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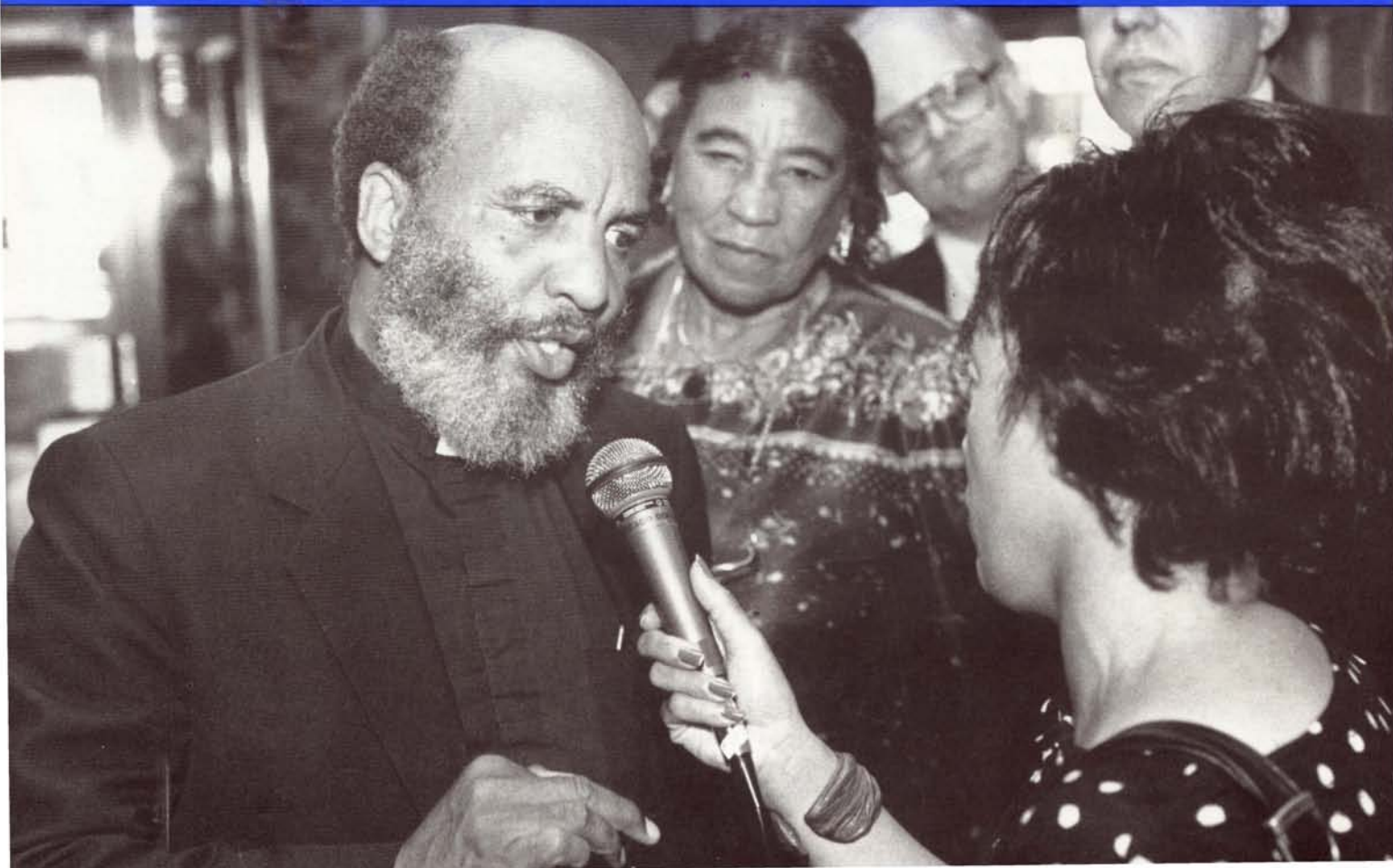
Executive Intelligence Review

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What went wrong with East Germany?
POW flap heralds end of Kissinger era
Buck the IMF—or Somalia will starve

**LaRouche-Bevel campaign
brings message of hope**



Why Are They Pushing Population Control?

DID YOU KNOW:

◆ that the "population-control" movement is nothing but a whitewashed version of the Nazi "eugenics" policy which was developed in Britain and the United States, then exported to Hitler's Germany?

◆ that National Security Study Memorandum 200, written under the direction of Henry Kissinger and Brent Scowcroft in 1974, defines population growth as *the enemy of the United States*, and targets over a dozen Third World countries on its "population enemies list"?

◆ that since NSSM 200 was written, American dollars have paid for the sterilization of roughly *half* of Brazil's women of child-bearing age?

◆ that **all** of the "major" 1992 U.S. presidential candidates support radical depopulation, and that this is the basis of U.S. and United Nations policy today?

When George Bush announced his New World Order in the wake of Operation Desert Storm,



the Anglo-American oligarchy believed the coast was bombed clear for its global depopulation. The big Rio "Earth Summit" in June 1992 was designed to put the lie that human beings are the main cause of pollution at the top of the agenda of world leaders. *EIR's* exposure of NSSM-200 has helped catalyze a resistance to those plans, even in Rio.

This report is your ammunition to change that agenda, before it is too late for the human race.

The Genocidal Roots of Bush's New World Order

EIR SPECIAL REPORT

EIR

SPECIAL
REPORT

The genocidal roots
of Bush's
'New World Order'

May 1992

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Allow me to underscore, and even broaden, the message of hope in our cover story. If you were too timid or too busy, too distracted, too skeptical, or maybe too proud to become part of the network that *EIR* represents at some earlier point, the breaking world situation represents new and more urgent opportunities to join forces with the LaRouche movement, just as civil rights leader James Bevel has done.

Some of these opportunities are reported in this issue. A few examples:

- The International Monetary Fund is kaputt. Like Grendel's Mother, it is doing plenty of harm in its death throes, but it is bankrupt. The "free market" hoax has so ravaged East Germany that it threatens to sink even the vibrant German economy (see *Political Economy*). Lyndon LaRouche has the only plan on the table for building a new monetary system inspired by Christian principles.

- The conspiracy to impose Darwinian free-trade unity "from above" on western Europe through the Maastricht Treaty ran aground in France with the minuscule margin of victory for Maastricht in a referendum. While the ruling elites still think only of austerity and more austerity, mass ferment against this is growing and looking for leadership.

- Peru stood up on its hind legs and captured the second-biggest Nazi war criminal of our era (vying with Pol Pot), Abimael Guzmán, and his countercultural friends. Are we going to let the U.S. punish Peru by economic strangulation and IMF credit conditions?

- Henry Kissinger is on the dissecting table. Put in the uncomfortable position of delivering sworn testimony to Congress, the man who delivered U.S. policy to the British oligarchy can now be exposed and destroyed politically.

- In Hungary, a leader in the country's ruling party had the courage to stand up and accuse the International Monetary Fund of trying to keep the nation from emerging out of "the stinky ravines of goulash communism." The U.S. Anti-Defamation League of B'nai B'rith (ADL) immediately denounced him as an anti-Semite.

- In Washington, D.C., a broad coalition of forces met at prestigious Howard University to expose the common origins and purpose of the ADL and the Ku Klux Klan.

Nora Hamerman

EIR Contents

Interviews

- 7 Sir Teddy Taylor**
A Conservative Member of Parliament takes the John Major government to task for seeking scapegoats abroad for the humiliation of the pound sterling.
- 28 Rev. James Bevel**
A leader of the civil rights movement, Reverend Bevel is now the vice presidential running-mate of independent presidential candidate Lyndon LaRouche.

Photo credits: Cover, page 63, Stuart K. Lewis. Page 29, Philip Ulanowsky. Page 35, Roger Ham.

