrically charged. But no matter where the ball was suspended within the closed can, the charged surface of the can had no effect upon the ball. (If the ball is

FIGURE 5  
Direction of the magnetic field around a coil



In the simplest experiment with the Ampère solenoid (No. 14 gauge insulated or enameled wire wound around a piece of PVC tubing), the two free ends of the wire are attached to the terminals of a storage battery. A magnetic compass can be used to detect the direction of the magnetic field at any point around the coil. Lay the coil on a table top as shown, and move the compass in a semi-circular arc around it (dotted line). How many times does the compass needle rotate on its axis for this half arc of a circle?

FIGURE 6  
Measurement of the force between two currents

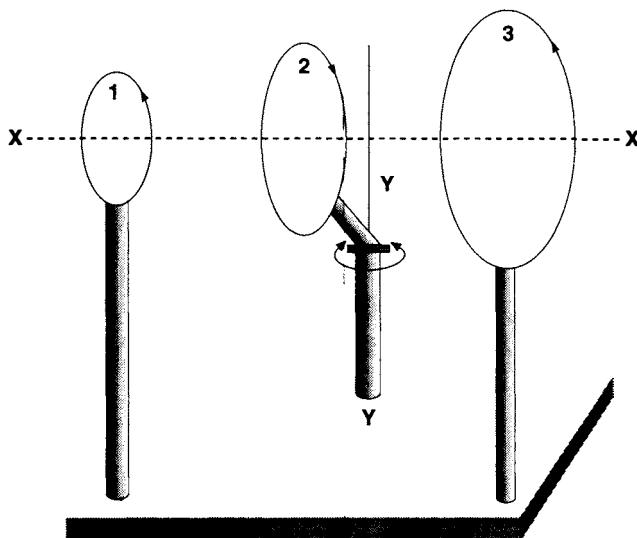


The amount of deflection of the wire will be the same for the same current, no matter what the shape of the wire between the two coils.

taken outside the can, the ball will either be repelled by the can, or it will be pulled toward it, depending on whether the ball and can are charged with like or unlike charges.)

The inverse square law says, roughly, that if the distance between charged bodies is decreased by one-half, then the force exerted between them increases by a factor of four. In the case of the ball suspended in the closed can, all of the interactions cancel each other out. Geometrically, in terms of what is called the isoperimetric principle, it can be shown that these different pulls only balance if the interaction is of

FIGURE 7  
The three-circle experiment



This is a simplified diagram of Ampère's experimental design, which is intended to isoperimetrically demonstrate the inverse square law for the interaction between current elements. The three current loops (circles marked 1, 2, 3 in the figure), are geometrically placed so that they all fit on the same cone. An equal strength current is passed through each of the loops. The current's direction is clockwise in circle 2 and counterclockwise in circles 1 and 3. Circle current loops 1 and 3 are fixed in place and are mechanically prevented from moving. Circle current loop 2 is free to rotate on the arm which is holding it up. When the current flows as shown, circle current loop 2 does not move and remains in place. It can be shown from elementary geometric constructions that this lack of motion—the "null result"—isoperimetrically implies the inverse square law.

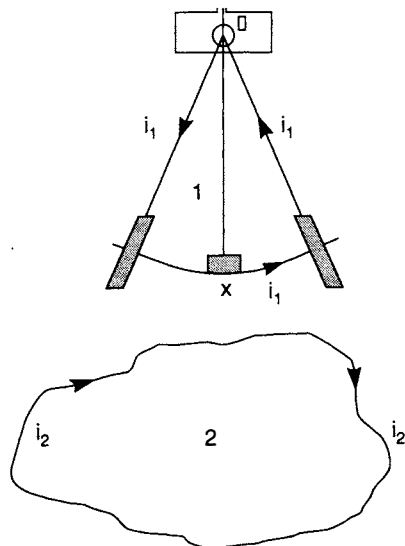
the inverse square form.

Nicolaus of Cusa in the mid-fifteenth century suggested that the same isoperimetric principles could be applied to demonstrating the inverse square law for the interaction between magnets—"magnetic poles," that is. In fact, the form of Cusa's experimental design is closely related to that of Ampère. Cusa's experimental design also implies an inverse square law for gravity; this was developed by Johannes Kepler, a century and a half later, following Cusa's specifications, and applied to Kepler's gravitational model for how the Moon generates tides on the Earth by its gravitational interaction.

The combined result of experiments 6-9 can be summarily represented as demonstrating that the interaction between current elements must fundamentally involve a "multiply-connected," self-similar conic spiral form of geometry. (For more information on Ampère's experiments, see Peter Gra-

FIGURE 8

**The wire-arc experiment**



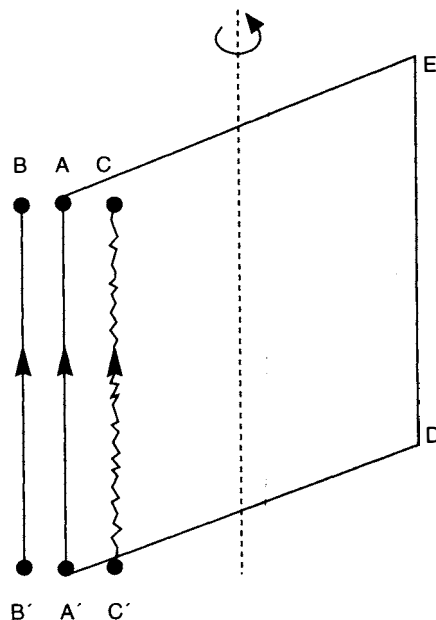
Here there are two electric circuits marked 1 and 2. The second one is made with a bendable wire that can be easily configured into a wide variety of closed, simply connected curves. The 1 circuit is configured so that it is mechanically free to rotate or otherwise move in any direction which is perpendicular to the direction of the flow of the electric current in the circular arc portion of the circuit. (Direction of the current flow in the circular arc portion of circuit 1 is shown with an arrow.) No matter what simply connected shape circuit 2 is bent into, or where it is placed with respect to circuit 1, the circular arc portion of circuit 1 does not experience any mechanical force in a direction tangent to the direction of flow of electrical current in it—that is, no force directed along a tangent to the circular arc.

neau, *Ampère-Neumann Electrodynamics of Metals*, Hadronic Press, 1985.)

To put the matter most simply, what is usually presented in modern textbooks on electrodynamics as Ampère's law for the interaction between current elements, is a fraud. The law in the textbooks is based on that inspired by the Marquis Pierre-Simon de Laplace (1749-1827), the Biot-Savart law, which was directly developed in opposition to the work of Ampère. This fraud replaces Ampère's results with a simply-connected, linear Cartesian field model. As implied in Wilhelm Weber's 1872 paper on electrodynamics, and in the 1915 paper of Dr. Moon's teacher at the University of Chicago, Dr. William Draper Harkins, the Laplace-inspired re for Ampère's actual result excludes the possibility of nuclear fusion in a form which is coherent with electrodynamics. It also, according to Harkins's 1915 formulation for hydrogen nuclear fusion reactions, excludes the possibility of "force-free" cold nuclear fusion.

FIGURE 9

**The bent-wire experiment**



This experiment (illustrated here in simplified form) is designed to demonstrate that a straight segment of an electrical circuit can be replaced with a bent and deformed segment, and no difference in the observed effects will be seen. AA'DE is a rectangular current loop in a vertical plane, suspended so that it is free to rotate around its vertical center line.

**Materials required**

One 6'x2' wooden work table is needed for every eight children (two set-ups per table, with at most four children at each one). Work space should have as little magnetic metal as possible.

Needed for each experimental set-up:

- a motorcycle or auto battery
- 2 pieces 8-inch PVC pipe
- 8 terminals
- 1 mirror
- 1 piece conducting thread
- assorted wood dipped in wax
- magnetic compass
- copper wire—10 gauge, 14 gauge, 22 gauge

## Break with illusion to stop the new dark age

*This speech by Democratic presidential candidate and political prisoner Lyndon LaRouche, was delivered on his behalf at the conference of the International Caucus of Labor Committees in Kiedrich, Germany on May 3. The ICLC is the philosophical association which LaRouche founded. The text is slightly abridged.*

I would like to address you on the subject of reality, politics, illusion, and the consequences of the intermingling of these three. I shall reference primarily the situation currently in the United States, but I shall compare this briefly with some things in eastern Europe, notably Poland, Russia, and Central Asia.

The foremost event of the moment in the United States is, of course, the rioting spreading out of Los Angeles, and the reaction of the White House to those incidents, particularly the failure of Bush to understand what he's dealing with. The condition of the minority groups in the United States should be well known and well understood. Despite the silly talk about prosperity, over the period of the past 20-odd years in the United States, since 1970-71, the condition of industry, infrastructure, and agriculture has been: Industry has been collapsing, agriculture has been contracting, especially since the middle of the 1970s, and infrastructure has been collapsing in net since 1970; that is, the rate of destruction of infrastructure, wear-and-tear, obsolescence, is greater than the replacement. So today, if we were to try to get back to conditions equal to those in 1970, it would require \$4 or 5 trillion of expenditure for infrastructure immediately.

As part of this, the actual standard of living of the household of four or five, is way below that of 1968. That is, the

real market-basket of consumption of a household of wage-earners in 1992, is way below that of the 1967-69 period. That rate of collapse has been accelerating since 1979, since the introduction of the so-called "controlled disintegration" of the U.S. economy by Federal Reserve Chairman Paul Volcker, with his high interest rates and conditionalities.

We have a similar situation, naturally, on a global scale. The world economy is generally collapsing and, except for the "tigers" of Asia, which are a mixed bag of some reality and some illusion, the whole world is in a state of economic collapse and contraction and has been predominantly over a period of 20 years, with a few isolated, temporary exceptions to this trend.

We hear recently that there's an ongoing recovery in the United States, which, of course, is not true. There is some manipulation of financial figures, to attempt to show in financial estimates that there might be an increase in per capita income or a rate of change for the better in per capita income, but that's all illusion, that's all empty paper. In the meantime, the reality is that the United States is headed toward collapse.

This collapse is based on the fact that what enables society to survive are things typified by industry, agriculture, and basic economic infrastructure. I would identify as basic economic infrastructure, five leading categories:

- *Water management:* the amount of clean, usable water available per square kilometer and per person, for different kinds of land use, that is, residency, agriculture, heavy industry, and so forth.

- *Transportation:* The ton-mile hours and tons-per-mile per hour transported per square kilometer by different kinds of land use is a measure of transport capacity in a region.

- *Energy*: The amount of energy per capita and per square kilometer is a measure of the potential productivity and potential gross output of any area per kilometer and per capita.

- In addition, we have two elements of social infrastructure: the *health system* and *education*.

These elements of basic economic infrastructure are the precondition for the possibility of successful investment in industry or agriculture. Without these investments, industrial and agricultural investment is a flop. When someone comes into a country and says, "You don't want to invest in infrastructure, the IMF or the World Bank says you shouldn't invest in industry," you should take that person and put them in the nearest lunatic asylum, for people who are mentally incompetent in economics.

In those terms, the world is collapsing, and as a result, per capita yields are collapsing around the world. But the monetary values are artificially increased by pure parasitical speculation. That's what we see in Russia, that's what's happening in Poland, where there's an increase in financial aggregates in some sectors of the economy based on a collapse of the other part of the economy. This is pure *cannibalism*: It's like eating one's leg in order to stave off hunger temporarily. Then you eat the next leg and then what do you eat next? That's the process of primitive accumulation that is going on in eastern Europe and Russia.

### **The Los Angeles situation**

That brings us to the so-called riots, which are not essentially riots. The plan for these riots began about a year ago, long before there was a Rodney King incident. The Rodney King incident was merely something used opportunistically by those plotting the riots.

Those behind that, those connected to this process, include Warren Christopher and the Center for the Study of Democratic Institutions in Santa Barbara, California. It also includes the Maoist groups, such as the Revolutionary Union and the Revolutionary Communist Party. There were some other organizations in this, some of them connected to the FBI, the national political police force, who orchestrated this: The hard core of this operation includes these Maoist groups and drug-running gangs armed with submachine guns and so forth.

These will total probably a hard core of 500 or so persons, who are rampaging, setting fires, and doing random killings as an act of terrorism. This activity sets loose looting by other parts of the population. . . .

It's very much like the Zubatov organizations of the Czarist Okhrana back at the turn of this century, who were trying to destabilize the government of Count Sergei Witte by these kinds of processes, leading into the 1905 Revolution, which burned down Baku. . . .

But underneath what is being orchestrated by these people, you have reality. Now go back to the 1960s. We find

exactly the same people in the establishment who organized and prepared these riots, so-called, which occurred over the 1964-68 period. The same people orchestrated, in a large degree, the 1970-71 explosions, the last wave of the anti-Vietnam War protest explosions.

Then, as now, there were real, legitimate, mass-based issues affecting the population, but the population was not reacting in a riotous fashion. The very people who were the oppressors, who were causing these atrocious, burdensome realities, were orchestrating protests against their own policies, in violent form, through gangs which they controlled, and through opposing gangs which they also controlled, in order to attempt to take the explosive energy of protest against horrible conditions such as the depression, and play this off into these controlled gang operations, as we see exploding in Los Angeles, and we'll see exploding in other parts of the world.

### **The 'Arc of Crisis' policy**

For example, let's look at the Balkans. I did a broadcast in 1988, as a part of a presidential campaign, in which I outlined the relationship of certain elements of the Soviet military, which turned out to include Marshal Yazov, who were working closely with the Serbian military, which was very much Soviet-controlled (and still is, in effect, in terms of nomenklatura categories), which would be used to set the Serbian-dominated Yugoslav Army against various minority groups inside Yugoslavia, as part of a general Balkan explosion akin to what the British did in setting off the Balkan Wars of the early part of this century to get World War I going.

We also have Transcaucasia: That's a complicated thing I don't need to touch upon here. But let's go to Central Asia.

Back in 1978-79, we knew and we broadcast at that time the fact that, under Carter and Zbigniew Brzezinski, an operation was being set into place which had been organized by British intelligence, that is, by the Arab Bureau of Glubb Pasha, together with his subordinate, Bernard Lewis, who had been seconded to the United States, to develop what became known as the Bernard Lewis Plan, which Brzezinski called the Arc of Crisis policy, and which Carter referred to as the Islamic fundamentalism card. It was under this policy that various things began to happen in Afghanistan. The Soviets were provoked and lured into Afghanistan. It was under this policy that the British and Americans put Khomeini into power in Iran. The fact is that Khomeini and his father before him had been British agents going way back. So there was nothing very surprising about that.

Now we have the continuation of this policy with the Anglo-American "Great Game" from the 19th century being revived, in terms of destabilization of Central Asia under this long-term operation. We also have the involvement of Turkey. The present Turkish government has repudiated the policy of Kemal Ataturk and has gone over to the opposing



policy, the Sykes-Picot policy, which was originally intended to dismember Turkey. If this process continues, Turkey may play a key role in contributing to destabilization in the Transcaucasus and Central Asia, for reasons which specialists will understand very readily. But the end result is that Turkey itself will be dismembered, as the British and French intended with the Sykes-Picot Treaty of 1916.

What we have, then, is reality. We have real problems among people. We have real economic problems caused by bad policy. But then we have the secret agencies, the behind-the-scenes agencies, intervening with political movements and riots and so forth, to *exploit the energy* caused by problems and utilize that to neutralize the population, and thus introduce what? Back in the 1960s, the name of the game was to destroy industry, to induce what the Anglo-Americans behind these operations called a “cultural paradigm shift.” To move society away from the idea of a society based on *reason*, to move it to a “post-industrial” society, a post-industrial utopianism, and to what was called the rock-drug-sex counterculture, and malthusian, anti-industrial, anti-scientific movements, which have become the dominant movements of the so-called radicals throughout the United States, western Europe and elsewhere today. These destructive movements, these nihilist movements used to feed on the energy of protest, the energy of legitimate issues back in the 1960s. This was used to destroy industrial society, agricultural society, and bring us into the ruin which we are now suffering.

At the present stage, the riots, the destabilization of Central Asia, the destabilization of the Transcaucasus, the ignition of the kind of Balkan wars which the British and their friends orchestrated in order to create World War I, the imminent explosion of new general wars inside the Middle East, the imminent explosions in Africa, the imminent explosions of all kinds in South America and Central America, the imminent explosions in East Asia-Southeast Asia, the possibility of the self-dismemberment of China coming in the few years immediately ahead—all of these things are the result of this kind of process. What some people think, including the Trilateral Commission circles, which own Bush, who is a Trilateral member, Carter, Mondale, and which own Clinton—these circles are determined, as they say, to impose upon the world a form of dictatorship mimicking what they did with Hjalmar Schacht in putting Hitler into power in Germany. This is a conscious intent. This was discussed by the Trilateral Commission at the 1975 Tokyo Commission meeting with the so-called Samuel P. Huntington report, the *Crisis in Democracy*, and that’s what these fellows are doing today.

### **Americans’ collective insanity**

Now, how do they get by with it and how does that affect us? Let me describe the American population to you. I’ll exaggerate only slightly, in order to make the image a little more vivid. The American people, in the main part, are

collectively insane. It’s organized insanity, along the lines depicted in approximation by George Orwell’s novel *1984*, and also by the famous book and film *Clockwork Orange*.

What are the people of the United States involved in? They’re involved in flight from reality into what? A television soap opera, entertainment of that type, which has no correspondence to reality. It’s a form of insanity. They’re involved with large-scale televised spectator sports, in which the name of the game is winning and losing, in complete childishness.

You have the image in the United States that if a man were run over by a truck in the middle of the street, he would drag his injured body back home, crawl up the steps of his house, go in his living room and turn on the television set and wait for the mid-day news or the evening news to see if there was any report of his being run over by a truck. If he did not see such a report, he would say “I guess I wasn’t run over after all. I guess it never happened to me,” and roll over and die.

That, in the extreme, is the kind of mind-set which has affected the American population today.

How do they react? They watch soap opera, what are called rock videos, which are the lowest form of visual titillation, and mass televised spectator sports. These are the principal concerns of the American population.

How do they live? They live in fantasy life. Fantasy life is based on reliving throughout the day a kind of an echo, not of any particular soap opera or sports event or rock video, but a blend of these things which, as a sort of background noise in their minds, takes the place of reality. Anything that happens to them in real life is then interpreted from the standpoint of this mixture of soap opera, televised spectator sports, and rock video.

Even if they are more active and young and spend a little less time with television, in the middle years when they’re out roving the streets and doing other things, the same image dominates them.

Some people ask: What’s wrong with the United States. Where’s the corruption in government? As I’ve said repeatedly, the most essential corruption in government in the United States lies in the highest level of government, which, in fact, is the mass entertainment and news media. Complete fantasy life.

The second level of corruption is in the population, which worships at the throne of the television tube, and whose beliefs, whose values, whose way of thinking about the world is shaped by soap opera, rock video, and televised sports spectacles principally.

These people are completely labile, to such effect that if an honest politician goes to Washington to represent the interests of his people, and these news media and entertainment media tell the people that the man who is representing them faithfully is some kind of a monster, the people will turn on the man who represents them, in order to be in agreement with this entertainment and news media. We’ve seen

this again and again.

In Washington, political figures are terrorized by this kind of operation. And thus, the control of U.S. public opinion by the mechanisms associated with the mass visual (principally) entertainment and news media, has become the mechanism by which the United States is ruled, by which public opinion is ruled, by which people are prevented from acting in their own interest and are caused to act against their own interest.

### **The enemy is illusion**

The principal enemy we have, therefore—and this is true in many parts of the world—is the illusions that seize the minds of the people. For example, in eastern Europe. The illusion was that, since capitalism was the adversary of communism, capitalism must be good. What is capitalism? Well, they didn't know. Whatever was practiced in England and the United States, they presumed, was the best model. They heard it was "free trade." So they said, "Let's do free trade. That means freedom." They had sent to them the fascists who are called social democrats—otherwise known as the Project Democracy crowd—and the fascists assured them, that free trade is freedom. They said, "We social democrats would not lie to you. We admit that capitalism is good, and free trade is the essence of capitalism."

Well obviously, free trade as practiced has no effect but to destroy economies. It's no aberration that we see free trade destroying Poland, destroying the eastern part of Germany, destroying the areas of the former Soviet Union, destroying Czechoslovakia, destroying Hungary, to the degree that the Hungarians cannot resist it. *It's an illusion!* But how many people say, "We must stick with the United States, we cannot buck the United States, we have to submit to the IMF, we have to learn to live with the IMF, we have to learn to live with these bankers"? And therefore they vote on decisions which destroy their own economy, destroy their own people, inch by inch.

Illusion. Just as the illusion of U.S. television entertainment and other mass entertainment and news media are an illusion in the United States. And thus, the ruling establishment create riots which they orchestrate largely through the controlled news media, the way the NBC TV network has orchestrated the rioting in Los Angeles, as well as helping to create it by their manipulations. And thus the people do not act in their own interests.

Now, we poor, simple people, we are proposing that people act in their own rational interests as a people, in terms of the fact that every individual wishes, or should wish, to have a sense of identity, that he or she is in some way necessary to the welfare of his people as a whole, that he or she is doing something with his life which is improving the chances not only for his descendants, but for all his contemporaries and descendants, in some way, or contributing to that process.