Departments

- 19 Report from Bonn**
A change in monetary policies?
- 54 Andean Report**
Clamor grows for CAP's resignation.
- 55 From New Delhi**
Asia Watch in bed with Naxalites.
- 72 Editorial**
Soviet justice from American courts.

Political Economy

- 22 What went wrong with East Germany's economy?**
The assassination of two of the Bonn government's most competent economic policy strategists, Alfred Herrhausen and Detlev Rohwedder, had a disastrous effect, as the Anglophile free-traders moved in. Will the lessons be learned before it is too late?

Economics

- 4 On IMF 'Titanic,' a scramble for the best deck chairs**
The International Monetary Fund's director says the chaos on the world financial markets is a sign of the "remarkable resilience" of the monetary system. Meanwhile, the bankers and heads of state continue their suicidal replay of 1931.
- 6 Currency chaos reigns; experts talk stability**
- 7 MP says Britain is 'in a terrible mess'**
- 8 Russians lose patience with IMF's boy Gaidar**
- 9 In Hungary, opposition targets the International Monetary Fund**
- 10 Currency Rates**
- 11 'Global 2000' gang calls for genocide against China and India**
- 13 Gear up construction equipment industry with LaRouche program**
- 16 Farm groups flub chance to nix NAFTA**
Documentation: Testimony before the House Agriculture Committee by Sue Atkinson, candidate for Senate in Iowa and a Food for Peace activist.
- 18 Agriculture**
Farmers rally on German-Polish border.
- 20 Business Briefs**

Feature



Reverend James Bevel at the Democratic Party convention in New York City, July 13, 1992. The party leadership proved its moral bankruptcy by refusing to allow discussion of abolishing the death penalty.

28 **LaRouche-Bevel campaign brings a message of hope**

Rev. James Bevel, who was one of the top lieutenants of Dr. Martin Luther King, explains why he is campaigning as the vice presidential running-mate of independent presidential candidate Lyndon LaRouche. "Any American," he says, "black or white or indigenous, who does not join this revolution, will stand on the side five years up the road being ashamed of themselves for allowing the greatest revolution to take place right in their midst, and themselves too cowardly to join in it."

38 **A Christian soldier who fights without violence**

International

40 **Non-victory in France's Maastricht referendum**

The slim victory for the partisans of the treaty creates a situation of maximum instability. The treaty itself is kaputt, but the monetarist arguments that define Maastricht's outlook define economic thinking at the top of nearly every government.

42 **Capture of Guzmán could end Shining Path, despite Bush's support**

44 **Shining Path's operatives abroad**

46 **Envoy warns of genocide in Bosnia**

47 **Jordan's Laith Shubeilat framed up as Anglo-Americans drive for war**

49 **Demand freedom for Laith Shubeilat**

An international appeal by the Schiller Institute.

50 **U.N. wants to help trees, not refugees**

51 **Western governments offer Somalia U.N. trusteeship, but not food**

53 **Philip Morris, drugs and organized crime**

56 **International Intelligence**

National

58 **Kissinger under fire on POW scandal; the end of an era?**

Kissinger railed against "talk of conspiracy extending through five administrations," concerning U.S. jettisoning of prisoners of war in Vietnam and Laos. Exactly, Henry.

60 **A 'post-industrial' descent into hell**

61 **The lessons of Abraham Lincoln: 'We cannot escape history'**

Rochelle Ascher documents the sweeping reorganization of the U.S. economy along American System principles that was carried out by President Lincoln and his associates.

66 **Elephants & Donkeys**

Clinton-Gore currying green, white votes.

67 **Eye on Washington**

Howard forum targets ADL.

68 **Congressional Closeup**

70 **National News**

On IMF 'Titanic,' a scramble for the best deck chairs

by William Jones

The annual meeting of the International Monetary Fund in Washington this year occurred in the wake of the biggest financial collapse in 50 years. On Sept. 14, the German Bundesbank had cut its interest rates for the first time in five years, acceding, ever so cautiously, to the increasing demands of the other Group of Seven countries and the IMF to lower its rates, in tandem with the low-interest policy being pursued by Great Britain and the United States, where keeping interest rates low was seen as the only way of staving off a depression collapse and winning George Bush a second term. The Bundesbank, calculating the costs of reunification and footing the major burden of lending to Russia and the other former Soviet republics, has been chiefly concerned with avoiding inflation which could easily spin out of control. On the other hand, the high-interest rate policy has also caused considerable discomfort for the Helmut Kohl government, which has been highly criticized for the rising unemployment and increasing social decay resulting from that same policy. Under pressure from the German government, with Kohl spending the previous weekend in Frankfurt lobbying for a cut in the interest rate, the relatively independent Bundesbank agreed to minimal cuts.

However, the unexpectedly small size of the rate cuts—a quarter-point drop in the emergency overnight lending rate and a half-point drop in the longer-term standard rate—caused more turbulence on the currency markets. The pound plunged to its lowest level against the deutschemark since Britain joined the European Exchange Rate Mechanism (ERM), the rate coordination mechanism of the European Monetary System. On Sept. 16, the fragile international monetary unity plunged into chaos.

Twice during the course of the day, the British Chancellor of the Exchequer raised interest rates, first 2% and then an additional 3%, to try to halt speculative moves against the

pound—but to no avail. Finally, British Prime Minister John Major announced that “the interests of Britain would best be served” by suspending British participation in the ERM. The Swedish “welfare state” was forced to raise interest rates to an astronomical 500% to stop the currency flight from the country. Faced with a near panic, the European Community called an emergency midnight meeting to consider a realignment of the European Monetary System. By Sept. 17, Italy had joined Britain in suspending the lira from the ERM, and the Spanish peseta had also been devalued.

Participants in the preliminary meetings of the IMF in Washington were confronted with a statement by imprisoned presidential candidate Lyndon LaRouche, declaring the crash to be the end of the monetary system. Over 1,000 copies of the statement were distributed to IMF officials and visiting ministers. Now that the central banking system led by the IMF had failed, said LaRouche in his statement, the governments of the world “must establish national banking in the tradition of Hamilton in the United States, or Friedrich List and others in Europe” as the only means of starting a recovery.

Resilience?

The initial statements on the collapse by IMF Managing Director Michel Camdessus, at a press conference on Sept. 17, were clearly aimed at “damage control.” Camdessus tried to play down the British and Italian withdrawal from the ERM as “temporary,” although with an “unspecified deadline.” Camdessus assured the press that despite “the impression of chaos,” the European Monetary Committee was unanimously in favor of maintaining the European Monetary System as “a key factor of their economic stability and prosperity in Europe,” and urged the full participation of the pound sterling and the lira in that system “as soon as possi-

ble.” Camdessus then tried to portray the previous days’ chaos as a “proof” of the “remarkable resilience” of the monetary system.

But despite the upbeat talk, the problem remained: how to put Humpty Dumpty together again. Part of the prescription was clear, and had been announced before the September massacre on the currency markets: Camdessus himself said that the United States must cut expenditures and increase taxes. That was the last thing George Bush wanted to hear in this election year. Under ordinary circumstances, the IMF Executive would show much more sensitivity to the political predicaments of its biggest donor. Their failure to do so this time is a clear indication that the IMF director wished to make a point: that the U.S. government must “bite the bullet” and cut the budget deficit, or else.

Perhaps, however, Camdessus may have committed a major blunder. The U.S. Congress has not yet given its approval to the IMF quota increase. And with the present frenzy over deficit reduction, this is not the type of budget item that can win friends and influence people back in the congressional districts. Although cloaked this year in the form of a “Freedom Support Act” (since a small portion of the increase will go to the former republics of the Soviet Union), the quota increase is by no means assured. Although passed by both houses of Congress, some rather problematic amendments attached to it by the House have not yet been eliminated by the House-Senate conference committee. The Camdessus ultimatum could mean “fightin’ words” for some pretty angry congressmen.

But whatever happens to the IMF quota increase, it was clear after the convulsions on the exchange markets, that more would be demanded. Shailendra Anjaria, the director of the IMF External Relations Department, in a press conference on Sept. 17, indicated that any new monetary stability, in the eyes of the IMF, would require a lowering of German interest rates and raising interest rates in the United States—a direct attack on the sovereignty of both of these nations. A few days after Camdessus issued his ultimatum to the United States, LaRouche had issued an appeal to all the presidential candidates to join him in rejecting the IMF demands. As long as IMF conditionalities were imposed only on the brown, black, and yellow peoples of the developing sector, the institution could count on passive, albeit sometimes grudging, support from the U.S. Congress. But now, when these conditionalities are being imposed on the United States itself as the number one debtor nation, the resistance could suddenly become quite significant.

Charges and countercharges

The consternation on the currency markets revealed the underlying conflict between the British and the Germans, with the British attacking the German Bundesbank for undermining the credibility of the pound by indicating that it was overvalued. On Sept. 18, British Chancellor of the Exchequer Norman Lamont claimed that German policy had

“produced many of the tensions” that had caused Britain and Italy to withdraw from the ERM. An angry Chancellor Kohl responded by labeling Lamont’s comments “inappropriate for a minister.”

Although the Group of Seven meeting on Sept. 19 was considerably more cordial than the exchanges of the previous week, very little was accomplished. Germany was adamant on the question of interest rates, as Finance Minister Theo Waigel said the high rates stemmed from deficit spending by Germany on reunification, indicating that his goal was to reduce inflation from 3.5% to 2%. The Americans and the British tried to shift the blame on the Germans, with U.S. Treasury Undersecretary for International Affairs David Mulford saying that it was hard to imagine Europe putting the system together again “without Germany taking some kind of action” on its interest rates.

But the United States also came under fire. French Foreign Minister Michel Sapin called on the U.S. “to make an effort to reduce that deficit.” On Sept. 20, President Bush invited the finance ministers to the White House, where he presented his own plan for resolving the chaos on the financial markets: a system of coordinating exchange rates by linking currencies with a “basket of commodities, including gold.” This proposal is similar to that made by James Baker back in 1987 when he was treasury secretary, and earlier by Henry Kissinger. Bush gave no indication that he felt the budget deficit was his chief concern.

Although a narrow vote in favor of the Maastricht Treaty on European Union on Sept. 20 prevented an expected attack on the French franc, the major finance ministers of the world seem to have agreed to disagree for the time being, as to the direction of economic policy. In fact, the closeness of the French vote on Maastricht signaled quite clearly that “European unity,” as earlier envisaged, will be seriously hampered for the time being, with each country following the beat of a different drummer. The British, for the time being, will probably go it alone, with Major struggling to maintain his tenuous hold on power.

The situation in Russia took something of a back seat at this year’s IMF meeting. Although Russia has met few of the goals set out for it at the last discussion with the IMF in July, the measures that have been taken have already caused a political firestorm. In spite of that, the IMF director had little but praise and encouragement for the Russian leaders. With the Freedom Support Act—which includes the IMF quota increase—still tied up on the Hill in conference, Camdessus probably thought it wise not to rock the boat by giving any discouraging words on Russia’s ability to “adjust” to IMF demands—and perhaps thereby end up shipwrecked himself.

But the fact is that the shipwreck has already occurred, with the collapse of the international financial system. What will now take its place is still not clear. Either world leaders heed LaRouche’s advice to implement Hamiltonian national banking, or the world will be subject to even greater convulsions as the economy unravels.

Currency chaos reigns; experts talk stability

by Marcia Merry

Within hours after top financial officials of the Group of Seven nations (U.S., Germany, Britain, France, Italy, Canada, and Japan) gathered Sept. 20 at an unprecedented meeting at the White House to hear President Bush speak about financial stability and a new monetary system, the world currency markets opened to chaos. British Prime Minister John Major, currently the head of the European Community, called for an emergency summit of the 12-nation EC on Oct. 16.

The day after the Sept. 20 French Maastricht referendum, currency markets saw a run on the French franc, the British pound, the U.S. dollar, the Spanish peseta, the Danish crown, the Greek drachma, the Portuguese escudo, and the Irish punt. These runs continued a free-for-all which first broke out with the run on the dollar Aug. 21, and carried over as a mass dumping of the British pound and Italian lira to the point that on Sept. 16, the latter were taken out of the Exchange Rate Mechanism (ERM) of the EC—the system intended to keep currencies within a band of values, pending a single currency of a future unified Europe.

On Sept. 21 and 22, the franc came under attack. On Sept. 22, German Chancellor Helmut Kohl and French President François Mitterrand held a hush-hush meeting in Paris. The next day, French officials boosted interest rates from 10.5% to 13% in an attempt to defend the franc. A rare joint German-French statement was issued, pledging support for the franc-mark exchange rate.

On Sept. 22, British officials, responding to domestic economic turmoil, lowered the interest rate for the pound by a full point, from 10% to 9%.

However, despite these and dozens of other maneuvers and statements to inspire confidence, prolong the ERM, and prop up the dollar, the ERM and the dollar bloc are blowing apart as the reality of the rotten economies behind the currencies come to the fore.

What is required are national emergency measures based on the interests of the physical economy, not on schemes to protect favored financial holdings. These measures might include exchange controls, investment incentives, penalties, and others of the type used in past crises. However, as of Sept. 24, only Spain had moved in this direction, placing requirements and penalties for prospective currency speculation, and introducing capital controls.

Instead, August and September were characterized by central bank interventions to attempt to prop up currencies, interest rate shifts, and massive speculation. An estimated \$500-1,000 billion worth of currencies have been traded daily on world exchanges as speculators have gambled on profit-making off expected central bank currency buy-ups, to maintain pre-set parities in the ERM and shore up other currencies. Much of this speculation is conducted by the currency trading divisions of the major banks, e.g., Citicorp, looking to cash in on the chaos.

The mark. The deutschemark has been blamed by Anglo-American financial interests, supposedly because it holds its value relative to other currencies because of German “high interest rates.” In reality, the 9.75% key German interest rate was not among the highest in Europe. When, after intense pressure from Washington and London, Kohl lowered the rate on Sept. 14 to 9.5%, the “calming” effect this was supposed to have lasted less than 12 hours. Then the run on the pound resumed, leading to its removal from the ERM on Sept. 16. The Bundesbank has expended an estimated DM 60 billion in recent interventions to maintain various ERM currencies. German financial officials have been attempting to tamp down inflation, while the money supply grows because of the need to integrate eastern Germany’s economy. In July and August, German money supply grew at an annualized rate of 8.5-9%.

The franc. By Sept. 23, the French franc was falling very close to its ERM floor level of 3.4305 francs per mark. Massive joint French-German interventions brought it up to 3.4100 to the mark. The Bank of France is estimated to have expended 50 billion francs (\$9.8 billion) in interventions.

The pound. On Sept. 16, the pound fell through the ERM floor rate, and officials removed it from the ERM; and on Sept. 24, interest rates were lowered. The pound has fallen more than 8% against the mark in recent days. In contrast, on Aug. 24, Chancellor of the Exchequer Norman Lamont staged a press briefing at dawn at the Treasury Department to declare there was “not a scintilla” of doubt that the pound’s value would be supported.

The lira. The government devalued the currency 7% the week of Sept. 13, and removed the currency from the ERM. Though re-entry was set for after the Sept. 20 Maastricht vote, this becomes more unlikely day by day.

The krona. The Swedish government declared an overnight interbank lending rate of 500% Sept. 16, eventually reducing it to 50%, though capital flight continued. The other currencies of Scandinavia have felt the same whirlwind.