Our biggest opposition comes not from the forceful powers of the enemy, but rather from the corruption of the minds and wills of the very people we're trying to assist in rescuing from this mess, the people who believe in these various kinds of delusions.

### **The battle ahead**

It's a difficult road, but it's one which we can win. When, I don't know. I have no idea. I always fight to win tomorrow, to win the battle before me and would hope that that battle can be turned into a decisive turning point for a general victory of humanity. But often we lose those battles. Sometimes we win a few here and there. But the enemy keeps coming on. The enemy is becoming weaker, but we have not yet won a battle which is a turning point for the benefit of humanity.

The world is sliding into a new dark age. It's happening because of the beliefs which I've referred to. It's happening because the American people predominantly worship at the Satanic Church of the Television Tube, administered by Satanic priests of the type that organized these Maoists and drug gangs to start the bloodshed in Los Angeles and elsewhere.

It's happening because people believe in the delusion of free trade. Because people wrongfully trust Project Democracy, one of the most evil and fascist organizations roaming this planet today.

So we fight principally in the realm of ideas. We fight not merely in ideas in the sense of one idea against the other, we fight to develop in people, at least in a nucleus of people and then more broadly, the ability to understand the laws of the universe; to understand what the general human interest is; to understand how the mind must be developed to cope with the kinds of decisions the problems before us present; to develop a nucleus of people among all countries of the world, who can give the ingredient of leadership to their own people, in concert with similar groups in other countries. To the point that when people realize that they've been living in an illusion, have been controlled by a delusion, and wish to come out in the fresh air of truth and say, "How do we reverse all this damage which we have assisted in doing to ourselves, by complicity with this delusion?" that there are people there, in every country, whom Plato called the Philosopher Kings, who will step forth and provide leadership for the nation, to organize it.

The proper thing I think at this time is to concentrate above all on defining the programmatic approach to what we must do to rebuild this world. Not imagining that we'll win the program simply because of its objective merits, but that in order to implement the program, we must at the same time educate concentric circles of people in other countries who are the nucleus of new leadership, to provide the counsel to agencies of government needed to bring about these policy changes, and to begin the reversal out of this dark age into which we're sliding, into a new global renaissance, dedicated to the dignity of the individual human being, on principle.

# Depopulation lobby mobilizes for the Earth Summit

by Nancy Spannaus

The propaganda war on the population issue couldn't be hotter. In the month of April, no fewer than four supposedly "authoritative" studies came out, purporting to show that the world is in imminent danger of disaster if measures for reducing the world population are not taken immediately, especially at the occasion offered by the Earth Summit which will begin in Rio de Janeiro, Brazil on June 3.

As of this writing, it appears that the vast majority of participants at that summit, who come from the poorer countries of the world, will refuse to come to heel on the population issue. But there are unmistakable signs that they, as well as the industrialized countries, are buying the underlying assumption of these reports—the scurrilous assertion that technological development creates pollution, and that it must be slowed down at least some place in the world, if disaster is not to strike.

Barring a coup in Brazil, which is not impossible, or the uncontrolled outbreak of cholera in Rio, which is just around the corner, the Earth Summit will go ahead, and it will not be boycotted by either the leaders of the developing sector, who had threatened to stay home, or by Russian President Boris Yeltsin, who has said he will come.

## The population lobby speaks

The four studies which came out in April were prepared by the WorldWatch Institute, the United Nations Development Program, the United Nations Population Fund, and the team that produced the *No Limits to Growth* book in 1972, Donella Meadows and Jay Forrester. All were intended to scare the credulous into new ecological fascist measures, on the assumption that the birth of people is the cause of poverty and environmental degradation.

As we report the results, it should be noted that each and every author has been discredited as alarmists, or frauds, over the past 20 years.

On April 23, the United Nations Development Program, which operates out of London, issued a report on the relationship between poverty and the environment. The report correctly states that "poverty is as great an enemy of the environment as misspent affluence," but proceeds to adopt the view of Britain's Prince Charles, who argued that "we will not protect the environment until we address the issues of population growth and poverty in the same breath."

The WorldWatch Institute, based in Washington, D.C., issued a report on April 25 which argued that "unprecedented biological collapse" is under way worldwide, requiring emergency action to protect eco-systems, species, and genes that make up what these authors call "biodiversity." Author John C. Ryan explicitly advocates a return to the methods of "indigenous people" in protecting resources—overlooking the fact that under such methods, the bulk of the world's population would be left to die.

During the same week, Meadows and Forrester, joined by economist Jorgen Randers, held a press conference in Washington, D.C. to release their new study, called *Beyond the Limits: Confronting Global Collapse, Envisioning a Sustainable Future*. The book reviews the results of a computer model called "World3," which allegedly proves that it is necessary to cut living standards and reduce population. The lying basis of this model is underscored by the fact that the only energy resources which are modeled are solar and wind, with no attention at all to nuclear power.

In its effort to show that economic growth can be replaced by "sustainable development," the authors argue the need for "visioning," "networking," "truth-telling," and "loving." But all these nice sentiments are based on the lie that mankind doesn't have the resources to deal with population growth.

## Demanding fewer people

The fourth study, the annual report of the United Nations Population Fund (UNFPA), is by far the most pernicious, however, as it pretends to be the most authoritative. Called "A World in Balance," it was released April 29 in London by UNFPA Executive Director Nafis Sadik, and in Washington by zero population growth fanatic Paul Ehrlich and U.N. representative Catherine Pierce.

The UNFPA study raises the alarm that the world population is headed toward a level of 10 billion people by the year 2050. It argues that this increase will cause disaster, and that "concerted actions to reduce family size during the 1990s are essential to prevent acute pressures on land and water resources and threats to wildlife."

The major fraud in the UNFPA report, which purports to be primarily concerned with alleviating the poverty among the world's 1 billion poorest people, is that it argues that population growth is responsible for virtually all environ-

mental ills, as well as for this poverty.

But a close reading of the report itself indicates that the UNFPA's own studies show no correlation between a reduction in population growth rate and economic health during the period between 1965 and 1980. While the statisticians argue that there is a small such correlation during the 1980s, this is almost insignificant compared to the total impoverishment of every part of the world but Asia during that decade.

What is left out, as usual, is the role of introducing new technologies into the economic process. Without taking new technologies into account, of course it appears that the birth of every individual is a drain on a country's resources. But the fact is that new technologies increase economic productivity at a geometric rate much higher than population growth, and actually create conditions where every individual creates more wealth for a society.

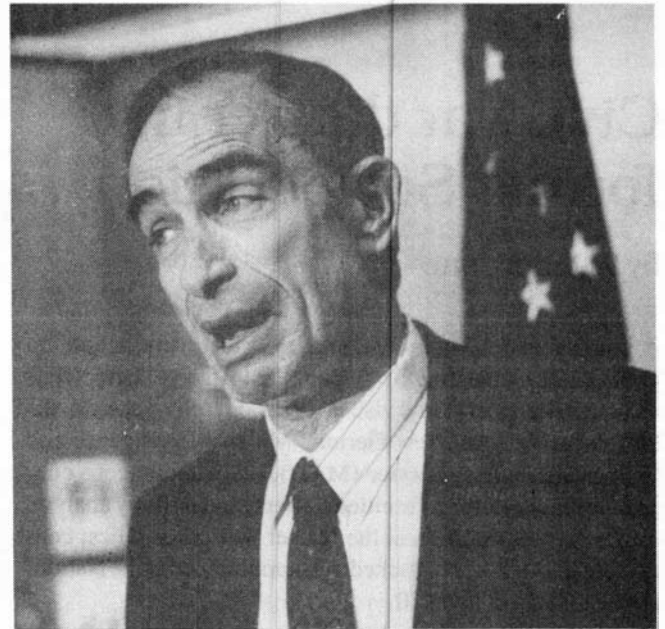
This point cannot be lost on anyone who looks back at the malthusian projections of the late 18th century, and sees what happened. But the depopulators always come back to project a new catastrophe on the horizon. One is drawn toward the conclusion that one of the most central problems in their thinking, is their inability to understand the unique value of every individual human mind and life.

## Miffed

Dr. Sadik did not mince words when she released her report. She openly expressed her disappointment that a combination of institutions, including the Vatican and the governments of the Philippines and Argentina, had prevented population control from being put on the agenda explicitly at Rio. At the same time, she singled out for praise the rather nutty scion of the British Royal Family, Prince Charles.

Indeed, the whole British government is on the depopulation bandwagon. In an effort to "preserve environmental diplomacy," Prince Charles gave a speech April 22 before the Brundtland Commission in London, demanding that population be placed prominently on the agenda in Rio and otherwise throwing the monarchy's backing behind the Earth Summit. Charles himself was echoing his mother, Queen Elizabeth II, who had made support for the Rio summit the central theme of her "Commonwealth Day" speech on March 9. Charles's intervention has received big support from the malthusian lobby in Britain, typified by a barrage of letters to the press in favor of malthusian measures against the developing world.

More recently, British Environmental Secretary Michael Howard went to the United States and arranged a compromise deal over "global warming," in order to win American support for a convention to be signed at Rio on this. The London *Times* on May 5 devoted its lead editorial to Howard's visit, defending him against critics, especially in the European Community bureaucracy, who claim that he has sold out the environmental cause by making concessions to the Ameri-



*Zero population growth fanatic Paul Ehrlich, one of the authors of a new report by the U.N. Population Fund.*

cans: "The choice is not between a weaker and a stronger convention, but between one with or without a U.S. signature. Without U.S. participation, a convention would be useless. And like it or not, in an election year dominated by worries about recession, Mr. Bush is not about to lay himself open to charges that he has put American jobs at risk. Better to have the United States on board, leaving it to peer pressure and American public opinion to ensure that in practice, America meets the guidelines."

Noting that Washington fears that the developing countries could be using the Rio meeting to revive earlier discussions for "a new international economic order," the *Times* wrote: "Rio's broader goals—an earth charter to lay down principles of 'green government' and an action plan for the 21st century—have been jeopardized by the way these goals have been inflated and politicized. The priority now must be to prevent Rio degenerating into a rerun of the North-South disputes of the 1970s. The negotiations on the threat to the ozone layer in the 1980s show what can be done by incremental steps. Mr. Howard's compromise on global warming may not save the planet. But it could preserve environmental diplomacy from disappearing into a rhetorical never-never land. And that would be a worthwhile change of direction."

The same issue of the *Times* has a news article saying that the British government has saved the "Global Forum," the parallel meeting of non-governmental organizations and others in Rio, by infusing \$1 million into the forum's coffers, at a time when it was otherwise threatened with financial collapse. The NGOs include the most rabid of the genocidal population lobby, including the "back to the Aztecs" WorldWatch.

# Civil war danger in former Soviet Union

by William Jones

A number of illusions were shattered for many people on Capitol Hill by the time Brig. Gen. Paul Albert Scherer (ret.) concluded a week-long visit to Washington. Scherer, the former head of the West German Military Intelligence and Counterintelligence Service (MAD), briefed numerous congressmen, senators, committee staffers, and military analysts on the current situation in the former Soviet republics, concluding his visit with a packed press conference at the National Press Club on April 30.

Washington has been locked in a debate over whether or not to help the republics, and, among those who want to provide aid, the majority are convinced that it must be monitored and distributed through the International Monetary Fund (IMF). General Scherer was critical of both these views.

General Scherer stressed that the West was in a race against time to integrate the former Soviet republics into the western political and economic spheres. At his press conference in Washington, Scherer expressed it in the following words: "We are presently at a disadvantage with regard to the strategic factor of time, since we wasted six years with Gorbachov, and now have lost a further nine months with Yeltsin." Scherer also noted that the western insistence on the IMF "shock therapy" of Harvard's Jeffrey Sachs was a major blunder.

## Critical of U.S. policy

In spite of what many people in the West believe, the former ruling *nomenklatura* (Soviet state bureaucracy) "is only apparently dead," Scherer said. It represents around 20 million people; combined with the 2 million soldiers and the 12 million or so members of the military-industrial complex, it provides the major countervailing force to the "reformers," who in Scherer's estimate, comprise somewhat less than 30% of the population. Scherer predicted that Yeltsin would be out of power before the end of the year.

Scherer also described the growing disillusionment in Europe over U.S. foreign policy, sparked initially by the U.S. attempts to bolster the hated Serbian regime (see p. 41). "Baker went to Belgrade and said that Yugoslavia must remain united," said Scherer. "That was a signal to the 30 Serbian generals in charge to move for opening up two corridors, through Croatia and through Bosnia, in order to establish a Serbian presence on the coast." This was a plan, Scherer confirmed, which had been developed in Moscow and was presented to the Serbian generals

by Gen. Dmitri Yazov, who secretly visited Belgrade several times. (Yazov, the former chief of staff of the Soviet Armed Forces, is now in prison in Russia for his part in the August 1991 coup.) Serbian dictator Slobodan Milosevic was appointed by these generals, said Scherer.

Scherer touched upon some very sensitive points for his U.S. listeners as he warned, "No circus in Libya!" He pointed out that any military action by the United States against Libya would set off such a reaction that it could bring down the pro-western regimes in all of North Africa, particularly in Egypt and in Morocco. "The North African coast is just opposite the 'soft underbelly' of NATO," said Scherer. "If fundamentalist regimes take over there, how would the Sixth Fleet be able to function?"

## Support the 'westernizers'

When asked how the West should react in the face of the growing danger of civil war (or wars) in the former Soviet Union, Scherer continually stressed the need to support the "westernizers" in each of the republics. In the very sensitive southern Muslim belt of the Soviet Union, Scherer emphasized the important role of Turkey, describing the area as an ideological battlefield between the western-oriented Turks and the anti-western Iranians, who were fomenting civil unrest in the area. "Word has gone out from Iran to Tadjikistan that they should reconquer the holy cities of Samarkand and Bukhara in Uzbekistan," said Scherer. This would pit the 4.5 million Tadjiks, predominantly Shiite and Persian-speaking, against the 20 million Uzbeks, predominantly Sunni and Turkic-speaking. This would erupt into a bloody civil war in the region. Scherer felt that there would be more than one civil war in the now-dismantled Soviet Union, in this "process of purgation" by peoples enslaved by the communist regime for 74 years.

With regard to the question, which has been given much attention on Capitol Hill, of the possible emigration of thousands of Russian scientists, Scherer offered no easy solution. To try to bring them to the West, he considered rather utopian. "You are talking about a scientific and technical cadre of about 100,000 people, about 3,000 of whom were initiated into the secrets of nuclear weapons." His greatest fear was that many of these scientists would emigrate to China, where native Chinese diligence, combined with Russian know-how, could transform that nation into a superpower by the year 2010.

The solution was not, however, simply giving more aid to the republics (especially not "aid" monitored by the IMF) but rather something more programmatically oriented: 1) "help for self-help," aid which was aimed at building up their own capabilities, including a variety of joint ventures and technical advice to deal with the growing hunger and poverty; 2) infrastructure programs; and 3) a program of management training. Continued support for the shock therapy of the IMF would mean further loss in the West's "race against time," and might just trigger the threatening civil wars.

# U.S. eggs on Serbian massacre in Bosnia

by Umberto Pascali

Lawrence Eagleburger, deputy secretary of state, former president of Kissinger Associates, and the most blatant example of a conflict of interest, summed up on April 23 the position of the Bush administration concerning the Serbian war of aggression now concentrated on Bosnia. In an interview with the MacNeil-Lehrer News Hour the "former" intimate friend of Serbian dictator Slobodan Milosevic, stated that in the case of the war against Croatia "the only issue that finally made a difference" was that Croats and Serbs "got tired of killing each other. They were exhausted, and the U.N. and the European Community were there—once the situation reached the stage where the two were prepared to stop killing each other, where, in fact, the U.N. and the EC could find ways to . . . separate the parties and bring some sort of at least temporary solution."

A Croatian leader commented: "They do not try to hide it any more. The strategy now is: Let the killing continue as long as possible. Maybe they will apply now a 'breakaway' scenario in which the racists, the Greater Serbians, will accuse 'American imperialism' but will continue to be encouraged to do the dirty job. Bottom line: Europe will be more and more paralyzed by fear and by the inability to take any stand."

When, at the press briefing of May 5, State Department spokesman Margaret Tutwiler was asked what happened to the big boast by James Baker III, after he met with Bosnia's foreign minister on April 14, that he would make Serbia an "international pariah" if the aggression were not stopped. "When the minister was here we made quite clear that our effort was an emergency humanitarian effort," she replied. "We have consistently called on all parties, all groups to stop the violence, to stop the fighting. Now, I don't know, what will ever eventually cause them to stop. But in the meantime we have innocent people being killed." It is not only Serbs, "there are also others who have been involved in contributing to the violence. . . . And in fact, excuse me, some of them were Bosnian armed individuals."

"Bosnian armed individuals"! Talking about a country, Bosnia, officially recognized by the United States, which has been attacked by an enemy army and gangs of "irregular" terrorists, Tutwiler accuses the Bosnians of being armed and active inside their country during a war of aggression! The cynicism reached its zenith, however, on May 2, when a

State Department assessment explained that there were conflicting reports on who started the fighting in Bosnia. Serbia was not even mentioned.

Why did the State Department decide on that day to drop even the fig leaf of a formal condemnation? "I think it was a signal," said a local source who follows the situation in Bosnia hour by hour. "Don't forget that on May 2 the President of Bosnia was kidnaped by the [Serbian] Army, and the Army thought they could turn him into a puppet. Isn't it curious that the Bush administration exactly on that day decided to go blatantly for verbal equidistance?"

## Serbian Army abducts Bosnian President

Indeed, on May 2, the legally elected and internationally recognized President, Alija Izetbegovic, was abducted by the Serbian Army shortly after landing at the Sarajevo Airport, while returning from EC-sponsored peace talks in Lisbon. Izetbegovic was held at gunpoint inside the Lutavika army barracks. His abductors asked him to sign a "cease-fire" order. When Vice President Ejup Ganic succeeded in establishing phone contact with him, the President said: "I was brought to Lutavika by force. That is why I am not in the presidential building. The Army waited for me at the airport. I am virtually a prisoner." In the meantime the Army lobbed what western diplomats called "the heaviest shelling against an European capital since World War II" on Sarajevo, trying to annihilate the government physically.

With the President of a friendly country kidnaped, the U.S. ambassador in "Yugoslavia," Zimmermann, and EC mediator Lord Carrington's people immediately entered negotiations with the kidnapers. The Serbian Army asked as ransom that the chief of their forces in Bosnia, Gen. Milutin Kukanjak, be let out of Sarajevo. He and 500 troops had been blockaded and surrounded inside their headquarters by the Bosnian forces.

From a military standpoint, the Bosnians had to maintain the blockade at all cost: It was the only guarantee that the Serbian Air Force would not totally destroy Sarajevo, as they had Mostar and so many other Bosnian towns. The government of Bosnia had to give in to the blackmail, and even release captured Serbian soldiers. Throughout the process, Zimmermann, still in Belgrade with a full staff, mediated between victim and kidnapers and made sure that the Bosnians respected the deal.

On May 6, there was another attempt on Izetbegovic's life. His car was shot at while he was traveling with U.N. special envoy Marrack Goulding. Most of the U.N. observers had abandoned their headquarters in Sarajevo. The last trick of the Serbian Army was to "release" 60,000 soldiers stationed in Bosnia. The High Command in Belgrade, after having organized the invasion, declared that they were no longer responsible for them. The soldiers, mostly from Serbian families living in Bosnia, are expected to turn even more savagely against the unarmed population once "released."

# Difficult times ahead in Italy, with the Lombard League

by Leonardo Servadio

In the course of the last two of the seven years of his mandate, the President of the Italian Republic, Francesco Cossiga, wanted to play the role of the Shakespearean jester. With an unbroken series of “utterings,” he spelled out important elements of truth concerning the Italian political situation: He denounced the creators of the terrorism which threatened Italy during the late 1970s, hidden and protected in their university chairs; denounced the emergence of the Lombard League as a destructive phenomenon for Italy; denounced financier Carlo De Benedetti as a friend of the Italian Communist Party who had removed billions of liras from the Banco Ambrosiano, shortly before this bank went bankrupt and its president, Roberto Calvi, was found hanged under the London Black Friars Bridge.

## **Cossiga plays the gadfly**

Never had an Italian politician spoken so openly and polemically about current events; never before had a President of the Republic—whose role as head of state but not head of government has been more ceremonial than practical—taken direct part in the political debate.

Cossiga’s main target was the “associative” way of managing power in Italy, determined by the party which has been permanently in power, the Christian Democracy (DC), in a conflictual cooperation with the other mass-based party, the Italian Communist Party, which is now called the Democratic Party of the Left (PDS).

In politics, many important and good things can be said for the wrong reason, and vice versa. Cossiga’s aim was, and remains, that of changing the present parliamentary system into a presidential system.

The turmoil that broke out in Italian political life with the elections of April 6-7, has opened a season of institutional reforms: Very likely in the next months there will be an electoral reform which will aim to establish a mechanism to guarantee that a ruling majority will automatically emerge from the national elections, so as to avoid the traditional wheeling and dealing among the various parties, in determining the government majority and who gets what ministerial portfolio.