The peseta. It joined the ERM in April this year; on Sept. 17, it was devalued 5%. On Sept. 23, the Bank of Spain moved to deter speculators by requiring domestic banks to match loans to foreign investors by depositing an equal sum, interest free, with the central bank.

The dollar. The U.S. currency has lost 20% of its value relative to the mark over the past year.

MP says Britain is 'in a terrible mess'

by Mark Burdman

"People don't realize how bad the economic situation in Britain really is. . . . What happened with the pound sterling on Sept. 16 was the worst humiliation in the economic history of Britain," British Conservative Member of Parliament Sir Teddy Taylor told *EIR* Sept. 21. Ironically, before the dramatic Sept. 16 move by the British government taking the beleaguered pound out of Europe's Exchange Rate Mechanism (ERM), Taylor had forecast to *EIR* a pound sterling crisis of a magnitude similar to the September 1931 removal of the pound from the gold standard, but he had forecast that that would happen "within 2-3 months." The reality of the world economic depression has caught up with Britain faster than even the more intelligent Britons could foresee.

Taylor's comments point to the disarray that leading British establishment policymakers find themselves in. There is no option to reverse the economic collapse, unless the British were to dump all forms of monetarism, whether of the Keynesian or Thatcherite variants, and to adopt a "Hamiltonian" dirigist policy of directing credit for productive investments.

'The damage has been enormous'

Taylor underscored the depths of the crisis hitting Britain: "Thankfully, we're now out of the ERM, but the damage that has been done to us in the interim has been enormous. There is a great discrepancy between government spending and the low income, so we've been borrowing like crazy. It's all of this, and not some outside factor, which led to the appalling humiliation we suffered this past Wednesday, Sept. 16. . . . And look at the markets today. The pound is collapsing. We're in a terrible mess. In the best of all options, things may *look* better for us for the next 2-3 months, but the fact is, that there are the most *horrific* cuts in government spending coming. The real figures showing the gap between income and expenditure are not being published, the government is withholding them from the public. . . . The next big problem we will be hit with here is alarm about unemployment. Unemployment will increase quite sharply, and that is going to cause a big reaction here."

Taylor hoped for a "really sharp reduction in interest rates" to reverse the "artificially enforced depression." But whether that occurs or not, "the government badly needs an escape route. They will have growing political troubles, and what I've told them today, is that if they want to rejoin the

ERM, they have to agree to submit this decision to the House of Commons. I'm also demanding a free vote for a referendum on Maastricht."

Taylor took the John Major government to task for seeking scapegoats: "The saddest thing about what the British government is now doing, is the great deal of attacks it is mounting on Germany. It's all a load of nonsense! The government is looking for a scapegoat. The first scapegoat was France. . . . Next came the Americans, who were blamed for the weak dollar. Then the dollar went up, and that line was withdrawn. Now, German gossip is being blamed for our problems. But when you have a trade deficit of £900 million a month, as we do, it's obvious that that is worse than German gossip. What the government is doing is very nasty, arousing hatred *for others*, finding scapegoats for bad policies that have simply blown up in their faces."

Taylor, who is among Britain's best known opponents of the utopian Euro-federalist schemes embodied in the Maastricht Treaty for European Union, stated, "I've always been against the EEC, but I have a high regard for the countries of Europe. I admire the Germans and the French, and I want good relations with them, but as nations. By the way the British government has acted, in contrast, they have just made themselves look foolish."

He responded favorably to the proposals made by *EIR* founding editor Lyndon LaRouche in response to the Sept. 16 developments in Britain. "A lot of what Mr. LaRouche says has merit," he noted. "Nations must again learn to act in their own interest."

Layoffs and scandals

Within days, parliamentarian Taylor's warnings about unemployment were borne out. On Sept. 23, British Aerospace announced 3,000 job cuts at its plant in Hatfield, after having reported about \$200 million in losses for the first half of this year. Within 24 hours, Rolls Royce, a subsidiary of Vickers, announced almost 1,000 layoffs. Both British Aerospace and Rolls Royce/Vickers are among the keystones of what still remains of manufacturing industry in the U.K.

Amid these reports, the Parliament was meeting in emergency session to discuss the Major government's handling of the economy. Although a minority has begun to demand some form of "industrial policy" to revive manufacturing and the technological base, Major seems determined to pursue his Thatcherite monetarist schemes.

For how long, is another question. A set of scandals has erupted around Minister of National Heritage David Mellor, which are being likened to the "Profumo Scandal" of 1963, which brought down the Harold Macmillan government. There are also calls, typified by a Sept. 24 editorial in the pro-Tory *Daily Telegraph*, for Major to dump Chancellor of the Exchequer Norman Lamont. Should one more fiasco hit the government similar to that of Sept. 16, Major could find himself out of a job.

Russians lose patience with IMF's boy Gaidar

by Konstantin George

The days of Russian Acting Prime Minister Yegor Gaidar, the executor of International Monetary Fund shock therapy, are numbered. As of Sept. 24, after the Russian Supreme Soviet had completed the first three days of its autumn session, the nearly unanimous consensus among the 247 deputies was that Gaidar must go. Fueling the groundswell of demands for a change in government and policy course is the economic cataclysm that the Gaidar policies have brought to Russia over the past year.

Gaidar's policies are also destabilizing other former Soviet republics tied to Russia through trade and the ruble zone. But the "Great Russia" elite, which has allowed Russia to be hurt as a temporary price to pay for destabilizing the other republics, so as to create the conditions for their eventual reconquest, is losing patience with this policy.

On Sept. 23, Parliament President Ruslan Khasbulatov requested that a "vote of no confidence" against the government be postponed until after President Boris Yeltsin addressed the Parliament. The decision is nothing more than a temporary truce between the Parliament and government. Yeltsin himself was notably absent from the session, leaving Gaidar to fend for himself. (Only the Congress of People's Deputies, which is supposed to convene during October, can remove a government through a vote of no confidence.)

Gaidar's review of the economic situation to Parliament on Sept. 22 contained more than enough evidence to condemn him. He admitted that industrial production for August was 27% lower than for August 1991. Gaidar admitted to the collapse in living standards when he said that, from August 1991 to August 1992, prices had risen fifteenfold while wages had risen tenfold. But the actual gap between price increases and wage increases is much higher, as Russian workers, because of the currency shortage, have been receiving wages 2-3 months late. The 3,000 ruble monthly wage for May, for example, which was finally paid in July, buys far less than it would have back in May.

Gaidar tried to play down the impoverishment of the population, reporting that 13 million Russians are living below "poverty level," which he defined as an income under 1,200 rubles per month. In reality, any income below 2,000 rubles per month is dismal poverty. Thus, the number of impoverished is far, far higher than the 13 million admitted by Gaidar.

Gaidar demanded even tougher austerity, and called for budget cuts and a halt to Central Bank issuance of credits to

state enterprises. During the second and third quarters, it was only through the issuance of such credits that many large state enterprises were kept afloat. Should Gaidar prevail, unemployment will run into the millions.

On Sept. 18, the Gaidar government froze all payments between Russia and Ukraine, thus stopping trade between the two nations. Should the freeze last through winter, the consequences will be severe for many Russian enterprises, but devastating for Ukraine, which is heavily dependent on Russia, especially for energy supplies.

The move overturned a Sept. 10 agreement between Russian Central Bank head Viktor Gerashchenko and Vadim Hetman, chairman of the National Bank of Ukraine. It also coincided with Ukraine's refusal to sign an agreement on that same day to remain in the Russian-controlled "ruble zone." That agreement was signed by Russia, Belarus, Kazakhstan, Kyrgyzstan, Turkmenistan, and Uzbekistan, and by Georgia, which is not a member of the Community of Independent States (CIS).

Anglo-American backing

The IMF has supported a "Great Russia" sphere through its pressure on other former Soviet republics to stay in the ruble zone. This has been complemented by actions of the U.S. government, which has been seeking to establish new East-West spheres of influence. The new division was formally proposed to Moscow in August by U.S. Acting Secretary of State Lawrence Eagleburger, according to east European and Moscow sources. The proposal complements Moscow's attempt to place as much of the former Soviet Union and eastern Europe under Russian hegemony as possible. According to these sources, Eagleburger described his proposal as a "common interest" of America and Russia, whom he characterized as the two losers of the Cold War who "undeservedly" had their "traditional" spheres of influence diminished.

The Anglo-American geopolitical deal with post-Bolshevik Russia can be traced to a secret Moscow visit last December by Stella Rimington, head of British MI-5. She was hosted by Yevgeni Primakov, head of the post-KGB Russian Foreign Intelligence Service. Talks were next held in September in Moscow between CIA head Robert Gates and Primakov.

The "New Yalta" is as follows: Estonia and Latvia fall to the Russian sphere, while Lithuania enters the western sphere, together with Poland and Hungary. The Czech part of Czechoslovakia falls to the western sphere, while Slovakia, whose industry has always been heavily dependent upon the former Soviet Union, falls to the Russian sphere. The Baltic partition scheme became visible in the Sept. 8 bilateral agreement with Lithuania, which all Russian troops will leave in one year, while remaining indefinitely in Estonia and Latvia. Moscow will begin its "reconquest," using the Sept. 20 Estonian elections, where the 400,000 Russian voters were excluded, as the pretext for launching a pressure campaign against that republic.

In Hungary, opposition targets the International Monetary Fund

by Birgit Vitt

On Aug. 20 a political essay appeared by the publisher and politician Istvan Csurka in the newspaper *Magyar Forum*. He is the co-founder and deputy chairman of the ruling party, the Hungarian Democratic Forum (MDF). In this statement of political principles, which Csurka seeks to use to launch a discussion on the content of the future political course of his party and Hungary two years before the next elections, for the first time there is an open attack on the policy of the International Monetary Fund (IMF).

Csurka writes: "The last reform-communist government in Hungary, which was also at the mercy of its own banking system during the disintegrating years of the Kadar regime and during the period of living on credits from abroad, essentially determined the depth of change in the regime, if such a change is taking place at all. Although the IMF's budget stipulations and demands for economic restructuring did not include political requirements in so many words, they nevertheless did contain hidden requirements because a society and an economy cannot be restructured with disregard for the intentions of the financing bodies. . . .

"Thus, for the Hungarian financial sphere, the change of regime meant a carefree marking of time, smoothness, and the preservation of all influences, as well as a good view of the processes, the preservation and development of good relations with western capital, the facilitation of the comrades' survival, and the continued hiding of things that need to be hidden.

"A similar process took place in 1945 and 1946, when the interior minister and police—namely, the only force at the time capable of dismantling democracy—were taken away from the Smallholders Party, which won the elections. The Hungarian banking system and finances, 45 years later, are as important as the police were at that time, when control over the police guaranteed the power elite and the *nomenklatura* of the Kadar era the same conditions as the political police had done in the past. The communist henchmen, murderers, and torturers were supported by Voroshilov's Allied Control Committee and the occupying Red Army at that time; today, the financial elite is supported by the IMF."

With this introduction to his paper, Csurka lit the fuse on a political bombshell, whose detonation will clearly be heard in Washington and London. The call for a national Hungarian financial and economic policy as well as the summons to his

party colleagues to break radically with the old structures, if Hungary is to have a future, is not only kicking against the pricks of the bitter opposition of free marketeers and old communists in Hungary, but will also terrify above all the Anglo-American financial elites. Csurka describes in his paper what pressures weighed from the outset on the first freely elected Hungarian government. As soon as Prime Minister Jozsef Antall announced that he wanted to enter a coalition with the Smallholders Party and the Christian Democracy, without the Fidesz Young Democrats and the SZDSZ Association of Free Democrats, which had been backed during the electoral campaign from the United States, deposits in the Hungarian National Bank shrank by half in one week. This brought the country to the brink of ruin and was a clear signal that western financial elites would do anything in order to destabilize the conservative, nationally oriented Hungarian regime. In contrast to Poland, Russia, or the Czech and Slovak Federated Republic, Antall's government never fully adopted "shock therapy," but despite many mistakes, embarked on a moderate path. But even this path led at a certain point to the decision for or against the IMF, to which Hungary has belonged since the 1980s. The public debate has only begun with Csurka's paper.

Anglo-American slander campaign

The U.S. reaction has been the usual in such cases. An international press campaign has taken off to smear Csurka as being the head of a new right wing and anti-Semitic tendency in Hungary. Prime Minister Antall and the rest of the leadership of the MDF are called upon to distance themselves from Csurka, in order to reestablish the reputation of Hungary abroad. As in the case of LaRouche or the anti-IMF opposition in Poland, these slanders are just attempts to silence a real opposition. Csurka himself calls attention to the fact that the Forum, only one day after its foundation in Lakitelek, was defamed as anti-Semitic in newspaper articles in New York. Moreover, he states, the opposition merely inherited the charge that the MDF is full of anti-Semites from the "agitprop" machine of the old Communist Party ideologue, Gyorgy Aczel.

Congressman Tom Lantos (D-Calif.), who as a Hungarian Jew had to emigrate in 1945, was dispatched on the spot to Budapest to put things in order. This same Lantos earlier

this year had refused to even greet a delegation of Hungarian parliamentarians conducting a fact-finding tour of the United States at the invitation of the Commission to Investigate Human Rights Violations, who were visiting his office in Washington. His latest trip to Europe boomeranged. Miklos Hasznos, a leading member of the Christian Democratic Party and a member of Parliament, came out on television against the visit and Lantos's announcement on Sept. 22 of a special hearing in the U. S. Congress called for the "investigation of the latest political developments in Hungary": "After the Kremlin, will the American Congress dictate terms to us?" Even a Member of Parliament from the opposition's Free Democratic Party attacked, in an open letter, this kind of interference into Hungarian internal affairs.

Istvan Csurka sees his nation as in the midst of a life and death crisis and rightly puts the question to his party: "What are we afraid of? We will be annihilated even if we do not break out. Where in the world is there an authority today that, after the death camps and child murders in Serbia, could justifiably interfere in Hungarian domestic affairs because it disapproves of the government's firm steps?" He went on: "We must no longer wait for applause from abroad because, prompted by the old banking connections, some foreign countries today applaud precisely helplessness and half-heartedness and regard highway robbery as democratic and market economy orientation. . . .

"We must make use of every opportunity to ease the burdens of the people. . . . We must make use of every means to fully observe our laws. Economic crimes should also be disclosed retroactively and should be severely punished. We must start breaking the power of the *nomenklatura*, in other words, we must deny them their control over state property, and we must examine how they came into possession of their 'capital.' We must dissipate the erroneous belief that such severity would hinder privatization and the flow of foreign capital into Hungary. (Capital that is hindered by lawlessness would do better to stay out.)"

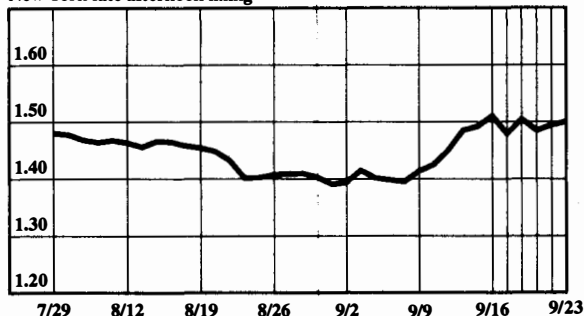
The real problem for the Anglo-Americans and their cronies in Hungary is that, as Jozsef Debreczeni of the "liberal wing" of the MDF reckons, about 70% of the party's voters stand behind an independent Hungarian policy in Csurka's sense.