Cossiga hoped to get this chance in order to push through the presidential system. The day after the elections, with an incredible lack of style, he flew to the United States and

met President Bush—something all the more suspicious at a moment when the U.S. was ostensibly planning a sort of new “Gulf war” against Qaddafi’s Libya, which would bring Italy to her knees, since Italy imports over 30% of its oil supply from that country. Shortly before leaving for Washington, Cossiga threatened that if the parties were not able to reach an agreement for a new government majority, he would establish a “government of the President,” i.e., he would autonomously name all the members of the government with consulting Parliament.

A couple of weeks later, on April 25, the day on which Italy commemorates the liberation from fascism, Cossiga announced his resignation. In his speech to the nation, he said that Italy needed, above all else, a strong President, and that he could not be such a President, having been elected by a Parliament which no longer exists (after the latest round of elections, over 50% of Parliament were new members).

## **Scalfaro takes over**

Two days before Cossiga’s announcement, something important had happened, something which likely had a great influence on Cossiga’s decision to resign: Oscar Luigi Scalfaro was elected by the new House of Deputies as its president. Scalfaro is a convinced and outspoken Catholic, of an independent mind, and is recognized by everybody as an honest man—which, in a country like Italy now, full of corruption scandals at all levels of the public administration, is not of secondary importance. He belongs to the tiny group of parliamentarians who have been in Parliament ever since its creation; as a matter of fact, he took part in the process which led to the definition of the Italian constitutional charter, and this gives him considerable authority. A longstanding anti-communist, he was an undersecretary in the Tambroni government in 1961, which repressed the attempts of Communist Party to take power by police force; now Scalfaro is on the same side as the PDS—the former Communist Party—in the defense of the primacy of Parliament and against the presidential system.

In fact, in the past months, Scalfaro was the only one who, in a series of interviews, defended the parliamentary system against Cossiga’s attacks, strongly criticizing the President. His election as president of the House clearly represents a rebellion of the House against Cossiga. For this



reason Cossiga left, and launched his latest appeal to the people for a President strong enough to check the Parliament.

The other aspect of this institutional dispute is, obviously, its economic angle. The Italian state is theoretically bankrupt, since the public debt last year surpassed the Gross National Product, and keeps growing, while the balance of trade, permanently in the red, leaves little room for great hope in the future.

Italy is already the country in Europe which has the highest level of taxation, but now new harsh measures are looming. All this means that more repression and more use of force by public authority will be needed: This is the prediction repeatedly spelled out by the "ideologue" of the Lombard League, Prof. Gianfranco Miglio, an old political scientist who has always been the visible head of those who have, ever since the immediate postwar period, pushed for the presidential system. Miglio, like Cossiga, professes to be Catholic, but at present the League's policy of reshaping the institutions in order to meet certain harsh economic measures is dictated by the most classic free-marketeering "capitalist" attitude: something totally contrary to the attitude of Pope John Paul II, who, in the words of some old-fashioned Communists, has remained the only one who criticizes capitalism.

So the political conflict ongoing in Italy can be viewed along the usual lines: the Catholics versus the oligarchists. The problem is that the latter, with the complicity of the corrupt public officialdom, have been able to significantly erode the electoral base of the parties which most directly represent the interest of the people: the Christian Democracy and the PDS.

Those who are supporting the "presidential option" are a wide array of small forces, ranging from the Social Movement (MSI), the former Fascist Party of Benito Mussolini; to the Socialist Party of Bettino Craxi, which, we should remember, is where Mussolini started his political career; to the Liberal Party, something very similar to the U.S. Republican Party; to the Lombard League, which took part in the elections as the "North League," i.e., an alliance of all the regionalist leagues in northern Italy. De facto, although not explicitly, this option is also supported by the Republican Party of Giorgio La Malfa, the Italian politician closest to the Trilateral Commission.

If this option now has some strength, this is due to the disrupting effects Cossiga and the North League had on the Italian political system, by fully exploiting in a demagogic way the existing corruption of the system. Cossiga started off his series of "utterings" with an attack on the Lombard League, but ended up as an ally of this new party.

It is worth underlining a couple of features of this new party. The day he entered the Parliament, Umberto Bossi, the boss of the Lombard League, declared his faith in the "free market" with the haughtiness of a medieval knight entering the lists of a tournament.

Not by chance, the Lombard League had been supported



*Italy's gadfly, President Francisco Cossiga, meets with President Bush in Washington on April 7, one day after the Italian elections. With his subsequent resignation, Italy's political crisis deepens.*

by the *Financial Times* of London.

In a book-length interview published for the election campaign, *Northern Wind: My League, My Life*, Bossi presents himself as a sort of new Henry VIII, who dictates what religions and the "Vatican" (meant as the "Church") should or should not do. "The priests should stay in their churches, preach their sermons, and go out only to do good deeds. But let them not meddle in politics," said Bossi, with a clear attack on the stand in favor of the "unity" of the Catholics in politics (i.e., support for the DC) repeatedly called for by the Italian bishops during the political election campaign. With a clear threat, Bossi says: "Beware, men of the Vatican, if you stay neutral, it's all okay. But if you start again playing the old card of the DC, then we could suggest to many citizens of northern Italy not to look any longer to Rome, not even for religion. But to look to nearby Switzerland, to the highly civilized Protestant countries which believe in God and in Jesus Christ, but do not recognize papal authority."

Speaking of himself, Bossi says, "I am not certain that God exists . . . [but if He exists] He is not the God they told us of in the catechism. He is a God who is everywhere, in the water, in the fire, in the air we breathe." Bossi defines himself as a "sort of pantheist": not precisely the essence of western civilization or of the Italian tradition. But with this kind of attitude, Bossi presents himself as the champion of Darwinian capitalism, against the social policy of the Church.

His adviser, Professor Miglio, in a recent statement on national television, said that this moment represents a unique historical chance to change the old system of power, and that in the moments of great historical changes, violence is inevitable and welcome.

# Indonesia blocks aid to its NGOs

by Lydia Cherry

A great hue and cry has arisen from high-profile international human rights organizations over the Suharto government's decision to ban Indonesia's non-governmental organizations (NGOs) from accepting aid from the Netherlands. The Dutch, Indonesia's former colonial rulers, prior to last month funded most of the NGOs operating on Indonesian soil—at least 24 different organizations.

The ban came a month after Indonesia first announced in late March it would no longer accept Dutch economic aid due to "the persistent effort by The Hague to use aid as a tool of intimidation and intervention into Indonesia's domestic affairs." The Suharto government made clear it wanted to maintain ties with the Dutch in fields other than economic assistance. Jakarta demanded the dissolution of the 24-year-old Intergovernmental Group on Indonesia (IGGI), the donor consortium led by the Dutch. Then, on April 24, Minister of Interior Rudini clarified that funding to the NGOs would be stopped, and that this was one Dutch "project" that Indonesia will not fund. "I insist on the ban. . . . We will take action against those who are found receiving it."

## Battering ram for environmentalists

The action by Indonesia, soon to head the Non-Aligned Movement, is not inconsequential. Human rights and environmental "conditionalities" are increasingly being forced on Third World countries to overturn governments, break up countries, and stop development. Some officials view the plethora of NGOs—both within their countries and without—as battering rams for this effort. Malaysian Prime Minister Dr. Mahathir Mohamad noted in a meeting with Indian journalists recently that he had no choice but to go to the upcoming "Earth Summit" because NGOs were so solidly lined up against Malaysia, he must go to Rio to face them down. The same week, Malaysian Primary Industries Minister Dr. Lim Keng Yaik revealed that the British-based NGO, Earth First! at a conference in Brighton had "predicted" that environmentalists will soon use explosives to attack tropical timber depots and stores.

The idea of giving NGOs more power, rather than less, draws support from high places. The elite U.S. think-tank, the Council on Foreign Relations, has published a book that calls for the U.S. to cease funding African governments, and instead fund NGOs. *Free At Last* says: "No less than 50% of all official U.S. aid to Africa must be channeled through U.S.

non-government organizations," and that in the case where "basic civil liberties are not guaranteed, all official U.S. assistance must be channeled through independent non-government organizations." In areas such as Africa there is no reason for the U.S. to now have any geopolitical interests, it says. It adds that "The end of the Cold War will increase the influence of issue-oriented constituencies" such as human rights and the environment. These are particularly important "because a sophisticated network of global relationships links them with other private groups and international organizations." *Free at Last* is written by CFR Senior Fellow Michael Clough who is also a member of the board of the high-powered human rights organization, Africa Watch. The idea for the book came from a project Clough organized for the Rockefeller Foundation.

The U.S.-based Asia Watch was one of the first U.S. outfits to condemn Indonesia for putting its NGOs on the unemployment lines. (The Washington headquarters of Asia Watch also houses Africa Watch.) In a statement released April 27, Asia Watch "calls upon the American embassy in Jakarta and the U.S. State Department to make clear to the Indonesian government that it strongly supports the work of NGOs like the Legal Aid Foundation; WALHI (Indonesian Environmental Forum), and INGI (International NGO Forum on Indonesia)." It asserts, "the statement by Minister Rudini is clearly an attack on the NGOs which have been most critical of the Indonesian government, including the Legal Aid Foundation of Indonesia." It threatens, "The Bush administration should seriously reconsider its willingness to take part in the new donor consortium meeting in Paris."

Excerpts from an "Aide-Mémoire" signed by Indonesia's 24 NGOs from the Eighth INGI Conference held March 21-23 in Odawara, Japan, give clues to the kind of opposition to its national sovereignty Jakarta faces in trying to develop this nation of 13,677 islands that stretches 3,200 miles across the equator. INGI's advice to donor countries providing development aid to Indonesia included: 1) "The current commercially oriented system of managing Indonesia's natural resources fails to give adequate consideration to ecological sustainability. The forest management system should be re-oriented to a decentralized community-based approach." 2) "Large-scale, centralized power generation installations—nuclear, hydroelectric, etc.—are characterized by unacceptably high financial, social and ecological costs." 3) INGI criticizes the proposed Koto Panjang Dam in the provinces of Riau and West Sumatra, to be financed by the Japanese Overseas Economic Cooperation Fund. 4) "INGI deplors the provisions of a new draft immigration law under which Indonesians who . . . endanger national security are prevented from leaving or returning to Indonesia." 5) On East Timor, the INGI recognizes that Indonesian government "human rights violations" are "rooted in a fundamental difference of views between the Indonesian government and the people of East Timor and the international community."

# Fujimori begins new anti-terror crackdown

by Carlos Valdez

Peruvian President Alberto Fujimori has responded to the demands of the Organization of American States (OAS) and the international banking community that he abandon his war against narco-terrorism, by promulgating several new decrees reaffirming his tough stance.

Just hours after a second OAS delegation departed Lima empty-handed on May 5, Fujimori announced a mandatory 20-year jail term for anyone convicted of involvement with guerrilla groups, and life imprisonment for rebel leaders. He announced that any person who "makes apologies for terrorism or for any person who has committed" guerrilla acts in the news media would go to jail for a minimum of six years. It was clear that the timing of the decrees was intended as a message to the departing OAS mission that he had no intention of retreating from his commitment to smash the narco-terrorists and their support networks in the judiciary, the media, and in the government itself.

Fujimori also announced new laws with harsh penalties against judicial corruption and for acts of guerrilla violence, including life sentences for leaders of so-called "annihilation squads." He set up a procedure for judges to secretly try cases of terrorism, and ordered that the trials take place in the jails, eliminating the dangerous and costly moving of prisoners.

In this context, the Peruvian Army launched an offensive against the urban networks of Shining Path. On April 30, in a raid on the Raucana shanty town on the outskirts of Lima, Raucana chieftain Condor Huamán was arrested. According to Army intelligence reports, as many as 23 other Shining Path leaders were living in Raucana. Immediately, the international human rights lobby began a media drumbeat charging that Peru's Armed Forces is the world's worst violator of human rights.

Undeterred, on May 7, the Army took control of Canto Grande prison after a day-long battle with the imprisoned terrorists of both Shining Path and the Tupac Amaru Revolutionary Movement. Two policemen and eight rebels died. Canto Grande, as is the case with several other major prisons in Peru, had been under the complete control of some 800 imprisoned Shining Path members.

## Fujimori rejects Colombian model

Since Fujimori dissolved Peru's corrupt and pro-terrorist Congress on April 5, his model has not been that of Colom-

bia, where a narco-terrorist majority dominated a 1990 Constituent Assembly which dissolved Colombia's elected Congress and wrote a "New Age" Constitution for that country.

With the U.S.-backed Colombian model evidently in mind, U.S. Assistant Secretary of State for Inter-American Affairs Bernard Aronson traveled to Peru for a two-day visit on May 1. Aronson threatened Fujimori with a total economic, diplomatic, and financial cutoff if he didn't give in to U.S. demands that he immediately restore constitutional rule. "I told Fujimori that if there was not a resolution to the crisis consistent with the OAS resolution, that I thought those pressures on Peru would intensify," he said.

But Fujimori rejected all demands to make him "turn back the clock" to pre-April 5 Peru. He explicitly rejected pressures for convoking a Colombia-style constituent assembly, which he insisted would operate as an autonomous, parallel power to the government.

Fujimori is staying equally tough with presidential pretender Maximo San Román, his former vice president, and his supporters in the former Congress. On May 1, Attorney General Hilda Cordova announced that as of May 4, she will bring charges against San Román for "usurping functions," an offense which carries a seven-year jail term. On April 30, San Román met with a group of 500 parliamentarians and other dissidents and called for electing a constituent assembly on July 5, as a step toward installing a transitional government on July 28. U.S. Amb. Anthony Quinton has been meeting regularly with San Román, allegedly to hear his proposals for restoring democracy.

But on May 6, as the OAS mission left Lima, delegation head Gros Espiell acknowledged that they had failed to mediate any agreement between Fujimori and his opponents. Fujimori explained that no mediation was necessary, since "national unity exists, at least at the level of the population. Of course, the party leaders don't understand this."

However, Fujimori's vulnerability continues to lie in his anti-nationalist economic policies. In his desperation to curry favor with international bankers, Fujimori retained Finance Minister Carlos Boloña, whom former foreign minister and current ambassador to the OAS Augusto Blacker Miller characterized as a U.S. State Department agent. "Boloña was not acting for himself. The State Department wants to weaken the President in any way possible," insisted Blacker Miller.

Immediately following Boloña's ratification as Peruvian finance minister, Chile's former finance minister and free-market ideologue Hernán Buchi arrived in Lima. Two days later, on May 3, Boloña was reported to be planning a 30% hike in electricity rates, to raise the cash to pay the foreign debts of Peru's electricity companies. The report brings to mind the current crisis in Colombia, where World Bank and International Monetary Fund dictates have led to a collapse in energy infrastructure and electricity rationing of eight hours a day.

## 'Argentina's Army is only an abstraction'

*The following interview was conducted by EIR's Buenos Aires correspondent with Héctor Luis Campos, Argentine military nationalist and one of the leaders of the non-commissioned officers who participated in the Dec. 3, 1990 military rebellion headed by Col. Mohamed Alí Seineldín. Campos and his fellow carapintadas, or "painted faces," as they are known in Argentina, in reference to the camouflage paint worn by combat soldiers, are currently on trial for their involvement in that rebellion.*

*Colonel Seineldín and 14 other commissioned officers were convicted in August 1991 on charges of "aggravated rebellion and illicit association," and were sentenced to long prison terms—life sentences, in most cases. Despite his incarceration, Seineldín has continued to be a rallying point for nationalist forces, not only in Argentina, but in the whole of Ibero-America.*

**EIR:** Aside from what is happening in this trial, what is your opinion of what is happening with the Argentine Army, and with the Armed Forces in general?

**Campos:** In today's Argentina, the Armed Forces constitute little more than an abstraction. The non-existence of concrete functions which the National Constitution defines as its mission, and the lack of the means and practices to carry those functions out, is equivalent to the phenomenon of the *ñoqui* in the Argentine Congress or in any other official body. That is, they receive a salary but do no work.

**EIR:** In August of last year, during his presentation before the court that condemned him to life imprisonment, Colonel Seineldín made a series of charges which today reflect the problems of all of Ibero-America's armies. What do you think of what is happening continentally?

**Campos:** Well, Colonel Seineldín was clear and concrete in his reflections. The Armed Forces of the continent are serving as the political instruments of their governments and therefore are being "used" for things which have nothing to do with them, and which are totally distinct from the missions which justify their existence. If you add to this the fact that foreign economic policies have been imposed on Ibero-America, we have a highly dangerous result, and we find

ourselves with armies that have been turned into internal police, anti-drug police, or simply unemployed, as in the Argentine case.

**EIR:** What is the role of the non-commissioned officer in the Army, given the current military situation in Ibero-America?

**Campos:** The role of the non-commissioned officer, with his training, activity, and knowledge, was and should continue to be the backbone of the [military] institution. Through personal and daily contact with the citizen, as defined by law, the non-commissioned officer serves as teacher and guide in the preparation and training of the armed reserve of the Fatherland. As this is not occurring today, the very *raison d'être* of the non-com is diminished, and the personnel and matériel that the nation provides for provisioning its reserve defense forces is wasted. To this we should add the constant need for technical upgrading that modern warfare demands.

**EIR:** Did there exist a technical and military specialization on the part of the non-commissioned officers of the Argentine Army, and is that capacity being destroyed?

**Campos:** The Argentine Army stood out in the Americas as being the first to have a school for non-commissioned officers, such that the Argentine non-coms always played outstanding roles in international schools and training courses. This technical and military specialization began to decline in the early '80s, coinciding with the end of the anti-subversive war. The Malvinas War and the arrival of "anti-militarist democracy" marked a worsening in the loss of professionalism on the part of the non-coms, while lack of budget translated into lack of modern equipment, and low wages forced personnel to seek second jobs in order to survive, and made seeking a military career a utopia. Therefore, there does not exist any specialization in today's Army.

**EIR:** As a patriot and defender of national and Ibero-American principles, what would you say to all those colleagues in Ibero-America who have begun to resist the assault of George Bush's new order, in which the reduction of the national armies is a key aspect?

**Campos:** In command of inferior numbers and weaponry, General San Martín from the south, and General Bolívar from the north nonetheless succeeded in liberating the continent. How was this possible? Because both knew that they were fighting for a just cause, with clear and harmonious ideas. Today, as then, it is important, indeed fundamental, to be clear what we are fighting for. The greatest enemy of Argentina is not Chile or Brazil. The greatest enemy of Venezuela is not Colombia, etc., etc. The enemies of Ibero-America are those who get rich at the expense of our people's hunger, and who want police armies to enforce international deals that will guarantee the hegemony of the United States in the region.

## Civil war in Venezuela?

*CAP may discover that turning a deaf ear to his own people can prove dangerous to his political health.*

Venezuela is "on the threshold of civil war," claimed Osvaldo Alvarez Paz, the governor of Zulia state, during a May 3 television interview. "Modern civil war does not mean half the Armed Forces declaring war against the other half," he said. "Modern civil war begins with . . . an outbreak of violence here, another there, and soon the whole country is wrapped up in a wave of violence. . . . Venezuela is not very far from this," stressed the governor.

Alvarez Paz is not alone. Growing fear of a civil war in Venezuela stems from the failure of President Carlos Andrés Pérez's special advisory council to convince him to resign. The council was supposedly set up by "CAP" to lend an ear to the people's demands, but the President's response to his council's pleas has been to insist, "I will finish my term at all cost."

Pérez's political deafness notwithstanding, the past month's developments in Peru have "stirred the pot" among various political and military sectors inside Venezuela. Pérez's outrageous suspension of relations with Peru in response to President Alberto Fujimori's recent actions dramatically contrasts with the expressions of sympathy the Peruvian head of state has received from Pérez's political opponents. In the aftermath of the Feb. 4 coup attempt against Pérez, discontent with his government has grown.

Indeed, the dead calm of Easter Week ended abruptly amid repeated media charges that the Pérez government is training a personal mercenary force of former Salvadoran FMLN

guerrillas and Nicaraguan "Contras," led by "anti-Castro" Cuban veterans of the Bay of Pigs. The charges were initiated by journalist José Vicente Rangel.

What has become evident is that the institutional rupture between the Executive and the Venezuelan Armed Forces has become irreversible. For example, during late April, police strikes occurred in two key states, Mérida and Carabobo. The capital of Mérida is also the site of the Los Andes University, known for its political activism, and it served as a center of support for the police actions April 23. The government ordered the National Guard to repress the Mérida strike, but failed to dissuade the police in Valencia, capital of Carabobo, from launching their own strike movement one week later. In both cases, the government didn't dare to use the Army to repress the strikers, out of fear of triggering something far larger.

Indeed, during the Mérida police strike, rumors began to circulate of a military uprising in Maracay, in the state of Aragua. Gov. Carlos Tablantes admitted April 22 that there "had been something," but that "things were under control." The daily *El Globo* also reported on irregular actions by troops at Fort Guaicaipuro, in the state of Guárico, and by cadets of the Technical School of Aviation and at the Army School.

One of the persons closest to Pérez has given substance to Alvarez Paz's charges. Former director of military intelligence Gen. Herminio Fuenmay-

or (ret.), identified by the opposition press as the head of Pérez's mercenary force, warned April 22 of the existence of a terrorist plot. "We must be ready to handle a political situation where something like the 'Bogotazo' [uprising] that occurred in Colombia after [Luis Carlos] Galán's death may be attempted. A high-level political leader may be chosen for assassination. They are sure this would produce an insurrection in the country, and perhaps even a revolution," said Fuenmayor.