This expressed itself in a sit-in on Saturday, Sept. 19 in Budapest in front of the Hungarian Radio and Television headquarters, in which 80,000 people took part. The demonstrators were demanding the resignations of directors Hankiss and Gombas. Already last spring the Antall government had asked President Goncz to sign the walking papers for these directors and their entourage, who, as Csurka puts it, "have been illegally appointed." Goncz refused to sign the documents, and this has led to a constitutional standoff which has so far remained unresolved. Csurka and many others see the control of the media by Bolsheviks and free market liberals as an essential part of Hungary's problem.

Currency Rates

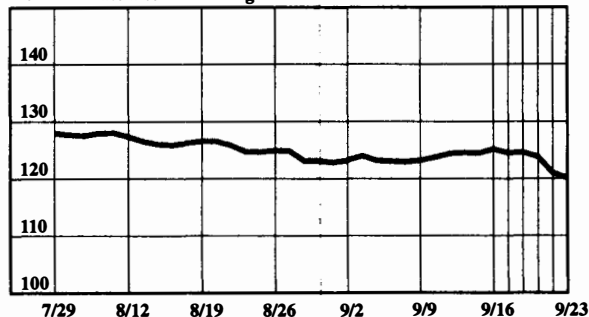
The dollar in deutschemarks

New York late afternoon fixing



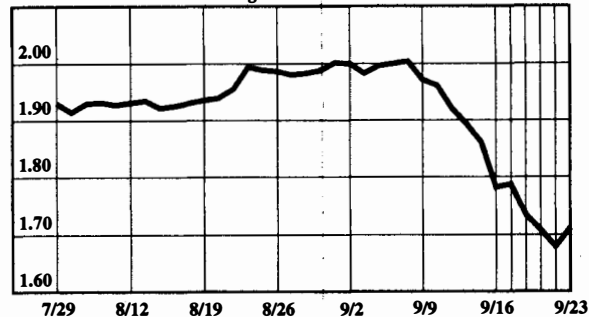
The dollar in yen

New York late afternoon fixing



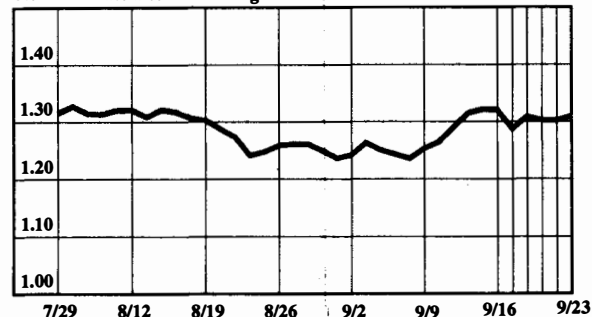
The British pound in dollars

New York late afternoon fixing



The dollar in Swiss francs

New York late afternoon fixing



'Global 2000' gang calls for genocide against China and India

by Kathy Wolfe and L. Wolfe

The elite Population Crisis Committee in Washington released two major reports Sept. 14, attacking "overpopulation" in China and India, and calling, in effect, for the genocide of 1.5 billion Chinese and Indians. The reports are a major new policy assessment by the Anglo-Saxon oligarchy of world population after the collapse of communism. They complain that even Beijing's brutal one-child-per-family policy has failed to control China's population; that communism in China is on its last legs, with vast implications for world population; and that India is surpassing even China in growth rates.

All this is good news for normal humans who love people, but not for the Population Crisis Committee (PCC). "At current rates, China and India will add another 1.5 billion to the world's population before growth levels off," and this must be prevented, the PCC reports say. "China and India, with a combined population of more than 2 billion people, are the key to the future size of world population," the accompanying press release states. "Together they account for more than one-third of the 92 million people added to the [world] population each year."

The PCC complains, shockingly, about their discovery that China has not actually met the one-child goal set up in 1971. "The effectiveness of China's family planning has been routinely overstated," PCC Senior Vice President Sharon Camp told the press Sept. 14. "Most couples in China have two to three children, not the one child cited in official Chinese rhetoric."

"If present trends continue, the Chinese population will probably grow well into the 21st century, adding at least another half-billion people before stabilizing" at about 1.5 billion, says the PCC's new China report, "China's Family Planning: Challenging the Myths."

"The situation is worse in India," Camp continued, since India has never even tried a one-child policy, whereas "China's program has more successfully . . . lowered family size" since 1971.

"From a demographic standpoint, India may be the world's most critical country," concludes the second report, "India's Family Planning Challenge: From Rhetoric to Action." India, they warn, will reach 2 billion people before "leveling off."

Genocide is our business

If Clinton wins the White House, the PCC gang will control his State Department, just as it ran Jimmy Carter's State Department under Cyrus Vance.

The PCC is no stranger to genocide in China in particular. The PCC was founded in 1966 by Gen. William Draper, the leading Anglophile population-reduction ideologue of the postwar era who was closely associated with Britain's Prince Philip and his World Wildlife Fund. With advice from Draper, PCC board member C.P. Snow worked directly with Mao Zedong in China in the late 1960s and 1970s to implement China's first "population experiment," the one-child policy. Under it, any Chinese woman pregnant with a second child was given a forced abortion at bayonet point.

In 1975, PCC executive director Phyllis Piotrow, in her book *Six Billion People*, praised China's forced abortion program: "The most stringent family planning policies have been those of the People's Republic of China, implemented under strict totalitarian control, occasionally by coercive measures. . . . Is it possible, in a world of rapidly increasing population, not to restrict some elements of freedom?"

Draper, Piotrow, and the PCC were the main advisers to President Nixon's National Security Adviser Henry Kissinger in the drafting of his 1974 National Security Study Memorandum 200, which made it official U.S. policy that population in the Third World be severely curbed, in order to protect U.S. access to raw materials.

Under Carter in 1976, the PCC staffed the entire Cyrus Vance State Department. There, they drafted the infamous *Global 2000 Report*, which called for the elimination of 2 billion people by the year 2000, issued by Vance in 1980.

Piotrow, executive director of the PCC in the 1970s, is the chief Malthus expert for the New York Council on Foreign Relations (CFR), the U.S. branch of Britain's Royal Institute of International Affairs. *Six Billion People* was written for the CFR's "Project 1980s" study in 1975, which was the blueprint for *Global 2000*.

Anglophiles fear a free China

The PCC's new China report contains a bombshell: The Anglo-American elite admits its fear that communism cannot long survive in China, and that if China wins freedom, its

population will zoom. "Since restrictive government policies have helped limit family size, China could face a rise in fertility, should current policies be relaxed. . . . [It is] a program that is not voluntary, at least in the generally understood sense of that word. It is not at all clear that the current program could be maintained under a democratic political system."

The report cites as the main "danger" today, China's pre-1971 baby boom. "Because of the large number of births that occurred in the 1960s and early 1970s, the number of women in peak childbearing years will increase over the current decade. Thus in the 1990s, China appears likely to grow by another 160 million people—a number roughly equivalent to the population of Brazil."

The world outcry against China's one-child campaign forces the new PCC report to give lip-service to world opinion. "Despite the negative publicity official Chinese population policy has generated in the U.S., the Chinese program has many positive attributes," it says. "The most troubling issue for most observers is the absence of true reproductive choice in China." The report then turns and endorses the Beijing government's denials that there has been coercion; it pooh-poohs all reports of forced abortions and infanticide.

Even if there were atrocities, Beijing gets results, the PCC says! "The Chinese approach has yielded swift and impressive results. Average family size has fallen by about 60% in just over two decades" since 1971. While the policy arouses "intense emotional debate," the PCC insists, only results count: "This report looks beyond the political rhetoric of the Chinese government *or its detractors*, to the demographic realities" (emphasis added). The report explains away the dramatic evidence of infanticide in China's 1990 census, which showed an unnaturally low ratio of females to males in the Chinese population. The census demonstrated that in the 20 years of the one-child policy, couples who have girls often commit infanticide, until they have a son, for sons are China's only form of social security. However, the report lies, "recent analysis suggests the low ratio reflects significant under-reporting of female births."

This repression, PCC complains, has now proven so unpopular and impractical, that since the mid-1980s, family planning officials have begun to allow second children and to ease child registration.

The report all but calls for the sterilization of new demographic groups created by China's economic crisis. "A number of important groups are under-served at present by birth control services," it says. "These include the 70 million unregistered urban migrants, the 120 million inhabitants of the poorest rural communities, and a growing number of sexually active unmarried men and women, including adolescents." The report concludes that the "reproductive choice" which the Chinese need, is the right to choose from a "cafeteria" of more "popular" birth control measures. Most Chinese receive cheap "one-shot" steel-ring IUDs or sterilization, not the more expensive "repeat" measures used in the West.

The report lastly insists that the next U.S. State Department must reverse recent Washington policy of cutting population reduction aid to China, and move to financially support Beijing—a return to the Global 2000 program of Jimmy Carter.

'India has no option'

The PCC's China report is labeled "Country Study #1," and the India report is "Country Study #2." As this implies, what is said about China is also brutally proposed as the model for India. India, the PCC stresses, is now the world's second largest country, after China, but unless it adopts Beijing's methods, India's population will surpass China's and become, in this twisted view, an intolerable threat to the Anglo-Saxon world.

The PCC clearly wants an end to the view stated by Prime Minister Rajiv Gandhi, just before his assassination in 1990, that "economic development is the best method of family planning."

"Given the magnitude of its population problem, India does not have any other option" but draconian reductions in birth rates, the report begins.

"From a demographic perspective, India may be the world's most critical country. Its current population of about 883 million, is growing over 2% a year. With roughly 27 million births annually, India currently contributes one-fifth of total world population growth—more than any other country. If present trends continue, India will surpass China as the most populous country early in the next century." In particular, the PCC is worried about the current number of childbearing women: "With its young age profile and continuing increase in women of childbearing age, India's population could exceed 2 billion before stabilizing" (emphasis in original).

The PCC's beef is that all these young women, very simply, are still having four to five children, while the Chinese have got it down at least to an average of two per couple by Beijing's charming ways. "Average family size is still about four children, almost double the 'replacement' level of slightly over two children needed to achieve stable population," says the report, and "population stabilization remains a distant goal."

Singled out is northern India, where "use of modern contraception is low and family size still averages around five children. Lagging fertility in this region, which accounts for 40% of India's population, has slowed the overall pace of change."

The real problem, the PCC says, is that India has dared to decrease death rates. "Rapid population growth in India is a recent phenomenon. After centuries of minimal growth, India's population began to increase rapidly" after independence from Britain as a result of public health, "which contributed to a steep decline in death rates, without a corresponding decline in birth rates." No doubt recent reports of the rise of AIDS spread in India have caused some satisfaction at the PCC.

Gear up construction equipment industry with LaRouche program

by Anthony K. Wikrent

In March, the presidential campaign of candidate Lyndon LaRouche ran a national half-hour, prime-time television broadcast giving the LaRouche emergency program for the economy. The centerpiece of the program, apart from emergency financial measures such as nationalizing the Federal Reserve System, rests on a crash infrastructure construction and repair program, including waterworks, rail and bridge building. This would set up a demand for 3 million jobs directly, and another 3-4 million indirectly in supply industries and necessary back-up services.

Nowhere are the effects this would have so evident as in the heavy construction equipment sector—earthmovers, giant trucks, backhoes, etc.

Although this sector worldwide is still dominated by U.S.-based companies, the global depression in needed infrastructure investment has depressed the construction equipment-manufacturing work force, output, and capacity down to a pitifully low level. The new orders generated by the LaRouche national emergency infrastructure program would have a spectacularly reinvigorating impact. The following is a rundown of the decline to date in the U.S. and world heavy equipment sector.

Output decline

According to statistics from Fiat, world production of earthmoving equipment, excluding Japan, fell from over 200,000 units in 1979, to under 130,000 units in 1982 and 1983, then rebounded to around 160,000 in 1989, before beginning another decline.

The collapse of the U.S. market has been astonishing. The chart shows how unit shipments of almost all types of construction equipment and machinery by U.S. manufacturers reached their high points in the 1970s. Then, the physical depression unleashed by U.S. Federal Reserve chairman Paul Volcker in 1979 collapsed the market to less than half that level by 1982-83. The speculative boom in commercial real estate created an artificial rise in shipments, before a new collapse began in the mid-1980s. Unit shipments have never recovered to the relatively healthier levels of the 1970s (see figure).

At present, unit shipments of equipment by U.S. producers have plunged back nearly to the record lows registered

after Volcker's 1979 high-interest-rate shock. Manufacturers which barely survived the early 1980s—largely by eliminating thousands of jobs—are initiating a new round of layoffs, and are forming international alliances with competitors in order to survive. Yet, in fact, imports of parts and equipment are growing.

The 1970 *U.S. Industrial Outlook* noted that imports accounted for only 2% of total U.S. consumption of construction machinery; imports now account for over 25% of U.S. consumption. An April 1992 report by the U.S. International Trade Administration noted that the largest category of imports, at \$635 million in 1990, was for parts of construction and mining machinery, mostly for incorporation into U.S. assembled equipment. Parts also constituted the largest export category, at \$658 million. The second largest category of imports, at \$460 million, was for self-propelled backhoes and shovels with a 360° revolving superstructure. The third largest category, at \$430 million, was for wheeled front-end shovel loaders, which was also the second largest category of exports, at \$534 million. The third largest group of exports in 1990 was for \$431 million worth of buckets, shovels, grabs, and grips.

The collapse of the market for construction machinery merely reflects the termination of the many large infrastructure projects that were planned for the 1980s, but never undertaken. A special report on Caterpillar in the Aug. 17, 1992 issue of Standard & Poor's *Creditweek*, for example, directly blamed "a dearth of mega-projects" for cutting sales of large, high-margin equipment.

Manufacturers respond by scaling back

The 1992 Standard & Poor's report went on to note that "critical to Caterpillar's success has been its ability to lower costs. . . . During the early and mid-1980s, the company cut manufacturing capacity by about 30% and lowered costs by over 20%." This so-called "success" in fact is no good for the physical economy, and has not even worked financially for the companies.

With the U.S. and world economies now spiraling down into a new phase of depression collapse, Caterpillar is losing money again: \$404.0 million in 1991, and \$185 million in the first six months of this year. In its first quarterly report,

Caterpillar disclosed that physical sales volume had fallen 21%.

The carnage is not confined to Caterpillar. Komatsu Dresser, the second largest manufacturer, announced at the end of July that it was closing its manufacturing plant in Libertyville, Illinois, eliminating 200 jobs. A week later, another 100 layoffs were announced.

Caterpillar is the largest manufacturer of construction equipment in the world, with manufacturing operations in 11 countries worldwide, and with headquarters in Peoria, Illinois, roughly equidistant from Chicago and St. Louis. In 1991, Caterpillar's total sales of \$9.838 billion represented 67.85% of the U.S. construction machinery industry's (Standard Industrial Classification 3531) shipments of \$14.5 billion. Actual sales of machinery by Caterpillar in 1991 were \$7.397 billion, or 51.01% of the U.S. industry's shipments. These figures are a significant decline from 1990, when Caterpillar's total sales of \$11.103 billion, including \$8.735 billion of machinery, accounted for 75.81% and 59.64%, respectively, of the U.S. industry's \$14.645 billion in shipments. In 1990, Caterpillar employed 40,895 people, representing 52.03% of total U.S. employment of 78,600 in SIC 3531-classed production.