Among the possible targets Fuenmayor mentioned were former President Rafael Caldera, Attorney General Ramón Escovar Salom, and writer Arturo Uslar Pietri, all known opponents of the Pérez government. While Fuenmayor insisted that the attacks would be perpetrated by ultra-leftists linked to the Bolivarian Movement, none of his suggested targets believe it. Uslar Pietri claims that the real problem is that Pérez "has a fatal tendency to surround himself with foreign and some Venezuelan professional police, to create an ill-advised and untrustworthy security apparatus." In such bodies, he stressed, "there is a blurred line between a certain kind of policeman and a criminal."

Pérez's Interior Ministry has denied the presence of foreigners in the ranks of state security agencies. However, it has failed to explain the role played by the Cuban Orlando García, who served as Pérez's security chief until he was quietly dismissed to avoid a major scandal concerning fraud against the Army. Pérez has been linked to García since his brief exile in Cuba in 1948, after which the two went to Costa Rica together. García is tied to a group of "anti-Castro" Cubans from the Bay of Pigs period who have been involved with the Venezuelan political police (DISIP) since Pérez's first presidency.

## **U.S. toughens policies toward India**

*Washington shows willingness to back up its shrill rhetoric with some arm-twisting, and more sanctions are coming.*

**P**resident Bush's confrontational "new world order" foreign policy continues to steamroll all and sundry. Besides issuing threats of trade sanctions and "suspension of access to U.S. technology" against both Russia and India over the proposed sale of Russian cryogenic rocket engines to India (see *EIR*, May 8), on April 29 the White House suspended duty-free treatment under the generalized system of preferences (GSP) of pharmaceuticals and chemicals from India for alleged violation of U.S. intellectual property rights.

Subsequently, U.S. Trade Representative Carla Hills told correspondents that India will remain on a list of "priority countries" which will continue to be watched under Super 301 provisions of U.S. trade law. Taiwan and Thailand are the other two countries on the list.

Exactly a year ago, the Bush administration had placed India on its Super 301 hit list along with China and Taiwan for its failure to protect U.S. intellectual property rights. New Delhi, acting more on self-consoling delusion than on reality, was going around saying that the United States would not retaliate and that the threat was aimed at forcing India to soften its stand on the issue at the Uruguay Round of the General Agreement on Tariffs and Trade (GATT) negotiations.

Although the White House's action will help the Indian government to get a firmer grip on reality, the action itself will not hurt India much financially. Pharmaceuticals and chemicals, which include antibiotic,

chemotherapeutic, and anti-parasitic drugs, constitute a meager \$60 million of the total \$524 million in exports that India shipped to the United States under the GSP. Moreover, although the removal of duty-free status will mean an imposition of \$3 million worth of duty on the sanctioned products, it is most likely that such a duty will not price the Indian products out of the U.S. market.

Nonetheless, the reaction that the White House's action has generated here is more like the explosion of a fair-sized grenade. In the Indian Parliament, members of ruling and opposition parties alike dished out some harsh criticism of the U.S. administration. Left and left-leaning opposition members demonstrated in front of the U.S. Embassy, and President Bush was burned in effigy at least twice in New Delhi.

The criticism did not go down well with the Bush administration. Hills's assistant Nancy Adams, speaking before the newly established National Indian Chamber of Commerce in Washington on May 1, blamed the Indian press for blowing the action taken by President Bush out of proportion. Adams accused India of "thefts" of American patents. She said that the failure of talks both in New Delhi and Washington, and India's refusal to cooperate with the United States in the GATT negotiations, caused the U.S. action.

In New Delhi, Union Commerce Minister P. Chidambaram put up a brave front, telling parliamentarians that the government will not yield under U.S. pressure and "unjust and un-

warranted" actions.

There is little doubt that the Indians are willing to plead guilty to theft. Indian pharmaceuticals and drugs are covered by Indian patents which are process based, unlike the U.S. patents which are based on individual products. A recent study conducted by the Operations Research Group, a leading market research agency, on behalf of the Indian Drug Manufacturers Association, revealed that 46%—and not 5% as claimed as claimed by Hills—of the drugs marketed in the country abide by the U.S. trade laws.

Obviously, the technicalities raised by Washington are designed to cover up what is really the heart of the matter. Washington is acting out of vengeance against India for the inevitable failure of the Uruguay Round of trade negotiations.

Washington is aware of India's hobnobbing with the European Community to slow down the talks, which, incidentally, is also the *modus operandi* of the EC countries. But it is believed that the United States will not retaliate against the EC farm exports to the United States (worth about \$1 billion) by slapping on more tariffs.

However, India should expect more retaliatory actions from Washington soon. The Multifibre Arrangement is going to expire in December. If no multilateral agreement is signed before that, India, and some other developing countries, will have to deal with highly unfair bilateral agreements. This is going to hurt all of them severely.

The pronouncements from Washington are getting shriller by the day. Besides threatening India with penalties if it buys cryogenic rocket engines from Russia, word is out that Washington will withdraw its support from India's possible future bid for further loans from the International Monetary Fund.

## Los Angeles-style riots erupt

*Since the United States ousted Noriega and occupied the country, the place has been disintegrating.*

On May 5, while the ashes from the rioting in Los Angeles, California were still warm, a mob in Colón, the second largest city in U.S.-occupied Panama, burned to the ground the governor's office and several other public buildings. Also attacked were the municipal palace and the telephone company. Several cops were wounded by gunfire during the disturbances, as were a number of protesters.

The situation in Colón is the result of the corrupt free-trade policies and policies to pay the debt at any cost that the Bush administration has imposed on Panama since the December 1989 invasion. The same policies are being applied virtually everywhere else in Ibero-America, with equally disastrous results.

The Colón riots capped several weeks of protests led by the Movement of the Unemployed (Modesco) in Colón, where the majority of the population is black. Although this city, the Caribbean terminus to the Panama Canal, is the site of an international Free Zone, where business (mostly drugs) is booming, 56% of Colón's work force are without a job. Since the dismantling of the Panamanian Defense Forces (PDF) following the invasion, Colón has become a virtual no man's land, with criminals having the run of the place. Housing destroyed by the invading forces has not been rebuilt. Infrastructure has collapsed to such an extent that city streets are flooded by raw sewage.

At the end of April, Modesco temporarily suspended all demonstrations on the promise of the U.S.-installed

President of Panama, drug banker Guillermo "Honeybuns" Endara, that he would visit the city on May 5 to discuss with the people a solution to their economic problems. But, the venue chosen by the corpulent President for the meeting was the exclusive Brazos Club, a super-chique establishment where membership is limited to very rich Panamanians from the upper classes, known locally as *rabiblancos* ("white asses"), and to high-ranking officers of the U.S. Armed Forces in Panama.

Despite pleas from the leaders of Modesco that the Brazos Club location (about 5 kilometers outside of Colón, next to the U.S. Army base at Fort Davis) would prevent people from attending, Endara refused to budge. To move the meeting into the city would "affect the dignity of the presidency," he said, thereby inciting the violence.

While Panama's Gross National Product last year grew by more than 9%, unemployment is also rising, and the middle class is disappearing.

Worse, until the beginning of May, the entire country was forced to live for nearly four weeks without water or electricity for up to six hours a day or more. It was one of the rare instances of functioning democracy seen in Panama since the U.S. occupation, said one source. While the poor sweltered in their slums, it was the rich in their high-rise offices and condominiums who had the worst of it. With no power to run the elevators or the air conditioning, stairs had to be climbed and, in many cases, not even a window could be opened, because there are none in the climate-

controlled luxury buildings.

This, in a country that not long ago was exporting electricity to neighboring nations.

The immediate cause for the power rationing has been a drought that curtailed the capacity of the country's reservoirs and hydroelectric generators. But the basic problem has been the steady deterioration of Panama's physical plant. Since 1987, when the Reagan-Bush administration declared economic war on Panama as part of the campaign to oust Gen. Manuel Noriega, there has been virtually no investment in infrastructure. Every available dollar since the invasion has gone to pay the foreign debt.

The situation is so bad that Panama, which until 1989 could brag of one of the cleanest water supplies in the world—equal or superior to the best available in the United States—can no longer assure its citizens that what comes out of the tap is safe to drink. More than 1,000 cases of cholera have been reported.

Tuberculosis is also climbing sharply. In just the 15 months from January 1991 to March 1992, there has been a 50% increase in the number of cases.

The United States insists that only by continuing to apply disastrous free-trade policies can Panama get the necessary "foreign investments" to solve its problems. One proposal is to privatize the state electricity company, IRHE, and to buy power from outside suppliers. One to benefit from this boondoggle is U.S. Col. James Steele (ret.), who ran part of Oliver North's drugs-for-arms Nicaraguan Contra resupply operations during the mid-1980s, and who led the U.S. Military Support Group in charge of the occupation of Panama. Using a surplus U.S. generating barge, Steele would sell IRHE for 15¢ per kilowatt-hour, the electricity it now costs IRHE 4¢ to generate.



# International Intelligence

## ***Prof pushes 'fascism with a human face'***

In a commentary in the London *Daily Telegraph* of April 27, titled "Coming Next on the Cards—Fascism With a Human Face," Oxford University Professor of Modern History Norman Stone writes that "whether anything insufferable emerges will really depend upon the truly ugly ghost that is emerging from history's cupboard—that of the Thirties' Slump."

According to Stone, economic collapse drives "panicky voters [to] opt for radical solutions. Nowadays, there is nothing as purely evil as Stalinist Communism and Hitler's Nazism on offer. On the other hand, something like fascism with a human face could well be on the cards. . . . There is already a certain school of thought in the U.S.A. for whom Mussolini was 'a developmental dictator'—the sort of figure who, by authoritarian government, 'modernizes' a backward country. . . .

"The 1990s may not prove to be the happy time which that miraculous year, 1989, seemed to promise."

The *Telegraph* is owned by the Hollinger Corporation, whose chairman, Conrad Black, is a member of the Trilateral Commission and a friend of Henry Kissinger.

The call for "fascism with a human face" is an echo of the 1970s, when a group called the Initiatives Committee for National Economic Planning (ICNEP) proposed "an American form of national planning," otherwise known as corporatism. "Corporatism is fascism with a human face," the group admitted. Supporters of the effort included Robert McNamara, later a Trilateral Commission member and chairman of the World Bank.

## ***Maastricht Treaty draws fire in France***

Nobel Prize-winning economist Maurice Allais, in a commentary in the French daily *Le Figaro* on April 29, denounced the European Community's Maastricht Treaty for

unification of Europe, calling it "potentially dangerous to our future," as a violation of the sovereignty of nations.

There is a small but vocal opposition to the treaty in France, including the Chevènement wing of the Socialist Party, the Communists, Le Pen's National Front, and a grouping in the RPR party.

Allais in his article pleads for defining strictly those areas in which the European Community's bureaucracy in Brussels would get power to determine national policies, because otherwise the treaty will only reinforce the "centralizing, dirigistic, technocratic, bureaucratic, unitarian, and Jacobin tendency of the Brussels Commission."

Allais further denounces the free market bias of the treaty, pointing out the threat this represents to French agriculture. As it is, concludes Allais, the treaty "must not be ratified," but should be renegotiated, with strict limitation places on supranational European authorities, and with a popular referendum on the final product.

## ***East German firm helped CIA arms deals***

The Imes company of communist East Germany played a key role in secret arms deals of the CIA, the German weekly *Der Spiegel* reported the week of May 4. The CIA used East Germany's various capabilities as a conduit for all kinds of secret arms deals into the Mideast, Ibero-America, and Central America and other regions.

The article does not mention the role of Irangate principal Oliver North, but *EIR* has documented that his operation worked with the communists in the Mideast and Ibero-America.

According to *Der Spiegel*, Imes, which was run by the Stasi secret police, had deals, through Britain, with CIA arms merchants like Sam Cummings (Interarms Corp.), Luftur Johansson (Techaid International), and the Iran-Contra partners Adnan Khashoggi and Monzer al-Kazar. The Saudi-linked Cantrade Bank in Zurich was involved in monetary transactions. Most of

the deals mentioned are in the 1985-86 period, but St. Lucia Airways, a CIA-run operation, transported four secret arms loads from East Berlin's Schönefeld Airport during 1982-85.

This joint CIA-Stasi network seemed to operate under the nose of the Soviets, but without knowledge of at least part of the leadership in Moscow. *Der Spiegel* reports that a planned secret transport of T-72 battle tanks to Egypt was called off by the East German Ministry of Defense because had it become known, it could have created diplomatic tensions with Moscow.

## ***NATO sets up naval force in Mediterranean***

The North Atlantic Treaty Organization is establishing a standing naval force in the Mediterranean to fight "regional wars." The new naval force, consisting for the time being of eight frigates, was inaugurated at a ceremony at the NATO naval base in Naples, Italy. The vessels are contributed by Germany, Greece, Turkey, Italy, Spain, the Netherlands, Britain, and the United States.

The outgoing NATO supreme commander, Gen. John R. Galvin, said that while a "war all the way across Europe" was highly unlikely in the near future, a new danger emerged from "the possibility of regional conflicts."

Aside from the role of the U.S. Sixth Fleet, NATO has not had a standing naval force in the Mediterranean. The new force will be under a rotating command; the first commander is Capt. Lutfu Sancar of Turkey.

## ***Corruption scandal could hit Israel's Sharon***

Three senior officials at Israel's Housing Ministry are charged with several counts of corruption, fraud, whittling-away of state funds for party political pork barrels, and personal misuse of such funds.

The list of charges is contained in a report presented at the end of April by the director of the state office of budgetary man-

## Briefly

agement, Mrs. Ben-Porat.

The affair has already provoked calls in the public and the parliament for the resignation or dismissal of Housing Minister Ariel Sharon, Israel's version of Adolf Hitler, who is also accused of absorbing too much state money for his ambitious settlements program in the Israeli Occupied Territories. In many cases, this consists of overpriced mobile homes that are benefitting nobody except the construction sector mafia. Criticism has been voiced because many settlements are placed in desert areas without access to water or electricity, while Sharon has no program for building new homes in urban areas.

### *Brits tout alleged 'merits of monarchs'*

"The Craving for Kings: All Over the World Politicians in Tight Corners Are Rediscovering the Merits of Monarchs," headlines a London *Economist* report the week of April 27. It profiles the efforts for monarchical restoration in Afghanistan, Romania, Bulgaria, Russia, Serbia, France, Italy, Portugal, Greece, Libya, Ethiopia, Brazil, and Cambodia, while extolling the virtues of existing monarchies.

The article begins: "Afghans, delightfully waving goodbye to President Najibullah, wonder whether ex-King Mohammed Zahir Shah might not be the man they need. Romanians, struggling to make sense of post-communist democracy, are allowing ex-King Michael home for the Orthodox Easter. In high society, monarchs never went out of fashion. In real life, too, they seem to be making a comeback."

Romania's King Michael, for example, is "a Hohenzollern, a name that few history books omit. Like the Saxe-Coburgs (Bulgaria), the Romanovs (Holy Russia), and the Karadjordjevs (Serbia), they belong to the European cousinage that for centuries ran states for lesser peoples."

The article claims that "Libya's exiled Senousi dynasty is revelling in Muammar Qaddafi's troubles"; that "the reinterment of Haile Selassie's remains, in July, could be

the occasion for declaring [pretender ex-Crown Prince] Asfa Wossen's succession" in Ethiopia; that "Brazil may get a chance to choose in its forthcoming referendum" whether it wants to bring back the Braganzas; and that the outcome of the political battles in Cambodia may well be the restoration to the throne of Prince Norodom Sihanouk, who abdicated in 1955, thereby bringing back a monarchy that dates to before the year 600 AD.

### *Japan expects Russian withdrawal from islands*

Japanese Foreign Minister Watanabe announced at a press conference in Moscow on May 5 that Russian troops will withdraw from the islands referred to as Japan's "northern territories" within one to two years. Watanabe was in Moscow for meetings with Russian President Boris Yeltsin.

He reported that Yeltsin had said that Russian forces would be withdrawn from the islands disputed by Japan and Russia, the Kurile Islands/Northern Territories. Watanabe said that Yeltsin cited Russia's economic and political problems, and the need to economize on manpower. Watanabe related that Yeltsin said that all troops except border guards would withdraw from the islands.

According to Interfax, Yeltsin and Watanabe also discussed Yeltsin's planned visit to Japan in mid-September and the prospects for Japanese economic and trade links with Russia's Far East and Siberia.

Watanabe also met with Russian Foreign Minister Andrei Kozyrev to discuss an agreement which the two countries' leaders plan to sign when Yeltsin visits Japan in mid-September. According to Reuters, the pact will deal with cooperation in space projects and security at sea. Japan said it was also ready to help Russia with modernization of its nuclear reactors, and with setting up research institutes to employ Russian military nuclear specialists.

Watanabe also met separately with Vice President Aleksandr Rutskoy, who has been a leading critic of the economic policy of President Yeltsin.

● **AN ALGERIAN** court sentenced 13 Islamic fundamentalists to death, on charges of attacking an Army post on the Tunisian border. The group claims to be linked with the Islamic Salvation Front (FIS), and the sentence is seen as an escalation of the government anti-FIS campaign. The Algerian government has banned the FIS and jailed over 9,000 of its leaders.

● **TAIWAN'S** opposition Democratic Progressive Party pulled its 74 deputies out of the National Assembly on May 4, accusing the ruling Kuomintang party of blocking democratic reforms. The Assembly blocked a proposal by the DPP to renounce the government's claim of sovereignty over China. It also shelved a DPP-backed proposal to introduce direct elections for the President.

● **GORBACHOV** arrived in the United States on May 5 for a tour promoted by Henry Kissinger, among others. He is said to be raising money for his Gorbachov Foundation in Moscow. He met with President Bush and gave two major addresses, on the theme "The River of Time and the Imperative of Action."

● **FRANCE'S** former defense minister Jean-Pierre Chevènement, who quit the Socialist government in protest against the Gulf war in January 1991, on May 3 announced his intent to build a new left-wing party, composed of former members of the Socialist Party, the Greens, and the Communists. He said that he would run for President as the new party's candidate.

● **TURKISH** President Turgut Özal was the honored guest at a dinner held by the Quincentennial Foundation in New York City on April 27. The foundation commemorates the arrival of Sephardic Jews in Turkey who had been expelled by Spain. Henry Kissinger attended the meeting, and gave Özal an award.

## Did Warren Christopher torch your neighborhood?

by James Duree, Jr. and Khushro Ghandhi

In April 1991, *EIR* investigators prepared a preliminary intelligence analysis, which was given limited circulation at the time, warning that the American establishment was planning to detonate a race riot in Los Angeles as part of a broader national "strategy of tension" aimed at America's crumbling inner cities. This evaluation had already been tentatively arrived at before the videotaped arrest of Rodney King on March 3, 1991. But the enormous media-centered campaign around the Rodney King case, orchestrated by the Trilateral Commission and U.S. intelligence agencies, confirmed that the race-riot scenario was operational at least a year before the verdict in the Rodney King-Los Angeles Police Department (LAPD) case.

On April 15, 1991, Samuel Huntington, who authored a study for the Trilateral Commission entitled *The Crisis in Democracy*, which was a blueprint for ending democracy in the United States, told a reporter: "The book is basically a road map for how to make decisions, and decision-making has broken down. I would not be surprised to learn that it is an idea whose time has come."

### The so-called 'riot'

No riot, in the sociological sense of an upwelling of emotions by some part of "the people," ever occurred. What did occur was the deployment of approximately 500 urban guerrillas in an attempt to start a race riot. The primary activity in the disturbances did not involve mobs, but small squads of disciplined urban guerrillas, deployed to set 3-10 fires per hour, combined with well-armed guerrillas deployed for drive-by shootings and sporadic sniper activity. In the wake of the ensuing anarchy, various people took advantage of the

opportunity to loot, a wholly apolitical activity which had nothing to do with politics or the Rodney King verdict.

The only quasi-political demonstrations which led to rioting were led by a handful of hard-core white Maoist terrorists grouped around the Revolutionary Communist Party (RCP), formerly known as the Revolutionary Union (RU). The RCP is well-known for both its function as riot provocateurs deployed by intelligence agencies, and as the American support apparatus for the Peruvian terrorist network Shining Path (*Sendero Luminoso*). The script is a classic insurgency tactic, exemplified by the following passage in Tom Hayden's 1967 manual, *Newark Rebellion: Official Violence and Ghetto Response*:

"The role of organized violence is now being carefully considered. During a riot, for instance, a conscious guerrilla can participate in pulling police away from the path of people engaged in attacking stores. He can create disorder in new areas the police think are secure. He can carry the torch, if not to all the people, to white neighborhoods and downtown business districts." Hayden, at the time, was a member of the pro-terrorist wing of the Students for a Democratic Society (SDS).

Thus, the Los Angeles rampage was a hard-core terrorist operation, run using the RCP, in league with the only other local social grouping with a similar paramilitary capability, the drug-pushing street-gangs known as the "Bloods" and the "Crips." Only days before the rampage broke out, a meeting was held between the two gangs, normally considered rivals, at the Jordan Downs housing complex in South Central Los Angeles. The meeting functioned as a key coordination point for the insurgency to come. A "Crip" leader interviewed by



*An April 13, 1982 RCP press conference in New York City. Members of the Revolutionary Communist Party were among the white, Maoist urban guerrillas deployed to set fires in Los Angeles.*

Ted Koppel on the ABC News program “Nightline” stated: “This isn’t about Rodney King; this is between us and the cops.”

On April 30, the Compton Police Department revealed that it had arrested six youths for arson, and that when questioned about their activities, the youths said they were “on a mission to burn down 10 buildings an hour.” Their car contained 10 gallons of gasoline for use in these fire-bombing operations. Law enforcement sources also report that many of those arrested during the disturbances had identical cover stories, indicating coordination and control.

The day before the Rodney King verdicts were released, a leaflet was mass distributed in South Central Los Angeles by the RCP entitled “There’s No Justice in the Courtroom—It’s Right to Rebel.” The flyer was an attempt to trigger the urban-terror scenario, regardless of the outcome of the trial.

### **Christopher and the Trilateral Commission**

The secret behind the Rodney King incident was not what occurred on the streets of Los Angeles, but the massive media attention it received. The Hollywood media establishment, especially Ted Turner’s Cable News Network (CNN) and NBC, gave the incident non-stop coverage, using Rodney King as a “wedge issue” to foment racial tension and misdirect the very real anger of the population against “racist cops.”

Within days of the incident, Los Angeles Mayor Tom Bradley, a member of the Trilateral Commission, used the

press-orchestrated clamor for “police reform” to put a Trilateral Commission counterinsurgency apparatus in place, which then launched a virtual war on local law enforcement, effectively paralyzing, if not destroying, those functions.

Bradley appointed fellow Trilateral Commission member Warren Christopher to form the “Independent Commission to Investigate the LAPD.” Christopher, whose specialty is riots and urban insurgency, is a partner in the key patrician law firm of O’Melveny and Myers. In the early 1960s, Christopher and fellow Trilateral Commission member Cyrus Vance, then at the Pentagon, drafted “Operation Garden Plot,” a plan for martial law in American cities in the event of domestic civil disorder.

Christopher was one of the creators of the Law Enforcement Assistance Administration (LEAA) during the Johnson administration, when he was deputy U.S. Attorney General. LEAA was one of the early attempts to implement a top-down federal takeover of local police departments. While at LEAA, Christopher worked with Patrick Murphy, who went on to become one of the principals of the Police Foundation, which has functioned as a privatized LEAA, pushing liberal reforms on police departments. Murphy is now on the national board of directors of the Drug Policy Foundation, the most important lobby group pushing for drug legalization in the United States. Murphy and his Police Foundation associates, James Fyfe and James Q. Wilson, are advisers to the Christopher Commission. Christopher also sat on the McCone Commission, chaired by former CIA director John McCone,

which "investigated" the Watts riots in 1965.

Others appointed to the Christopher Commission by Bradley include Mickey Kantor and Willie Barnes, both law partners of former Democratic National Committee chairman Charles T. Manatt. Both Manatt and Kantor are products of O'Melveny and Myers. Kantor is currently the national campaign manager for Arkansas governor and Democratic presidential candidate Bill Clinton. A key adviser to the commission is Richard Drooyan, a partner in the law firm of Skadden Arps, the firm of former Anti-Defamation League (ADL, otherwise known as the "American Dope Lobby") national director Kenneth Bialkin.

### Stanley Sheinbaum and dope decrim

Bradley also revamped the Los Angeles Police Commission to coordinate operations with Christopher, by appointing Democratic Party kingmaker and intelligence insider Stanley Sheinbaum as president. Sheinbaum, who married into the Warner Brothers studio interests, is a close associate of Christie Hefner and the Playboy Foundation, a leading advocate of drug legalization. He is also the publisher of *New Perspectives Quarterly*, the magazine of Robert Hutchins's

and Rexford Tugwell's Center for the Study of Democratic Institutions. The magazine is edited by Richard Dennis, the major funder of the Drug Policy Foundation. Mickey Kantor is also on its board. Sheinbaum is a left-wing "social democrat" who works closely with Michael Harrington and the Democratic Socialist Organizing Committee.

When the Police Commission attempted to suspend Chief Gates and was sued by him, the commission hired the key Dope, Inc. law firm of Skadden Arps to represent them. At the same time that the Christopher Commission went into action, the federal Justice Department and FBI, then under Richard Thornburgh, launched a wide-ranging "civil rights" investigation into the LAPD, and announced plans to extend this to police departments all over the country. U.S. Rep. Don Edwards (D-Calif.), a former FBI agent, sponsored legislation which would have empowered the feds to put any local police department into receivership under color of federal civil rights law.

Two weeks after the Rodney King arrest, a series of suspicious "racial incidents" erupted in the Los Angeles area, apparently pitting blacks against Koreans, almost identical to the operations run by Rev. Al Sharpton in New York City.

## Flier, media inciting violence in Los Angeles

Reports continue to surface that the violence in Los Angeles was not a spontaneous action by citizens of the city, but has been initiated by disciplined bands of urban guerrillas and gangs, and fanned by the media.

The May 5 *Los Angeles Daily News* included an article headlined "Police Probing Fliers Inciting Gang Violence." The article stated:

"Police are investigating the authenticity of handbills inciting a new wave of gang violence against offices of the Los Angeles Police Department [LAPD] in the wake of the Rodney King verdict and at the height of the rioting, officials said Monday.

"The fliers were found Friday, as rioting was abating two days after the acquittals of the four LAPD officers in the King case, officials said. The fliers refer to the King verdict and the Latasha Harlins case in which a Korean store owner got five years' probation in the 15-year-old's fatal shooting.

" 'It's On' the fliers said. 'It's open season on LAPD, to Crips and Bloods, lets unite and don't gang bang and let it be a black thing for the little black girl and the homey Rodney King. And eye for and eye a tooth for a tooth. If LAPD hurts a black will kill two. Pow. Pow Pow.'

"Also on the fliers: 'Crips, Bloods, together we stand.'

" 'It was being posted and handed [out] in several locations,' said Cmdr. Ron Banks. 'The gang people indicated to me at that time that it didn't seem like anything they could verify as coming from a specific gang. We certainly cannot discount it. It's another piece of intelligence that indicates that there's something out there we need to worry about.'

"Deputy Chief Matthew Hunt, commander of the South Bureau where the violent spree occurred, said he learned about the flier Monday.

" 'We're trying to verify that information—we're trying to check out if there is some authenticity to it, or is it just an individual trying to get a rise out of it,' he said."

On the ABC News program "Nightline" on May 1, there was further confirmation from gang leaders themselves that the Rodney King verdict had little to do with the eruption of violence. Host Ted Koppel interviewed two people identified only as members of the gangs the "Bloods" and the "Crips." Koppel gave them 15 minutes to present their case, nodding in agreement when they said the looting and arson was "justified" by the Rodney King verdict. One of them added, "This really isn't about Rodney King. It's about us and the cops. We [the gangs] want to get them, and they want to get us."

Koppel repeatedly stated that he found them to be "extremely articulate" and offered his services as a "mediator" between them and church leaders.

Small proto-riots against Korean-American-owned liquor stores were led by Danny Bakewell, Sr., head of the "Brotherhood Crusade."

### A case study in ghetto counterinsurgency

The Brotherhood Crusade gets its start back in the late 1960s, out of the "reforms" implemented on the recommendation of Warren Christopher and the McCone Commission after the Watts riots of 1965. At least two vice presidents of Xerox Corp., owned by dope legalization advocate and Bradley campaign funder Max Palevsky, have been on the board of Bakewell's Brotherhood Crusade.

In addition to grants from the Model Cities program, Bakewell received grants from the Cummins Engine Foundation and the Irwin Sweeney Miller Fund. The Cummins fund had been exposed years prior to this, along with the J.M. Kaplan Fund, as a key CIA money conduit. J. Irwin Miller is the chairman of the Cummins Engine Co., and is the controller of both the Miller fund and the Cummins Engine Foundation.

Miller is also a member of the Trilateral Commission, a trustee of the Ford Foundation, and, perhaps most important of all, a signer of the original Manifesto issued in February 1975 by the so-called "Initiatives Committee for National Economic Planning." ICNEP was a group founded by former United Auto Workers President Leonard Woodcock, which expressly promoted running the country on the basis of corporatism, which the committee itself described as "fascism with a democratic face."



A building burned out in the Los Angeles riot—you can thank Warren Christopher, for one.

## Profile of an urban guerrilla organization

The Revolutionary Communist Party (RCP) is a key element in the street provocations and urban irregular warfare now taking place in Los Angeles and other cities around the country. Originally founded as the Revolutionary Union (RU) in the late 1960s as the Students for a Democratic Society splintered into RYM I and RYM II, the RU was from the outset, along with the Weather Underground, one of the most violent of the splinter groups. RU was formally linked to the Maoist intelligence services in the People's Republic of China, with many RU leaders traveling to the P.R.C. during the late 1960s and early 1970s for training. After a series of riot provocations in the 1970s, RU founder and current leader Bob Avakian fled to Paris, France where he is still operating in exile.

RU leaders also have ties to U.S. intelligence agencies. William Hinton, a State Department socialist who

spent many years in China after Mao's Long March and who became a leading publicist for the Cultural Revolution, was one of the behind-the-scenes controllers of the RU/RCP. Captain H. Bruce Franklin, an Air Force Intelligence officer who spent several years at the Sorbonne, was another RU founder and early leader.

In recent years, the RCP has founded an international movement called the Revolutionary International Movement (RIM), which publishes a quarterly journal entitled *World to Win* (until recently, published by the Bertrand Russell House, London). Among the dozen or so member groups of RIM is Shining Path in Peru. At last year's anti-war demonstrations in Los Angeles, RCP was actively present as a Shining Path contingent.

RCP was directly involved last year in small-scale riot provocations in the Adams-Morgan area of Washington, D.C. and in the Haitian community in Miami, Florida. They are known to work closely with ghetto street gangs, including gangs that peddle drugs. In virtually every city where violence erupted following the Rodney King acquittal, the RCP has had a longstanding presence.

# Reality behind the riots: 27 years of negligence

*Lyndon LaRouche released the following statement on May 7.*

This is Democratic presidential candidate Lyndon LaRouche speaking with anger and disgust at the behavior of not only President Bush, but of other leading commentators in response to recent developments in Los Angeles. I ask you to do a very simple thing: Dig out some photographs and memories of Watts in 1965. Overlay those pictures and those memories with South-Central Los Angeles in 1992. Let's put a caption on these comparisons: "The Warren Christopher Commission's policy from 1965 to 1992."

What have been the policies of the Christopher Commission? Warren Christopher is the partner of Mickey Kantor, the campaign manager of Bill Clinton. What have the Christopher policies done in South-Central Los Angeles from 1965 to 1992?

*That is the question, not the riot.*

In fact, from 1965 to 1992, not only in South-Central Los Angeles, but in the ghettos in Chicago, in New York City, and in every other major city in this country with Hispanic and black ghettos, the conditions of life are worse, the architecture is worse, the housing is worse, the homelessness is worse, the sickness is worse, *everything is worse.*

What does this mean?

Twenty-seven years of negligence, 27 years of what Sen. Daniel Patrick Moynihan (D-N.Y.), when he was a member of the Nixon administration, proposed as "benign neglect"—only I don't think it's benign.

The issue of Los Angeles last weekend is not the issue of the Rodney King beating or the verdict, or the riots which were staged by the Maoist gangs and some other drug-running gangs, arson and shooting on a large scale. That's important, but that's not the primary issue.

The primary issue is, that we have continued to take increasing percentages of our total population, not only black, not only Hispanic, not only Koreans; but others, and we are throwing them into Hell. And this includes today our senior citizens, and many other categories, who are about to be savaged by those rioters in Washington who wish to cut their entitlements and contract the economy, instead of recognizing that from 1965 until 1992, not only have the policies of Warren Christopher ruined this nation, but so have the policies of every administration.

The policies that have ruined this nation are essentially the same policies represented by Bush today, by Clinton

today, and by many others.

Now some people say you have to choose between front-runners Clinton and Bush, or perhaps Ross Perot. To do so would be a mistake, but you say that's realistic. Well, would you rather vote for what you don't want and get it, and get more of it, when you've got it up to the neck already; or would you rather take a chance on a long shot by voting for what you want—relief from a 1965-92 pattern of disasters in every section of U.S. social and economic policy?

## **A fascist apparatus behind riot**

*In earlier comments on May 5, LaRouche identified the establishment policy behind the riot.*

First of all, the black ghettos, both rural and urban, in the United States, have three elements which are indigenous, which are characteristic of the ghetto.

One is the traditional civil rights movement, which includes a lot of politicians who are part of the civil rights movement in the *broadest* sense of the term. That's their mentality, that's the way they think; they may err, but their conscience, when pressed, always comes back to the civil rights standard which we associate with the civil rights movement of the 1950s and early 1960s as a point of reference. This is typified by what was exemplified by the leadership of Rev. Martin Luther King.

We have a second stratum which is the Nation of Islam, which recruits within the ghetto, and is an independent force, a moral influence and otherwise, within the ghetto.

Third, we have the criminal element, in increasing portions, in the ghetto, sometimes called the "dust" people—people who push drugs, who run in gangs.

Now, despite the fact that a lot of apologies are made for the individual case, for why they became a criminal, the fact is, they became criminals. The fact that their criminality can be explained does not justify it, and should not be introduced as a factor of compassion or justification when you're dealing with criminality. You're dealing with a fascist gangster, that is what these kids are. For example, the Crips and the Bloods: They're gangsters. They're criminal elements. And no excuse can be made for what they are. Maybe they shouldn't have become that. But what they are, is what they are.

Then we have, from the outside, an interface with the ghetto in several forms. On the lowest level, and closest to the criminal element, are the Maoist politicals. These Maoists are naturally fascist. That includes the Progressive Labor Party (PLP) types, the Revolutionary Communist Party



(RCP) types, the Bob Avakian types; these are all essentially anarchical fascists—real nihilists, something Friedrich Nietzsche would have understood. And they tend to come closer to the hard-core criminal elements in the ghetto, who move in a sea of general criminalization, which affects a growing part of the population, largely through the drug operations, which have now become much worse.

In terms of the organic actions in south Los Angeles, the reaction was organized by the criminal element on the ground, in concert with the RCP and similar types. But that's not the end of the story.

The ghetto is analogous to a Nazi concentration camp—we're taking particularly the pre-war, pre-1939, pre-1940 Nazi concentration camps.

The camps were administered on the inside, with the blessing of the Nazis, by the politicals. The politicals were the civic leaders, shall we say, of the camp. They organized things. They did all the things that required intelligence, and skill, and political skills. But then the politicals were controlled in turn—that is, killed, for example, or beaten, when they got out of line, because the Nazis would send the criminals to do it to them. . . .

That's the way a black ghetto is in the United States. It's essentially a Nazi concentration camp, which has political leading strata, which are generally imbued with the civil rights mentality, who administer the ghettos from the inside. Then you have the criminal elements, which are used to take care of the political elements, and generally control the ghetto, more directly in the specific interest of the outside forces.

### The 'poverty' apparatus

Now the outside forces center upon what we used to know as the poverty apparatus, which is essentially a *fascist* apparatus, interfacing combinations of outrightly satanic New Age outlooks, through the rock-drug culture, etc., and also through people like Warren Christopher and that part of the establishment.

These people, generally, when you're talking about the PLP and similar things, we're talking about Anti-Defamation League (ADL)-connected affairs, we're talking about gangsters, we're talking about the Hollywood set, which includes the Mickey Kantor—one of Warren Christopher's old buddies—set, organized crime. Santa Barbara is the center for this, the Center for the Study of Democratic Institutions, this kind of thing.

Let's take the police force. I agree with the proposition that Daryl Gates is a bum of the lowest degree. He's like the criminals down there. I don't care how they got to be that way; they got to be that way, and that's what Daryl Gates is.

Daryl Gates is *not*, however, a representative, in any sense of *quality*, of the Los Angeles Police Department. And the FBI and organized crime have been out to bust that police department for a long time. And the point is, it's the last remaining large police department which has any capability

and cleanliness to it. They've ruined the New York Police Department. It was ruined by Patrick Murphy, who is part of the Christopher apparatus.

The program which is being implemented by Stanley Sheinbaum [president of the Los Angeles Police Commission] et al., is what we've known for years: It's fascism. We have some first-rate studies about these vest-pocket community police department arrangements—Police Foundation, Law Enforcement Assistance Administration stuff. This comes very close to the Democratic Party side of fascism, as opposed to the George Bush side. Not that George Bush is any good, but it just is not George Bush's particular cup of tea. It's the Democratic Party and Charles Manatt's friends apparatus' dirty cup of tea. It's the social democrats, it's Project Democracy, the Initiatives Committee for National Economic Planning (ICNEP) fascism.

### Organized crime

For example, who is one of the most famous American political figures who backed ICNEP? Sen. Hubert Humphrey (D-Minn.). What do we know about Hubert Humphrey?

Sen. Hubert Humphrey had two basic pedigrees. Primarily, Humphrey was a wholly owned subsidiary of Meyer Lansky. The entire Democratic Farmer Labor Party machine, from the top on down, is a bunch of racketeers and thugs created as an organization by the Lansky machine. However, Lansky's crowd was operating under a franchise from the grain cartel crowd, centered in the Twin Cities—which meant Dwayne Andreas, it meant above all Cargill; it meant that complex of operations with which the Pillsbury name, the Washburne name, and so forth, are associated; all of these intelligence-related things, which are tied in part to the Teddy Roosevelt operation, the liberal Democratic side, the Settlement House movement, that tradition.

So you have the Humphrey machine, which preys upon a bunch of rather sheepishly long-suffering people who are sheared annually. They think that, somehow, this thing up here is benign. It's just smart. It doesn't kill the sheep off. It shears them every year, and it culls the flock.

But that's ICNEP. It's this kind of fascism—the Warren Christopher, Carter administration, Office of Economic Opportunity (OEO), Robert Hutchins poverty apparatus. It's liberal, ADL, Project Democracy—social democratic fascism. And that's what is moving into place.

The Democratic presidential campaign of Arkansas Gov. Bill Clinton is run by Mickey Kantor, who is an integral part of this bunch of fascists and drug-pushers. That's what they all are, drug-pushers. And so is Clinton's Arkansas. George Bush is a drug-pusher, with whom Clinton works, through the mediation of people like Oliver North, back in the 1980s. No question. But it's still distinct.

Why is it distinct? Because only by having these kinds of distinct operations, can the people on top, the elite, work out their own differences among themselves.

# Environmental protection tax—the next swindle

by Carol White

It is rare to find George Bush on the right side of an issue, and in the instance of “global warming,” it is only by comparison with his Democratic Party opponents such as Sen. Albert Gore (D-Tenn.), that the rabid environmentalist Bush even appears sane. All indications are that the White House will sign a treaty accord for a non-mandatory cap to hold carbon dioxide emissions at the 1990 level, at the Brazil Eco-92 summit. Gore is the head of the congressional delegation for the June ecology summit, and he has taken the point for the Democrats in Congress, in demanding even more stringent clean air standards than are now in place, or proposed by the administration.

There should, however, be no illusions. A non-mandatory accord will create the climate for enforcement of even more stringent clean air regulations nationally—such as are now in effect in the state of California. The difference between Bush and Gore on this issue is more one of style than substance. An environmental protection tax is certainly attractive to a revenue-strapped President who is on record promising no new taxes.

Either way, with a binding or a non-mandatory treaty, new taxes are on the agenda, as well as new regulations which will be expensive to implement. In a situation where U.S. industry is increasingly noncompetitive and burdened with debt, this can only lead to an accelerated pace of shut-downs such as we are now seeing in the auto industry. Gore has announced new congressional hearings, intended to force Bush's hand at the Rio summit in June. In preparation for this, there is a mounting environmentalist drumbeat.

Gore launched his new media campaign in an editorial page commentary in the Sunday *Washington Post* on May 3. There he argued that since emissions levels now are close to those of 1990, the United States can afford to sign a treaty binding the nation to those levels. The fly in the ointment,

which he has refused to see as problematic, is the fact that such a stabilization of carbon dioxide emissions as has now occurred, could only have occurred during conditions of economic slowdown such as the U.S. economy is now going through. Ironically, Gore's claim that more stringent controls will not be a toll on the economy, can only be substantiated under conditions of perpetually worsening depression. The measures which he has advocated, and which he intends to push through the Congress before the Rio summit, can only have the effect of turning the United States from a superpower to a Third World country.

Even the Department of Energy (DoE), which in the recent period has had a very poor record on energy questions—particularly in the area of research and development—has refuted the claim that the U.S. economy can withstand further such environmental measures. In a recently issued report to Congress entitled “Limiting Net Greenhouse Gas Emissions in the United States,” the DoE correctly asserted that the apparent profitability of environmental measures is, in the longer run, spurious. Conservation may encourage a certain amount of greater energy efficiency, but by and large it does so at the cost of productivity and is a net drain on the economy.

The DoE based its study on the modest supposition that the U.S. Gross National Product would grow at an average rate of 3.2% and therefore require a correlated growth in available energy, especially electricity. Gore denies this, and contends instead that with a mere 1% growth in energy, the economy can be strengthened, and new jobs created. In his commentary, he pointed to the number of jobs opened up by the need to meet higher environmental standards, as a case in point. By that kind of reasoning, any make-work job which gives people an income can be considered to strengthen the economy, such as having grandmothers sweep streets in

place of sanitation trucks. The DoE, in response to a congressional request, also estimated that reduction of carbon dioxide emissions by 20% over the next 10 years would cost the ailing U.S. economy a massive \$95 billion per year. This, of course, is precisely the direction in which Gore would have the United States go.

### Carbon tax proposal

One measure now being advocated to enforce a reduction of carbon dioxide emissions would be a direct carbon tax or a steep increase in the gasoline tax. An estimate by Eugene Trisko, an independent consultant working with the Coal Board, is that such a tax would essentially tax the U.S. economy an additional 10 times over those measures presently imposed by laws such as the Clean Air Act.

Considering that an automobile is an absolute necessity for increasing numbers of Americans who are denied any access to mass transit facilities, but who must use a car in order to travel to work and for such activities as food shopping, a CO<sub>2</sub> tax will be only that, a further burden to the consumer and a pretext for a disguised tax rise. Similarly, most Americans cannot reduce the temperature of their homes in the cold winter months below a certain point, without suffering serious health problems. The likely result of such a tax is that individuals will cut back on other, less essential expenditures, and pay more for gasoline, electricity, and so on. In the case of corporations, any additional burden on already sick basic industries will probably cause further shutdowns and unemployment. This may cut down CO<sub>2</sub> emissions, but only at the cost of deepening the depression.

Gerd R. Weber, in his book *Global Warming, The Rest of the Story* (Wiesbaden: Dr. Boettiger Verlags GmbH, 1992), documents a contradictory picture. (*EIR* excerpted Dr. Weber's book in its Jan. 10, 17, and 24 issues.) The cost of fossil fuels does not really promote a decreased use of fossil fuels, although it does place an additional tax upon producers and consumers. From 1973 to 1981, gasoline prices in Germany went up two-and-a-half times, while gasoline consumption increased by 30%. Energy efficiencies in automobiles, at present are no greater in Germany than in the United States, despite the high German gasoline tax, and the fact that the cost of gasoline is at least double that in the United States.

It can be shown that investment in high technologies, such as substitution of plasma processes for direct reduction in basic industry, does lead to energy efficiencies, reduction in pollution, and higher productivity. In general these will be technologies in which energy flux densities are increased at the point of production; this would mean—for one thing—rapid expansion of the use of nuclear energy which is provably safe, clean, and economical. (The high cost of nuclear energy today is a product of false costs which have been deliberately imposed on utilities which are hamstrung by environmentalists during the construction phase of nuclear

plants, and then prevented from opening nuclear plants in a timely fashion once they are built.)

### Global warming is a hoax

There is no lack of competent information rebutting the notion of a threat of global warming. A new report just released in April by the George C. Marshall Institute, "Global Warming Update; Recent Scientific Findings," is useful in this regard. The institute, led by the president emeritus of Rockefeller University and past president of the National Academy of Sciences, Frederick Seitz, substantiated findings otherwise presented by *EIR* and also by *21st Century Science & Technology* magazine. For example, the observed rise in temperature since 1880—a matter of 0.5°C—occurred before 1940; yet it is only after that date that massive amounts of man-made carbon dioxide were released into the atmosphere.

Indeed, from 1940 to 1970 the average temperature on the Earth's surface dropped. Precise satellite measurements of global temperatures show no significant warming during the 1980s, according to a report by NASA scientists working at the University of Alabama and the Marshall Space Flight Center. Recent findings suggest that at most, greenhouse warming over the next century will be less than 1°C, and perhaps no more than one-tenth of a degree.

Recently, the National Research Council, whose members are drawn from the National Academy of Sciences, in collaboration with the National Academy of Engineering and the Institute of Medicine, released a report on fuel economy of automobiles and light trucks. The direction of their thinking is indicative of the inadequate approach to technology questions which is afflicting the United States today. Rather than approach the problem of developing hydrogen as a feasible fuel, or of a multi-dimensional approach to linking automobile transportation to mass transit, they have focused simply on downsizing trucks and automobiles. The measures which were considered by the council included a *ninefold* increase of gasoline prices (to \$10 per gallon).

One way to reduce pollution from automobiles and trucks, is to invest in mass transit, and to build and refurbish canal systems. Under these circumstances, magnetically levitated trains and even "maglev" automobiles and trucks, would be a serious option. Such a turn of events would give a boost to the machine tool sector centered around the aerospace and auto industries.

Options such as these do not feature in the plans of either the Bush administration or its Democratic opponents, with the exception of Lyndon LaRouche, who has been pushed out to the margins of the Democratic Party, although his policies are far closer to those of its constituents than the current greenie leaders. The present debate about the terms under which an environmental treaty will be signed at Rio precludes any kind of option for the U.S. economy except deepening depression and austerity.



## LaRouche campaign got a boost in Penna. primary

*Lyndon LaRouche's Democratic presidential campaign received a significant boost in the Pennsylvania primary April 28. With 98% of the vote counted, LaRouche received 21,600 votes, or 2%, finishing fourth of the six Democrats on the ballot. Meanwhile, LaRouche supporter Philip Valenti received 47,070 votes in a five-way race for the Democratic U.S. Senate nomination.*

*In congressional races, LaRouche Democrats Tony Hadley and Constance Komm received about 2,400 votes and 3,000 votes respectively.*

*In Philadelphia, LaRouche was credited with over 5,000 votes, compared to only 280 votes in 1988! His vote totals were particularly impressive in the black neighborhoods of the city. In the 32nd ward in predominantly black North Philadelphia, he received 6.5% of the vote. In one voting precinct in that ward, he received 67 out of the total 189 votes cast (35%), and in another, 42 out of 173 votes cast (24%). In the nearby 19th ward, 6.3% of the vote went to LaRouche. In other precincts in the black community, LaRouche received 58 out of 146 votes cast (North Philadelphia), 55 out of 248 votes (West Philadelphia), 38 out of 214 votes (Southwest Philadelphia), 25 out of 116 votes (Germantown), and 41 out of 169 votes (West Oak Lane).*

*Also in Philadelphia, Valenti outpolled Allegheny County District Attorney Bob Colville for U.S. Senate. Colville had been endorsed by Philadelphia Mayor Ed Rendell.*

*EIR interviewed Mr. Valenti about the Pennsylvania results on May 4.*

**EIR:** Mr. Valenti, why are the Pennsylvania results so significant? After all, it's only 2% for LaRouche.

**Valenti:** First of all, no one can claim that "the voters didn't know he was with LaRouche." Our vote was not a random one, nor the result of chance.

If we had left the vote to chance or wishful thinking, then I doubt Mr. LaRouche would have ever out-pollled Harkin and Kerrey, whose names have been branded into the minds of the people, while most voters still didn't know LaRouche was on the ballot! [Harkin and Kerrey each trailed LaRouche by over 1,000 votes—ed.]

With this vote, a potential LaRouche "army" of over 20,000

Democrats has surfaced in this state. Naturally, this does not include the many Republicans and Independents who support LaRouche but who could not vote in the Democratic primary, let alone those not yet registered to vote at all.

**EIR:** You say the vote was not the result of "chance." Are you saying that mass distribution of literature alone secured the vote?

**Valenti:** As Mr. LaRouche has pointed out in the past, mass literature distribution is like an "artillery bombardment" in war, to "soften up" an area and allow your "infantry" to advance. Nothing works without the "infantry" on the ground.

Ron Wiczorek, the farmer who carried his district for LaRouche in the South Dakota primary, pointed this out earlier this year. He said that the key was for some person in the community to stand up for LaRouche, even without a lot of publicity, so others would have someone to rally behind.

After all, these elections are really a phase of "people's war." This "people's war," or "cultural warfare," is ultimately won or lost in "hand-to-hand combat," in the person-to-person organizing that goes on every day.

In Pennsylvania, our volunteers systematically telephoned every contact who had recently expressed interest in the LaRouche campaign. We explained that even a 5% vote for LaRouche would give us a chance to upset the Bush-Clinton nightmare, since there are still 12 more primaries after Pennsylvania.

This process resulted in a list of over 800 individuals, each of whom pledged to turn out from 5 to 50 votes. Then, the "hand-to-hand" combat began with their friends and family members. Most people kept a list of prospective LaRouche voters, called them back once or twice, gave them some literature and made sure they got to the polls election day.

Beyond these numbers, there are a significant group of Democratic Party leaders and activists, who are terrified and disgusted by Clinton, and who mobilized for LaRouche like their lives depended on it.

**EIR:** Mr. LaRouche has said that the mass entertainment and news media is the most corrupt element of our government. What role did the media play in the Pennsylvania campaign?

**Valenti:** To the extent we had our own army of supporters out there personally organizing other individuals, the media could not stop our core vote.

Let me give you a good example of how this worked, in the case of a dairy farmer in one rural county. This man had experienced a lot of frustration in talking to his neighbors about LaRouche over the years, but never caved in to the media brainwashing himself. Finally, he hosted two Australian farmers at a LaRouche meeting a week before the election, and 12 people showed up.

He followed up those people and others, and as a result LaRouche came in second to Clinton in his ward, with 24% of the vote! Meanwhile, with no one on the scene to cut through the media blackout, LaRouche was held to just one vote in each of the four neighboring wards.

I think this shows on a small scale what the “peaceful revolution” in East Germany proved on a large scale: No amount of media brainwashing can stop a genuine “people’s movement.”

**EIR:** Can you say something about the impact of your campaign for U.S. Senate?

**Valenti:** As it developed, my campaign for U.S. Senate provided some important backup to our supporters on the ground.

I participated in the two debates among the five Senate candidates, which were televised on major network affiliates statewide, and nationally on C-Span. They were also carried by dozens of radio stations, with reports published in every newspaper. Our supporters were ecstatic about these debates, and the LaRouche movement earned much new-found respect in the Democratic Party as a result.

The real lesson of all this, however, is that one supporter made all this good media coverage possible. The Pennsylvania Association of Broadcasters had originally planned to exclude me, and only me, from its televised debate. A reporter with the *Philadelphia Inquirer* had previously told me that I was “too insignificant” to mention in news coverage of the Senate race, saying that it was “editorial policy” to exclude my name!

Our supporter, a courageous lady who is an officer of an NAACP branch, called the broadcasters’ chairman, and denounced him for discrimination and suppression of minorities. The very next day, I was invited to participate in the debate, and later joined the League of Women Voters’ debate as well. Among other things, I was able to denounce the *Inquirer* on television as “one of the worst purveyors of racist lies and trash in America.”

Beyond this, I visited 25 counties around the state, talking to local mayors and commissioners about the LaRouche economic program, which resulted in a news article in almost every local newspaper.

At the tail-end of the campaign, several statewide polls were published, and each one had excluded my name from the list of Democratic candidates!

By then, however, most of our supporters took this bla-

tant censorship as a mark of honor.

**EIR:** I understand that the media characterized you as the only “anti-abortion” Democrat for U.S. Senate.

**Valenti:** Yes, this was an issue of great interest, since the incumbent, Arlen Specter, was being challenged in the Republican primary by the state legislator who authored Pennsylvania’s law restricting abortion, and also because of the stand of Democratic Gov. Robert Casey. Casey has been crusading nationally to change the Democratic Party’s position on abortion, saying that the party’s “pro-abortion” stand has alienated most of the party base.

In the two televised debates, I said, “I believe that we have *no choice*, but to recognize that human life begins at conception. Therefore, the same moral and legal restrictions against taking human life must apply before, as well as after, birth. I believe we must be very strict on this, and apply the lesson of the Nazi Holocaust. It was determined at the Nuremberg Tribunal, that the Holocaust had ‘small beginnings,’ when the medical profession accepted the idea that ‘some lives were not worthy to be lived.’ I believe that the 28 million abortions since 1973 have likewise devalued human life, and opened the door to euthanasia, infanticide, and genocide today.”

I added that being against abortion is insufficient, and that it is the duty of government to “promote the general welfare,” and to provide productive employment, and promote family formation.

Needless to say, the other candidates had no answer to this argument.

Afterwards, one pro-life group, Lifepac, wrote an open letter, saying: “At the time our Lifepac endorsement flyer went to print, we thought all of the Democratic candidates for the United States Senate were pro-abortion. After watching the televised debate and talking to Philip Valenti, we became aware of our error. Philip Valenti is a Pennsylvania Democratic candidate for the United States Senate with a pro-life stand.”

The Pennsylvania Pro-Life Federation, however, put out an endorsement flyer, which listed the four other Democratic candidates as “pro-abortion,” but completely excluded my name!

**EIR:** Can you explain a bit more what Governor Robert Casey is up to?

**Valenti:** Casey has refused to endorse any Democratic candidate for President, particularly Clinton. He has said that Clinton is unelectable, and that the party has not adequately addressed the issues of jobs, the national debt, and abortion. He says that he will raise the issue of abortion at the Democratic National Convention.

He’s right, as far as he goes. But the most intelligent, hardest-working Democrats in Pennsylvania are with our movement now, so no change for the better will happen without us helping to lead the charge.

# 'I'm not a legend, I'm a myth'

by Leo F. Scanlon

There is a saying which warns: "Be careful what you ask for—because you just might get it." The admonition would be well taken by those who are looking to the independent presidential candidacy of Ross Perot as an alternative to the twin monstrosities of Bush and Clinton.

"The fact that they want me for President means they're desperate," Perot says. His supporters imagine that Perot is an enemy of the hated "establishment." They imagine that he will "drive the money changers out of the temple," and that he will wipe out corruption in the government. But Perot didn't do it when he "took on Wall Street," he didn't do it when he "took on GM," and he won't do it in Washington.

## The richest Texan Wall Street ever invented

The first element of the Perot myth perpetuated by the popular media is the idea that he is an entrepreneurial giant in the tradition of Westinghouse, Edison, Ford, or the thousands of small manufacturers who built the American economy in the last century. Perot has never *produced* anything—never developed a manufacturing process, never engineered a dam or highway, and never made an advance in scientific knowledge. He is a manager and salesman who built a business providing consulting services to the data-processing divisions of major corporations and the government.

Raised in a middle class family from the Texarkana area, Ross Perot attended the U.S. Naval Academy in Annapolis in the 1950s. Soon after graduating he resigned his commission in order to pursue a career in business, signing on with IBM. Perot quickly became a top salesman, and then realized that IBM had become big enough to miss an emerging sales opportunity.

IBM's practice of leasing its computers to its customers made them captives of IBM software and technicians. An anti-trust suit in the late 1950s ended that practice, and forced IBM to allow customers to buy computers, and to also buy software. A secondary market developed in leasing unused computer time, bought from companies which needed large machines, but didn't need them 24 hours a day, and sold to companies which needed computer time, but couldn't afford to buy or lease the entire machine. While still a salesman for IBM, Perot began to set up a side business in the niche which would grow exponentially in the next few years.

In 1962 Perot joined Texas Blue Cross/Blue Shield (BCBS) as a consulting data-processing manager, and formed Electronic Data Services (EDS). In 1963, with the small group of computer systems specialists he recruited to EDS, Perot was offered the contract to computerize the nationwide sales and distribution of Frito-Lay snack foods. The contract was money in the bank for EDS, and allowed the company to expand its recruitment of IBM specialists. In the 1970s, Perot would refine his recruiting methods, and targeted military personnel who were ending their careers. He set up shop in military towns like Fayetteville, North Carolina, and put out the word that there was a job for any officer who wanted to join a company that did business the way a Special Forces team made war.

Perot's patronage of these recruits, and his commitment to them (such as his privately funded rescue to EDS employees jailed during the Iranian revolution) allegedly built a fanatical loyalty among employees. His use of "golden handcuffs"—low pay with lots of potentially lucrative stock options—was a variant on the IBM system which gave his employees an incentive to extraordinary exertions.

In 1965 the passage of the Medicare bill opened a major market for data-processing services, with the need for tracking payments for medical services through the labyrinth of Blue Cross/Blue Shield, private insurers, and public facilities. By 1967 Perot resigned from Blue Cross of Texas and signed a contract to manage the data processing for that company. According to *Ramparts* magazine, Perot got the contract—even though the Texas Blue Cross system was working better than any other in the country at the time—because certain BCBS board members were planning to invest in EDS. The company was private, but Perot was planning to take it public, and the only real asset behind the value of that stock would be the size of the contracts held by EDS when it went public.

Whether *Ramparts'* implication of a stock manipulation scheme is accurate or not, the story points to the chasm between Perot and the independent entrepreneurs who built the country *against* Wall Street. Perot is a creature of the stock market. His millions depended on the speculative value attached to EDS stock by Wall Street, which is the model of the collectivist consensus politics which Perot proposes to

bring to national government. If you “obey the rules” written by the private financial institutions which control the credit dispensed by the stock market, you can be as eccentric as you wish, and like Perot, still be lavishly rewarded by “the market.” Perot is the first to admit that stock valuations are a big joke—but as his career shows, he is more than willing to pocket the cash and go along with the gag.

EDS was brought out at 118 times its earnings in 1968 by stock underwriter Ken Langone, of R. W. Pressprich and Company. There were 650,000 shares issued for sale, which represented 6% of the 11.5 million total shares in the company. They began trading at \$38 a share, but quickly shot up to \$160, an increase from 118 to 500 times the earnings (from the contracts held) of EDS. Of the approximately \$10 million cash “earned” by EDS that day, Perot got \$5 million and the company got \$5 million. Another \$57 million worth of stock was held by employees—who could not sell for seven years—and Perot held another 9.5 million shares privately, the value of which increased from \$200 million to \$1.5 billion in a matter of hours. Perot was the fastest, richest Texan ever invented by Wall Street.

### **Bailing out Wall Street**

Perot was soon handed the bill for his ride on the Wall Street roller coaster. Perot’s millions, after all, didn’t represent any work done by EDS, they were “earnings” granted to EDS by the market—and when the market needed them back, it asked. The arrangement is the essence of the Wall Street system. Thus has a small group of investment banking houses been able to dictate investment policies which have destroyed the vitality of American manufacturing firms. Perot articulates a populist contempt for the corporate culture this system cultivates, but he loves the system, and when it called, he answered.

In 1971 the U.S. economy was undergoing a variety of shocks set off by the collapse of the Bretton Woods monetary system. One effect of the global financial reorganization was a collapse of certain categories of Wall Street investment houses. One such institution, du Pont Glore Forgam, was a brokerage owned by a branch of the same du Pont family which had been a major backer of the General Motors conglomerate. In 1971 the brokerage house was failing, and threatening to take down a number of others. Perot was approached by a committee composed of Attorney General John Mitchell, Treasury Secretary John Connally, and Peter Flannigan of the White House staff, which begged him to agree to a bailout plan developed by Lazard Frères investment banker Felix Rohatyn (representing the New York Stock Exchange in the negotiation).

Perot agreed, and began sinking EDS millions into the failing brokerage. NYSE Chairman Bernard J. Lasker gushed to *Business Week*, “as long as there is a Wall Street, we will owe a tremendous debt of gratitude to Ross Perot.”

Perot immediately proposed a \$250,000 program to study

the feasibility of having EDS become the facilities manager for Wall Street, which badly needed to have its trading and accounting mechanisms computerized. Rohatyn and the NYSE were more interested in bailing out du Pont, at least \$40 million in debt at the time. By 1973 Perot would have \$93 million on the line to the brokerage, and when the final collapse of the Bretton Woods system rippled through the U.S. economy, the securities market went down along with Penn Central, Lockheed, and many other companies. EDS took a \$500 million loss. The collapse of stock trading volume postponed the need for a computerization of the street, preventing EDS from getting its trademark payoff—control of the computer facilities management division.

Perot had captured the public imagination in 1969, when he financed a private effort to bring supplies and letters to POWs held in North Vietnam, just as the public was beginning to get sick of the Cold War carnage in Vietnam. The myth machine transferred this popular image to Perot’s activities on Wall Street.

Perot was using the bailout of du Pont as a soapbox to preach “reform” of the speculative practices of Wall Street. He hired young military veterans and put them to work “boiling” phone lists beginning at 8 a.m. (heresy among the bluebloods at the brokerages, who punctuate a 9 to 3 day with martinis at lunch). Perot began advocating sales of a very conservative investment portfolio, aimed at small investors and savers, utilizing the now-standard financial planning “pyramid” (70% for security, 20% for income, and 10% for growth, etc.). He presented this as a populist scheme for involving millions of normal citizens in the stock market, as investors in the “conservative” portfolios, and thus diluting, or simply overwhelming, the “speculators” who use the market as a gambling casino.

Even Frank Capra never made a movie with such a naive theme; it is unlikely that someone as sharp as Perot believed that the deregulation of international financial markets, the explosion of the black-market drug financing, and the speculative binge financed by those events, could be stopped by selling “slow growth” investment portfolios. When the collapse of the securities market proved the foolishness of the scheme, Perot scrapped the venture and pronounced his judgment on stock brokers, eagerly recorded by the myth machine: “Where else are there so many mediocre people with absolutely unbelievable incomes?”

### **Roger and Ross take on GM for Wall Street**

The current phase of the Perot myth is based primarily on his exploits at General Motors. In the popular (media) mind, Perot is the archetypal “little guy” who struck the corporate dragon and in so doing, struck a blow for the workers and shareholders, who were being sold out by a lazy bureaucracy too stupid to beat the Japanese in the auto market. The people who believe such myths usually also believe that shareholder revolts can overthrow corporate boards, and that loudmouth



talk show hosts influence congressional legislation. Movies such as "Roger and Me," "Wall Street," "Other People's Money," and other humorous pieces of entertainment have created a safe haven for criticism of the speculators without identifying any of the real problems these practices create. The media assume that Perot will fit right into this profile.

Perot's "confrontation" with General Motors was scripted long before the movie "Roger and Me" was dreamed up, by the junk-bond kings who ruled Wall Street during the last decade. By 1980 EDS had captured about as much of the market for data-processing facilities management as it could. As a public company, EDS owed a primary responsibility to its shareholders. A typical group of shareholders came to Perot to explain what he was going to have to do for them.

The Salomon Brothers investment house, a prime mover in the junk bond swindles and similar criminal financial schemes, did a study in 1980 which proved that EDS sales income was flat, and advised that EDS would have to sell itself to GM, AT&T, or ITT. The largest existing markets for data-processing management services, each had enormous in-house computer-programming staffs. With the changes in electronics technology then under way, these companies were scheduled for shakeups. If EDS could take over the in-house contracting for data processing, the "earnings" increases would boost EDS stock value, and the target company could trumpet "cost savings" to its stockholders as it moved its data-processing costs to outside contractors.

In 1982 Felix Rohatyn joined the EDS board and began working on the takeover, which culminated when EDS was merged with GM. Rohatyn left EDS in 1984. The formal proposal for merging with GM came from John Gutfreund of Salomon Brothers and a group of GM financiers who had hatched the plan at the Plaza Hotel in New York. The patron of "Project Plaza" was Roger Smith, the chairman of the GM board. Gutfreund later became notorious for his role in building the junk-bond disasters which blew out in the late 1980s, and he was also a major player in a bid-rigging scheme which controlled the price of U.S. Treasury bonds marketed to Wall Street investment houses.

Gutfreund and the outside board members of GM—representing the Wall Street interests which control that company—were working with Roger Smith, the consummate GM insider, to reorganize one of the largest industrial corporations in the United States. Their aim was to speed up the shift of GM investment from car production to financial speculation and other activities which would create value "for the stockholders." Critical in this was the need to invest large amounts of money in the effort to computerize these financial operations, and to tighten up GM operations by eliminating scores of programmers and managers. Roger Smith called these workers "the frozen middle" and vilified them as recalcitrant bureaucrats who were destroying the vitality of the auto industry. In the eyes of Smith, and Gutfreund, Perot and EDS would be the perfect instrument for this bloodletting.

As in the case of du Pont Glore Forgam, Perot's assault on the citadel of bureaucratic corruption was planned and directed—from Wall Street.

Salomon Brothers knew that GM spent about \$3 billion and employed thousands of employees to operate one of the largest computer design networks in the world. If that expenditure could be consolidated and given as a contract to EDS, EDS would overnight grow by that amount, with a corresponding hike in its stock value. If Smith could move that contract to an outside company he could also break the back of the wage and pension agreements which protected these programmers and managers—who were operating in the shadow of industry-wide wage bargaining agreements secured by the United Auto Workers (UAW), the auto workers union.

The acquisition of EDS was designed to be cost-free to GM. Step one was the creation of a special category of stock by Salomon, called GME, which would appreciate fourfold once the \$3 billion data-processing division of GM was transferred to EDS. Since GM owned 85% of the GME shares, this guaranteed appreciation in the value of EDS (GME) would accrue to GM. Author Todd Mason points out, "Granted, GM was merely moving its \$3 billion data processing budget from one pocket to the other. But in the stock market, it was shifting profits from GM common stock, trading at a multiple of six times its earnings, to a stock that trades at 16 times its earnings." The increase in the value of the GME stock more than offset the cost of the takeover of EDS.

According to Mason, the meetings which convened to plan what EDS would actually do when it merged with GM, were held *after* the financial maneuverings were over. Perot walked away with a cool \$900 million in cash, and still controlled EDS for all practical purposes.

Roger Smith's reorganization of GM was under way. This fiasco has been the topic of numerous books and scores of news articles. Lionized as a great futurist, and vilified as a Dickensian bureaucrat, Smith spent more money on robotics, computers, and advanced electronic research than any corporate executive in recent years—but he saw this technology only as a means to eliminate labor costs. He represented a philosophy directly opposed to the outlook of the auto industry's founders. In 1914 Henry Ford established the \$5 day when most companies were paying \$1 a day. He justified this by saying, "The best wages are not the lowest wages, but the wages that can be reasonably sustained. It is right that the worker shares in the fruits of his labors." According to Albert Lee's book *Call Me Roger*, Ford was paying three times the wages of GM in 1916, produced the lowest priced car, and outsold GM 2 to 1.

GM is one of the most studied corporate entities in the world, and the work of Alfred Sloan, who designed the GM system, as chronicled by management guru Peter Drucker, is dogma in U.S. business schools. Smith is a product of that system. He crusaded for all manner of "reforms" of U.S.

industry. Behind the rhetoric is a labor philosophy which subordinates human interests to money. As the Japanese showed—when they took the most decrepit plants GM closed down and by applying their management philosophy, produced better cars at lower cost than Smith's super-robotic assembly plants—it is incompetent as a business philosophy, as well as immoral.

Smith's reorganization of the data-processing division of GM was the first stage of a program which led to the closing of dozens of GM facilities, and the layoff of hundreds of thousands of American auto workers. First came the transfer of 7,800 GM employees to EDS, most of them longtime GM men who were looking toward retirement and the stock and pension benefits they had accrued—none of which followed them to EDS. The "savings" which this cheap scheme generated allowed GM to snicker while EDS hired 16,700 college graduates to replace the senior GM employees robbed of their pensions. EDS employees were eventually rewarded with \$280 million worth of incentive stock, 7 million shares spread among 1,000 employees.

The secondary benefit of expanding the EDS role in GM was the ability to bring EDS data management skills into the growing area of GM Assistance Corp. (GMAC) financing activity. On paper, the tracking of auto production receivables is very similar to processing financing applications. As GMAC grew to become the major profit making element of GM, EDS grew with it. Eventually Smith subcontracted more and more of GM production to low-bid entities outside the GM network, and finally started moving assembly operations wholesale to Mexico, where he got labor rates one-twentieth of that paid to the UAW. GM quality dropped, and no amount of technology could make up for it.

Perot began stalking around the company and raising a ruckus among unhappy dealers, plant managers, and the UAW. The management practices of Smith and his allies were a natural target for Perot. As in the days of his "attack" on Wall Street, he used the occasion of his merger to attack his host. This coincided with a growing popular hatred of everything Smith et al. represented. Once again, Perot was fêted by the media as the populist attacks on the board of directors and the GM chairman became better known.

By 1987 Perot was tired of GM, and GM was tired of his attacks on the board. Smith proposed to buy out Perot's interest in EDS for about \$2 billion and throw in a \$700 million sweetener for Perot. Perot was finding himself on the outs with the GM establishment, and the Washington establishment as well.

The GM buyout was one of the largest settlements ever recorded, and created a tidy nest-egg for Perot. As usual, tax writeoffs and other financial maneuverings guaranteed that it didn't cost GM a penny. In real terms, Perot never did anything more than ruffle feathers among the hard-core miscreants at GM, who used him as the foil for a very brutal attack on the livelihoods of American workers.

The myth machine has merged all of these events into one process which portrays Perot as a leader of a grassroots revolt against fat-cat corporate bureaucrats. This myth alleges that the eventual shakeup of the GM board, organized by "independent shareholders" angered at the excesses represented by Smith, was a by-product of Perot's campaign. In fact, the same people who sponsored Perot's move into GM are the people who organized the "shareholders revolt." The independent investors who reorganized the GM board after Perot was bought out, were led by New York State Comptroller Harrison J. Goldin, the president of the Council of Institutional Investors. The council is an amalgam of city and state pension fund investors, and major labor union investors, which organized much of the liquidity for the junk bond market—the market controlled by John Gutfreund and the "Project Plaza" financiers who merged EDS with GM in the first place.

## Top Wall Street figures line up behind Perot

Wall Street made Ross Perot a billionaire businessman, and Wall Street might make him President. The "anti-establishment" candidate is garnering significant support from leading bankers and businessmen for his undeclared presidential bid.

According to an article in the April 27 *Business Week*, which was ironically headlined, "Ross Perot's Grass-Roots Army," Bear Stearns Chairman Alan "Ace" Greenberg is one of Perot's biggest Wall Street boosters. Greenberg told *Business Week* that he thinks Perot will be "good at anything he does. If he decides to run, I'll support him." Other moneybags who are leaning toward Perot include Josh Weston, chief executive officer of Automatic Data Processing, Inc., and Texas lumber baron Arthur Temple, a former director of Time, Inc. Democrat Thomas Barr, a senior litigator at the patrician New York firm of Cravath, Swaine and Moore, who has represented Perot, says he is organizing for Perot because both parties "are incapable of changing the system, because they built the system."

*EIR* has learned that elite New York Council on Foreign Relations member James Sebenius, a former business partner of CFR chairman Peter Peterson and co-author with him of a paper demanding cuts in entitlement programs (Social Security, Medicare, etc.), has been approached by Perot's top lieutenant, Thomas Luce, to act as an adviser to Perot on policy issues.

# Elephants and Donkeys

by EIR Staff

## Clinton unresponsive to plea for Fairchild

Democratic presidential candidate Arkansas Gov. Bill Clinton has been unresponsive to appeals for clemency for Barry Lee Fairchild, sentenced to be executed. In a letter dated April 24, Pat Christensen, special assistant to Clinton, said, "Arkansas law does provide for capital punishment upon conviction for capital felony murder. Governor Clinton has sworn to uphold the laws of the State of Arkansas. As governor, he will continue to set execution dates as he has done in the past."

Christensen was responding to an April 24 letter from California Democratic Party Central Committee member Maureen Calney to Clinton and his head of the Department of Corrections, Mark Hewett, in Little Rock, Arkansas. The letter was accompanied by a resolution signed by 329 members of the California Democratic Party Central Committee, requesting that Clinton intervene on Fairchild's behalf. The resolution read:

"Whereas, Arkansas death-row inmate Barry Lee Fairchild, a retarded African-American, was sentenced to die only on the basis of a videotaped confession which numerous witnesses testify was tortured out of him;

"Therefore, the California Democratic Party hereby calls upon Arkansas Gov. Bill Clinton to immediately intervene to save Bobby Lee Fairchild from the electric chair by granting executive clemency and taking all necessary legal steps to see that the truth comes out regarding this sordid case of 'Southern Justice.'"

The signatures in support of the resolution, which was sponsored by the LaRouche faction of the Democratic Party, were gathered at the

April 10-12 California State Democratic Party convention in Los Angeles. The signers represented many different currents within the party, including some who support Clinton for President.

## Clinton addresses DLC on race relations

Governor Clinton has been trying to capitalize on the Los Angeles riots, talking about race relations and offering "local control" programs.

In a speech to the Democratic Leadership Council (DLC) meeting in New Orleans, Clinton called for national service programs, beefed-up community policing, and tenant participation in managing public housing, the May 3 *New York Times* reported. His "discussion guide," called "The New Choice: Draft for a Democratic Platform," said that his agenda "expands opportunity, rewards responsibility, and fosters community."

The "responsibility" theme is applied to school choice, child support, capital gains tax breaks, welfare, and national service. The program was devised by the so-called Progressive Policy Institute, which is linked to the DLC.

Democratic presidential candidate Lyndon LaRouche reacted to Clinton's posturing on race relations in a statement released on May 4.

"I understand that Governor 'Slick Willie' Clinton, the so-called front-runner for the Democratic presidential nomination, is hastening out to California to meet with people like his campaign manager, Mickey Kantor, Kantor's partner, Warren Christopher, and other relevant persons, to help solve the race problems out there," LaRouche said.

"The problem is, that back in Ar-

kansas, meanwhile, the governor's office has just turned down an appeal from some committee members in the Democratic Party in the state of California, asking the governor to show clemency in the famous case of a retarded black man who has been shown to be, in all probability, innocent, who is sitting on death row, only because a crooked sheriff, now a member of Congress, railroaded him into a conviction, to cover for the sheriff's own inability to solve a notorious crime in that region.

"Now undoubtedly, Rodney King was beaten; and I bet it hurt. And it could have caused very serious injuries. But Rodney King was not an innocent man; and he was not an innocent man about to be killed by a governor who knows he's probably innocent.

"I don't think 'Slick Willie' Clinton really knows anything about race relations—at least nothing very good."

## Perot phenomenon is fascism, says columnist

"Indeed, if the Perot phenomenon has any recognizable political flavor, it's fascism," wrote columnist Michael Kinsley.

"Perot's 'I'll run if you beg me' approach is an update on the myth of Cincinnatus, the farmer who reluctantly lays down his plow to solve the mess in government. . . . Perot is the only presidential candidate who is emphasizing the most important issue. That is the deficit. . . . I wouldn't vote for Ross Perot over Bill Clinton. But I'd vote for him in two seconds over George Bush. Others will vote for Perot in the spirit of 'Let's take a flier. What have we to lose?' That's a sentiment deserving sympathy, if not total respect."

## A private 'Project Democracy' fund

Even before the ink had dried on a report showing major corruption in Project Democracy's funding conduit the National Endowment for Democracy (NED), Henry Kissinger's friend and former employee, Larry Eagleburger, had begun to locate private funding sources that will be outside such U.S. government scrutiny. A major step toward creating this private NED was a March 31 meeting convened by Deputy Secretary of State Eagleburger with top executives of the major foundations that are already sponsoring projects in eastern Europe and Russia.

A spokesman for the Rockefeller Brothers Fund who attended the March 31 meeting said that the private foundations having representation at the meeting were: the Ford Foundation, Pew Charitable Trusts, Soros Foundations, Mott Foundation, Olin Foundation, MacArthur Foundation, IREX, and the Carnegie Endowment. Present for the government side, according to Shepard Forman of the Ford Foundation, were the NED, the U.S. Information Agency (USIA) and U.S. Agency for International Development (AID)—all well-known intelligence community conduits for the policies desired by Wall Street.

The most notorious scandal in which these agencies surfaced, was as the financial arm of the "Project Democracy" octopus of public-private agencies created by Oliver North and the Iran-Contra gang. It was called Project Democracy because institutions like NED peddled Adam Smith "free market" ideology, while North et al. peddled guns and drugs to support the Contras. Now, this Project Democracy apparatus is giving the Central America treatment to eastern

Europe and Russia.

At the end of the March 31 meeting, chaired by Eagleburger's assistant, Ambassador Robert L. Barry, it was decided to appoint a consultant named William Bader, to work out a "menu of programs," that will ostensibly bring these private foundations' work in line with the government programs overseen by Eagleburger as President Bush's Coordinator for Eastern European and Commonwealth Affairs.

## Spreading turmoil

*EIR* first learned of the Kissinger gang's efforts to create a private National Endowment for Democracy from a journalist who had interviewed Midge Decter. She is a Project Democracy insider as the former head of the Committee for a Free World, wife of *Commentary* magazine's Norman Podhoretz, and mother-in-law of former Assistant Secretary of State Elliott Abrams, who pled guilty to Con- tagate offenses. Decter said that Eagleburger had gathered the top foundations (with Kissinger's piggy-bank David Rockefeller taking a personal interest) to set up a parallel NED.

Decter expressed concern that the revival of Project Democracy in Eagleburger's hands would create "turmoil," because it would promote the sort of International Monetary Fund solutions epitomized by Harvard charlatan Jeffrey Sachs's "shock therapy." She said that Kissinger and Eagleburger prefer to deal with former members of the *nomenklatura* (the old communist elites) who have taken the guise of being democratic reformers, rather than anti-communists who opposed the system that has now fallen.

## Ongoing corruption probes target NED

A member of the U.S. Information Agency Inspector General's Office (USIA IG) told *EIR* that it was just completing a report that would show rampant mismanagement of funds in the NED. The NED is controlled by the same Anti-Defamation League (ADL) circles as its social democratic president, Carl Gershman.

There is another scandal being probed by the USIA IG, which again leads directly to Larry Eagleburger's doorstep. It involves AID Administrator Ronald Roskens, whom Eagleburger personally had President Bush appoint as a Deputy Coordinator for Eastern European and Commonwealth Affairs in July 1991.

Officially, the investigation of Roskens ended when he was found guilty and forced to pay back public money he had used for private purposes. According to the AID IG's Office, White House counsel C. Boyden Gray ruled that it was a "technical"—i.e., not criminal—violation of the Ethics in Government Act.

But, one USIA IG member revealed that the investigation was ongoing, telling *EIR*, "There is a fire under Roskens and his associates."

An obvious solution to these ever-mounting scandals was to bring in funds from private foundations to create a parallel NED immune from government scrutiny. One reason why Henry Kissinger had so much wanted Eagleburger, who was president of his global influence-peddling firm, Kissinger Associates, Inc., to take the deputy secretary of state slot, was that it would position Larry to help fill the trough with funds from which Fat Henry and other porkers left behind could wheel and deal.

## House bank records subpoenaed by Justice Dept.

In a move which challenges the constitutional "separation of powers," Special Counsel Malcolm Wilkey, appointed by Attorney General William Barr to investigate possible criminal actions in the irregularities of the now-defunct House bank, has demanded that the House leadership give him access to the complete records of the House Bank between July 1, 1988 and Dec. 31, 1991, including records of congressmen who had no overdrafts on their accounts. Wilkey claims that he has found evidence of a check-kitting scheme involving the bank.

In an attempt to prevent such an open intrusion by the Executive branch into the activities of the Legislative branch, with the information garnered likely to be used in this year's election campaign, House Speaker Tom Foley (D-Wash.) tried to rally Democratic forces to support an amendment which would have called on the House to comply with the subpoenas "in a manner consistent with . . . respect for the constitutional structure of government and the individual rights assured to all citizens." Initially, House Minority Leader Robert Michel (R-Ill.) considered the subpoena "far too broad." But, after huddling with other top Republicans, Michel changed his position.

The House rejected the Foley proposal on April 29 by a vote of 284-131, and then voted 347-64 to fully comply with the subpoenas and release all House records to the special counsel.

One Democrat commented that the vote indicated that the members "didn't have enough guts to vote for due process."

Rep. James Traficant (D-Ohio) commented that "under stress, Congress has turned into a bunch of constitutional wimps."

On May 1, Henry B. Gonzalez (D-Tex.) and Sidney Yates (D-Ill.) filed a motion in federal court to quash the subpoena. Gonzalez characterized them as "shotgun subpoenas," and called their acceptance by his House colleagues "a dangerous precedent that in effect has reduced this House's independence, coequality, and separateness."

U.S. District Chief Judge John Garrett Penn upheld the subpoenas on May 4, rejecting both claims of the litigants with regard to privacy and the "separation of powers" argument. After the Penn ruling, the House records were turned over to the special counsel.

## Gonzalez probes Kissinger for criminal activity

Continuing his investigation of the Italian Banca Nazionale del Lavoro (BNL), House Banking Committee Chairman Henry B. Gonzalez (D-Tex.) explained on the House floor on April 28 how Henry Kissinger had lied about his role in the banking scandal, through which the U.S. intelligence community helped provide funds to Iraq.

Gonzalez pointed out that several clients of Kissinger Associates, Kissinger's consulting firm, had extensive dealings with Iraq. Gonzalez said that although he had no definitive proof that the then leading members of Kissinger Associates—Kissinger, Brent Scowcroft (now national security adviser), and Lawrence Eagleburger (now deputy secretary of state)—had knowledge of the BNL loans (which they claim not to have had), Gonzalez said he was proceeding to explore their "interlocking relationships" with BNL and Iraq.

Gonzalez outlined Kissinger's personal history, including his mem-

bership on the President's Foreign Intelligence Advisory Board (PFIAB). "After my April 25, 1991 floor statements on Mr. Kissinger, he told the *Financial Times* newspaper that he had resigned from the BNL advisory board a week before the BNL indictment in February 1991," said Gonzalez. However, it was later revealed in "60 Minutes" that Kissinger served on BNL's advisory board "until his contract expired in the summer of 1991, more than four months after the date he had previously reported."

Gonzalez blamed Scowcroft and the State Department for "masterminding" the attempt of the Bush administration to put a damper on the BNL investigation. He also blamed Kissinger and Eagleburger for not recusing themselves from handling the BNL scandal as public officials, since BNL was a client of Kissinger Associates.

On April 29, Gonzalez sent a letter to President Bush asking that the White House and the National Security Council release all documents relating to BNL. A White House spokesman said the President would probably deny the request by invoking executive privilege.

## Mitchell reveals probe of Saudi arms to Iraq

Senate Majority Leader George Mitchell (D-Me.) revealed that Congress is investigating whether the White House secretly permitted Saudi Arabia to deliver U.S. arms to Iraq, Bangladesh, and Syria without notifying Congress, and despite restrictions on such transfers, in an interview on the ABC News program "Meet the Press" on April 19. Reports of such transfers, which allegedly occurred in the mid-1980s, were published in the April 18 *Los Angeles Times*.

In response to the Mitchell comments, on April 20, State Department spokesman Richard Boucher confirmed that the Saudis had, in fact, engaged in unauthorized transfers of American military equipment to Iraq, Syria, and Bangladesh, but said that the Saudis claimed that these shipments had been "inadvertent." Boucher denied that the U.S. government had approved these weapons transfers and that it had brought the transfers to the attention of the Congress in accordance with the law.

## Record number of incumbents bow out

With the decision of Rep. Matthew McHugh (D-N.Y.) to not seek reelection, 54 incumbents, a postwar record, have now said that they will not run for reelection.

Many, like McHugh, were found to have overdrawn their accounts at the now-defunct House bank, victims of the "House Bank massacre." Ironically, McHugh led the ethics investigation of the House bank scandal. With so many incumbents not running, the number of new House members next year could be as many as 100 or more.

## Senate warns Serbia to end aggression

In a voice vote on April 29, the Senate passed a resolution which would withhold recognition of Serbia and its ally Montenegro until it ceases its aggression against the independent states of Croatia and Bosnia-Herzegovina, halts its brutal repression of the Albanian minority in Kosovo, and withdraws its forces from Croatia and Bosnia-Herzegovina. The resolution

also calls on the U.S. government to hold the government of Serbia accountable for its attacks on and occupation of the Republics of Bosnia-Herzegovina and Croatia.

It is known that the Serbian aggression was encouraged by Secretary of State James Baker on his trip to Belgrade just before the Serbs invaded Croatia, where Baker indicated that it was in the U.S. interest to maintain the unity of Yugoslavia. However, the resolution, sponsored by Sen. Bob Dole (R-Kan.) and supported by Senate Foreign Relations Committee Chairman Claiborne Pell (D-R.I.), makes no reference to the role of the Bush administration in encouraging the aggression.

## Republicans target entitlement programs

At a press conference sponsored by Rep. Newt Gingrich's (R-Ga.) political action committee, GOPAC, Reps. Vin Weber (R-Minn.), Clay Shaw (R-Fla.), and Sen. Hank Brown (R-Colo.) presented a "workfare plan" by which "able-bodied" welfare recipients would be required to either work or attend school. If after four years they didn't have a job, they would be taken off welfare.

The attempt to turn welfare into a slave labor program goes hand-in-hand with the overall offensive aimed at putting entitlement programs on the chopping block. On April 10, the House began debating a bill, sponsored by Sen. Pete Domenici (R-N.M.), which calls for major cuts in entitlements. But the issue is not solely the domain of the Bush Republicans, as was attested by the press conference held on April 9 by Domenici and Warren Rudman (R-N.H.) where they were joined by Sam Nunn (D-

Ga.) and Chuck Robb (D-Va.). The senators called for a review of the entitlement programs in order to examine what could be scrapped.

Entitlements have been considered almost sacrosanct by legislators, but now they are fast becoming the primary target of Republicans and "austerity Democrats." The April 30 *Washington Post* reported that there is growing support for a balanced budget amendment. Far more draconian than the Gramm-Rudman budget balancing plan, such an amendment would force cuts in all programs until the deficit was eliminated.

House Budget Committee Chairman Leon Panetta (D-Calif.) indicated to the *Post* that such an amendment could indeed pass.

## Investigation of Gander crash sought

Rep. Robin Tallon (D-S.C.), joined by Earl Hutto (D-Fla.) and Alan Wheat (D-Mo.), held a press conference on April 29 announcing that they will introduce legislation for an investigation of the 1985 military plane crash in Gander, Newfoundland which killed 285 people.

Tallon said, "The commission will look into the many unanswered questions which surround the cause of the crash and the botched investigation which followed. . . . Even though it is standard procedure to investigate terrorism as a cause in any air disaster, no U.S. agency, including the Vice President's Task Force on Combatting Terrorism and its chairman at the time, George Bush, ever investigated for the possibility of terrorism or foul play. This despite the fact that the terrorist group, Islamic Jihad, tried four times to take credit for the crash."

# National News

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## Rockwell proposes CSA Constitution for U.S.

Llewellyn H. Rockwell, Jr., the president of the Ludwig von Mises Institute in Auburn, Alabama, proposed that, in order to solve the problems of the government, the United States should "bring the U.S. Constitution up to Confederate standards," in a commentary in the May 3 *Richmond Times-Dispatch*.

Rockwell would specifically eliminate three sections of the U.S. Constitution crucial to build a nation. He would: 1) junk the "general welfare" clause; 2) ban protectionism; and 3) oppose federal government funding for internal improvements—i.e., infrastructure.

Rockwell quoted a Union paper in Boston opposing the Confederate Constitution. Secession has to be stopped, the paper said, because an independent South would be a low-tax nation with a "revenue system verging on free trade"—a situation which would hurt the business of the Northern cities.

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## Bush okays sale of government property

President Bush issued an executive order on April 30 enabling localities to sell government land and services. The scheme was hatched by the Reason Foundation, a purveyor of the so-called "New Paradigm" for privatizing, asset-stripping, and slashing "inefficient" public services, and an attorney for the Skadden Arps law firm, which played a key role in the hostile takeover mania which helped destroy U.S. industry.

The order is being described as an effort to lessen federal control and regulation over state and local land and services, by turning over to these governments the federal share of properties. Local governments could then sell them for cash, and then turn around and tax these properties. The move is thus a triple quick fix: The land and services that could be sold could generate up to \$200

billion for strapped local budgets in an election year, state and local government would then be able to tax them, and the federal government would also be able to tax them.

"The executive order makes a sea change in federal policy," Skadden Arps lawyer John Giraudo, a proponent of privatization, told UPI. "It orders the federal agencies to get out of the way with respect to the selling and leasing of publicly owned items."

"While efficiency is the aim of the effort, some critics charge that businesses buying the operations may actually diminish service by reducing the number of bus lines, forgoing airport improvements, or delaying modernization of utility plants and other assets," UPI reported.

Jeff Esser, executive director of the Government Finance Officers Association, told *EIR*, "The association is neutral on privatization," but added, "our function is to build and upgrade infrastructure, not parcel it off."

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## Judges blast High Court for rush to executions

Two judges from the U.S. Court of Appeals for the Ninth Circuit attacked the U.S. Supreme Court in the wake of the Supreme Court-ordered execution of Robert Alton Harris in California in April.

Judge John T. Noonan, in a commentary in the April 28 *New York Times*, pointed out that the court case which resulted in the first stay of execution three days before Harris's execution was a civil rights action brought as a class action on behalf of 323 death-row inmates in California, involving important issues of constitutional rights. The question was whether long-established constitutional protections and civil rights were "to be suspended or set aside to assure the orderly keeping of an execution date." The Supreme Court decided that the execution "must stay on track."

The Supreme Court has ruled "that it is intolerable to delay an execution to decide a constitutional question," wrote Noonan. "Robert Alton Harris was a casualty of this decision. Was the Constitution, too?" If

death penalties are to be inflicted according to schedule, Noonan wrote, a federal court is forced to commit "treason to the Constitution" by abstaining from exercising its constitutional jurisdiction.

Judge Stephen Reinhardt also attacked the U.S. Supreme Court in a speech at Yale Law School. "I think it is clear that the constitutional rights of individuals are no longer of paramount importance to the Court," said Reinhardt. "Other values, other concerns, such as that of federalism, now predominate."

Chief Justice William Rehnquist's view of "federalism" derives from his Hobbesian view that the states should be allowed to ride roughshod over the rights of their citizens without interference from the federal courts. In Rehnquist's view, a citizen has no rights which a government is bound to respect, except in the realm of property.

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## Catholic Bishop urges end to embargo of Iraq

Bishop Thomas J. Gumbleton, of the Roman Catholic Archdiocese of Detroit, called on Americans to demand the immediate lifting of the embargo against Iraq, and supported the milk lift to Iraqi children by American farmers, in a statement released April 30 by Philip Valenti of the Committee to Save the Children in Iraq.

"On several occasions in the past I have gone on record in protest of the United States' embargo against Iraq. I do so again today," Bishop Gumbleton said. "This action unquestionably imposes immense pain and suffering on innocent people without accomplishing the purpose for which it was intended. It is imperative that the citizens of this country insist that the embargo be lifted immediately in order to prevent the destruction of even more lives than were already lost to date during the tragic Gulf crisis.

"I commend the dairy farmers who have chosen to donate rather than dispose of their surplus milk products. I further commend the Committee to Save the Children in Iraq and the Chaldean Church for taking the initiative to collect this milk and see that it is delivered to agencies that will distribute it



directly to malnourished families. While these steps are admirable and will alleviate the situation for some, they will not eliminate the urgent need to address the cause and call for the only solution that will end the deplorable waste of human life that continues daily in Iraq."

Bishop Gumbleton is the founding president of Pax Christi, U.S.A. (1972-91), and is a board member of the Fellowship of Reconciliation, Witness for Peace, Bread for the World, and other organizations promoting peace and economic justice. He traveled to Baghdad as a member of the "Coming Home" delegation for the release of American hostages in December 1990, and was a delegate to the conference of the International Peace Movement for the end to the Gulf War in Amman, Jordan in February 1991.

## Researcher sues to release JFK X-rays

Researcher D. Mark Katz filed suit in federal court on April 29 in an attempt to force the National Archives to disclose about 200 photographs and X-rays of the assassinated President John F. Kennedy that have been kept in locked files since 1966, the *Washington Post* reported. The suit alleges that the National Archives has improperly withheld the material, and that restrictions on disclosure imposed by the Kennedy family are legally invalid and the material should be released under the Freedom of Information Act.

Bills in Congress would release material collected by committee investigations, but the measures contain an exception for autopsy records.

Meanwhile, "in a stunning reversal of policy, the Justice Department . . . has come out strongly against legislation to release documents on the Kennedy assassination," the April 29 *New York Post* reported. Assistant Attorney General W. Lee Rawls stated in a letter to the House Government Operation's Legislation and National Security Subcommittee that "a proposed House-Senate resolution would severely encroach

upon the President's constitutional authority to protect confidential information and could endanger intelligence methods and sources."

The letter came only hours before the subcommittee, chaired by Rep. John Coners (D-Mich.), began hearings on April 28 on the release of documents. Oliver Stone, who produced the movie "JFK" and who testified at the hearings, stated afterward: "The Justice Department has now set itself up against this process, as has President Bush."

## Newsweek airs call: Kill 'profoundly retarded'

Despite the fact that mental incompetents were among the Nazis' first victims, the March 2 issue of *Newsweek* magazine published a "My Turn" column by Katie Letcher Lyle, a board member of three organizations claiming to speak on behalf of the handicapped, which called for "gently" killing some profoundly retarded and violent individuals because life doesn't hold anything for them.

Lyle cited the "difficult case" of Henry, a 40-year-old, affectionate, but at times violent, profoundly retarded man as a candidate for lethal injection. Since Henry has lost several jobs, broken up his group home furniture, and makes life unlivable for patients and staff, he is likely to be sent to a state institution. Lyle pronounced Henry's prospects as either a "drugged hell of an existence behind bars; or, more probably, deinstitutionalization, street life, an agonizing death in a filthy alley." Behind such proposals for murder lies the cost factor: Lyle noted that Henry has cost taxpayers \$1.5 million.

Several states have adopted laws making the killing of mentally or physically incapacitated individuals in state and other institutions legal, while states like Massachusetts are closing one-third to one-half of such state facilities.

In response, one individual wrote, "as a quadriplegic for 25 years, I would choose my hard way to live over her [Lyle's] gentle way of death."

## Briefly

● **BOB MARTINEZ**, the White House drug czar, has been cleared of charges that he illegally contributed \$63,000 to the Bush-Quayle reelection campaign. While his donation violates the contribution cap, Attorney General William Barr said in a court filing made public on May 1 that the "openness" with which Martinez made the donation "strongly suggested a lack of the high level of criminal intent" required for prosecution.

● **FEDERAL DISTRICT** Court Judge John H. Pratt has ordered the Department of Justice to release its 204-page file on the 1987 decision to bar Austrian President Kurt Waldheim from entering the United States, the April 30 *New York Times* reported. The department has never explained or substantiated its "finding" that Waldheim had committed war crimes against Jews during World War II, the paper reported.

● **RONALD REAGAN** knew of the Iran hostage deal, his daughter Patti Davis asserted in her new book *The Way I See It*, released April 30. Davis said she learned on the day of his inauguration in 1981 that he knew of the deal to supply arms to Iran in return for delaying the release of American hostages until after the November election.

● **GEORGE BUSH** ended a 120-day extension of the moratorium on new government regulations on April 29, extending the 90-day ban he imposed in his Jan. 28 State of the Union address.

● **THE SHORTAGE** of lawyers to handle death penalty appeals causes delays between sentencing and execution, and not, contrary to widespread belief, slick lawyers abusing the courts, the April 27 *New York Times* reported.

● **JOHN C. KELLEY**, an official of the U.S. Agency for International Development in Italy during 1984-89, has been charged with bribery, money-laundering, and obstruction of justice, and is being investigated on 11 other counts.

# Cholera strikes in Texas, as we warned

Cholera has hit the Brownsville area of Texas, an impoverished town on the U.S. side of the Mexican border. Mexicans in Brownsville are living in poor conditions very like those of their brothers and sisters on the other side, in ramshackle communities without safe drinking water or adequate sanitation.

These are conditions which can only grow worse if the North American Free Trade Agreement (NAFTA) is signed. Cholera in Texas is the truth behind the farcical claims by the Bush administration that an economic recovery is under way. As we have insisted, without immediate investment in infrastructure projects, the global economy is headed for a collapse on a scale rivaling that of the Dark Age. And the United States is no exception: Here, as elsewhere, investment in major water projects, mass transportation, and expansion of the energy grid is urgently needed.

In the *EIR* Special Report, "Auschwitz Below the Border: Free Trade Pact Is George 'Hitler' Bush's Mexican Holocaust," we warned that failure to improve the conditions in the border slave labor camps known as *maquiladoras* (assembly plants), would rapidly lead to the spread of diseases such as cholera on both sides of the border. The count of cases in Mexico is now over 3,500 with a 10% death toll. It appears that the same strain of cholera now found in Texas has already killed 4,000 people in South and Central America.

In the cited report we warned of the threat: "During the time that *maquiladora* practices grew over the past 20 years from about 120 plants in 1970, to over 1,800 today, and from 19,000 workers to 500,000, the essential infrastructure was not provided—water, housing, electricity, transportation, primary health care, cultural amenities. Just the opposite. The poverty wage rates, and lack of provision of means of existence have been called the 'competitive advantage.' The results are evident in the disease rates." The report documents the threat of a pandemic spread of cholera and other diseases under these conditions.

There is nothing to stop the disease from moving from the border areas of the United States into the inner

cities, where conditions of life are not too dissimilar from those in the Brownsville region.

The moral of the story is clear: Free trade and the kind of brutal austerity imposed by the International Monetary Fund and the World Bank, as a condition for the granting of any loans, mean genocide. According to the World Health Organization, 50 million people are being killed each year by diseases, many of which can be eradicated, such as cholera and tuberculosis.

On the one hand we see the deliberate destruction of the standard of living of the majority of whole populations in Africa and Ibero-America in particular, and similar conditions emerging in the cities of the United States, and in the border areas between the U.S. and Mexico. On the other we see riots in Los Angeles.

It is plausible to attribute the riots to "sociological" conditions occasioned by poverty and hopelessness in the inner cities, but it is becoming more and more obvious that the riots were orchestrated by the same genocidalists who lay down the policy guidelines for an international, IMF-led bankers' dictatorship. Thus we find "radical" groups such as the Revolutionary Communist Party, and youth gangs such as the Crips and Bloods, which are controlled by the same kind of intelligence-connected poverty-pimp apparatus that created the 1960s' counterculture.

This is underscored by the horror and violence and wanton destruction expressed by residents of the areas destroyed by rioters, and by responsible community leaders as well. If we look behind the immediate circumstances leading up to the riot, we find a reality in which black and Hispanic Americans no longer expect to find justice in the courts; where frameups and railroads lead to judicial murder.

We must defeat the NAFTA slave labor treaty because it represents a *policy* to turn all of the poor and minorities into slave laborers, as the new Auschwitzes are filled not only with poor farm workers, but with men, women, and children driven out of their homes and jobs—as America's cities go up in flames, under the torch of terrorists.

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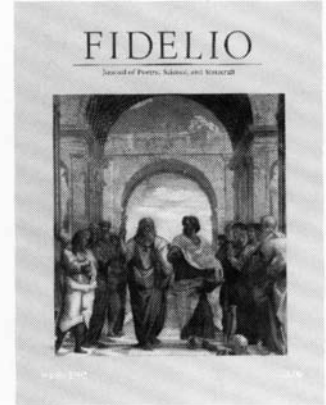
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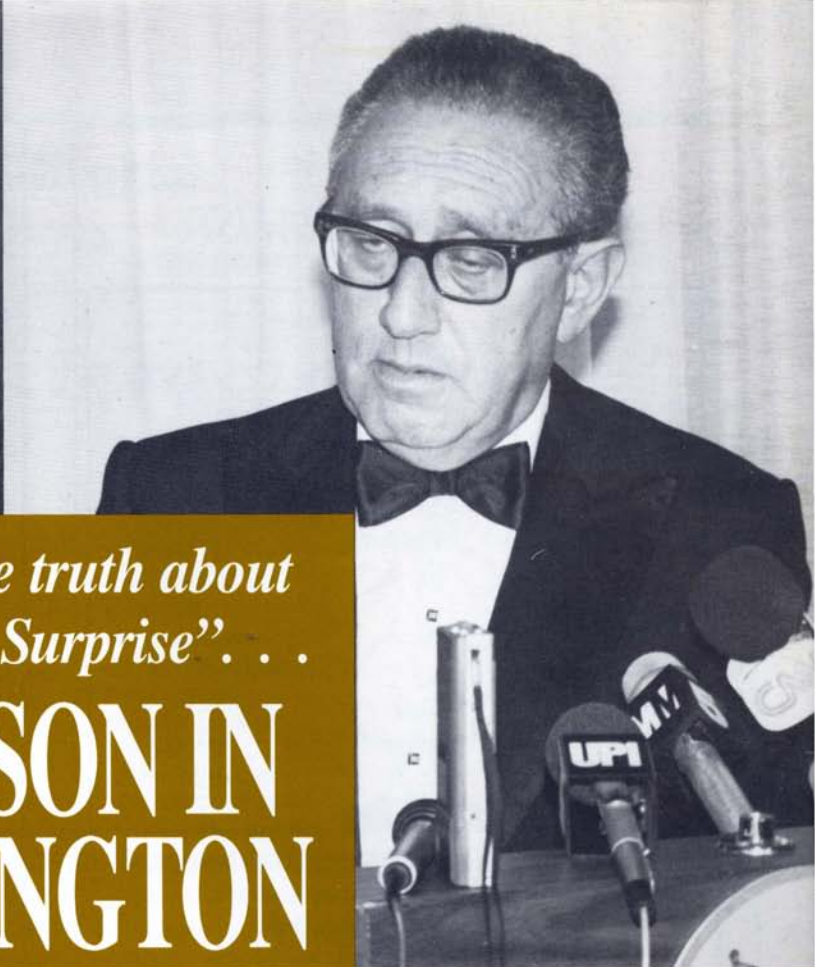
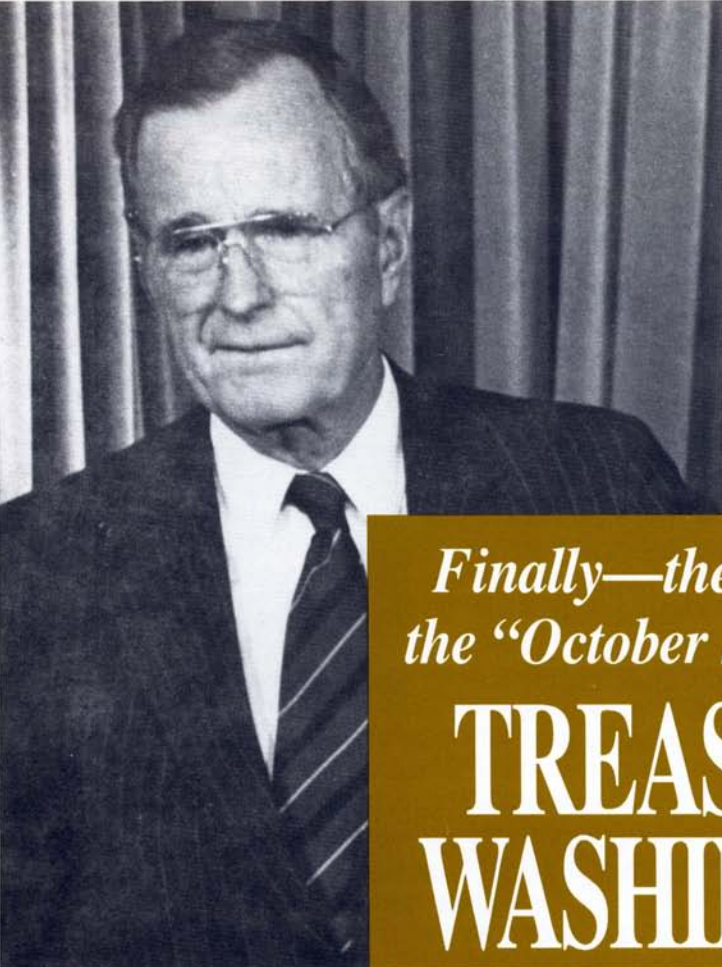
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