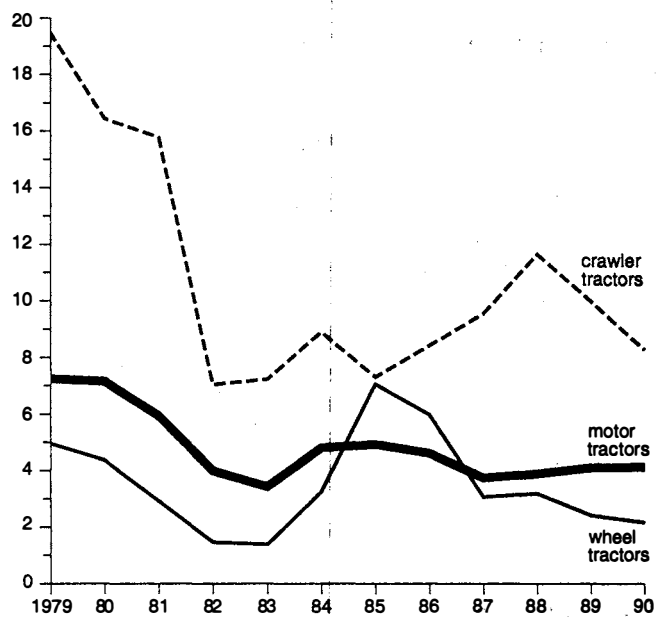
Worldwide, Caterpillar dominates the construction equipment market, being two to three times the size of its nearest rival, Komatsu. In 1991, 59% of Caterpillar's total sales were outside the United States, amounting to \$5.780 billion—more than the total \$4.815 billion in exports by the U.S. construction equipment industry. Of the \$5.780 billion of Caterpillar sales outside the United States in 1991, \$3.539 billion were products made in the United States, making Caterpillar the second largest merchandise exporter of the United States, after Boeing Co. Caterpillar's overseas sales of U.S.-made goods represented 73.50% of total export shipments by the U.S. construction equipment industry in 1991.

In Japan, Caterpillar has a 50-50 joint venture with Mitsubishi Heavy Industries called Shin-Caterpillar Mitsubishi Ltd.

The second largest manufacturer in the world, Komatsu Ltd. of Japan, is less than half the size of Caterpillar. Komatsu formed a joint venture with Dresser Industries of the United States in 1988, called Komatsu Dresser, and recently renamed Indresco. The North and South American markets are served exclusively by Indresco. In contrast to its continued domination of the Japanese market, Komatsu's U.S. operations have been steadily ceding market share to Caterpillar, and have yet to show a profit. Komatsu Dresser's share of the U.S. market has fallen from 20.3% in 1988, to 18.0% last year, while Caterpillar's share has increased from 34.5% to 36.4%. Komatsu controls about half the Japanese domestic market, and leads Shin-Caterpillar Mitsubishi in the Far East market.

The third largest manufacturer of construction equipment in the world is J.I. Case, the faltering subsidiary of Tenneco,

U.S. shipments of construction equipment have never recovered pre-Reagan/Bush level



Sources: U.S. Dept. of Commerce; Bureau of the Census; Current Industrial Report MA35D; *Construction Machinery*, 1986 to 1990; Construction Equipment Manufacturers Association, "History of Bureau of the Census Unit Volumes."

Inc. Case accounts for over one-third of Tenneco's revenues, but lost \$200 million in the first six months of 1991, and lost another \$66 million in the first half of this year. The slight decline in sales of Case's construction equipment, however, is nothing compared to the catastrophic 40% collapse in Case's sales of farm equipment.

The fourth largest manufacturer is Hitachi Construction Machinery Co., Ltd. Hitachi's main export market is Europe; in the United States, Hitachi has a 50-50 joint venture with Deere & Co. which it formed in June 1988. Hitachi also has a joint venture with FiatAllis, the construction equipment division of FiatGeotech, the result of the 1990 merger of the construction and farm machinery operations of Fiat S.p.A. of Italy, with those of Ford New-Holland. Hitachi's main effort in the United States is in hydraulic excavators.

Deere itself has been hard hit not only in construction equipment, sales of which fell by 28% last year, but also in farm equipment, of which Deere is the world's largest manufacturer. In November 1991, Deere announced the elimination of 2,100 jobs from its work force of 37,500, and \$120 million in expenses to pay for the downsizing.

Thus, there are three major international groupings that dominate the world market: Caterpillar-Mitsubishi; Komatsu-Dresser; and Hitachi-Deere-Fiat. Other important manufacturers include JCB, a private company in the United Kingdom; VME, the result of the 1985 merger of the con-

struction equipment operations of AB Volvo of Sweden with Clark Equipment of the United States, using the brand names Volvo BM, Michigan, and Euclid; Liebherr, of Germany; Kobelco Construction Machinery, Inc., wholly owned by Japan's Kobe Steel Ltd.; Case/Poclair (France); Akerman (Switzerland); Champion (Canada); Hanomag (Germany); Daewoo (Korea); Hyundai (Korea); Furukawa (Japan); Kato (Japan); Kawasaki (Japan); Kubota (Japan); Mannesmann Demag (Germany); MDI/Yutani (Japan); Samsung (Japan); Faun (Germany); Hymac (Britain); Ishikawajima Heavy Industries Co. (Japan); Japan Steel Works; Orenstein and Koppel (Germany); Sumitomo (Japan).

U.S. manufacturers have ceded much ground to foreign competition since the 1970s, when U.S. contractors dominated world construction activity, and normally bought U.S. equipment for their projects overseas. As a result, U.S. manufacturers controlled 60-70% of the world market for construction equipment and machinery at that time. Today, U.S. manufacturers control only about 25% of the world market, according to Frank Manfredi, president of Manfredi and Associates, a firm that specializes in studying and reporting on the industry.

Caterpillar targets work force

Unfortunately, Caterpillar's response to the collapsing economy is typical of American management, and only makes matters worse. Rather than squarely confronting the neo-malthusians in the Anglo-American establishment over their "controlled disintegration" economic policies, Caterpillar has embarked on a ruthless campaign of cost-cutting, including a massive attack on the wages and benefits of its unionized work force.

In preparation for the renegotiation of the labor contract between Caterpillar and its 17,000 workers who belong to the United Auto Workers (down from 40,500 in 1979) in the late summer of 1991, Caterpillar management amassed a six-month supply of inventory, and provided price incentives for Caterpillar's dealers worldwide to also stock up on machines and parts. The company was plainly intent on lowering its labor costs, and was preparing for a knock-down, drag-out fight with the UAW. Caterpillar director John W. Fondahl, a retired professor of engineering from Stanford University, told *Business Week* on Aug. 26, 1991, "There hasn't been sufficient cost reduction" in Caterpillar's labor costs.

By November 1991, negotiations had reached an impasse, and Caterpillar's workers walked out in a strike that would last five months. In April, Caterpillar began threatening to replace striking workers with new hires; 30,000 calls came into Caterpillar headquarters from job-seekers; and the UAW's resolve collapsed. The strike ended in another resounding defeat for organized labor in the United States.

A resounding defeat for labor, but not a resounding victory for Caterpillar. Why? Because in any economy, the true engine of productivity and wealth-creation is the creative

mentation of individual human minds. This is the fundamental reason that Japanese "lean production"—the Toyota system of production—detailed in the Massachusetts Institute of Technology five-year study of the world automobile industry, entitled "The Machine That Changed the World," is superior to classic American "mass production." One statistic gives an indication of the difference: U.S. workers at Chrysler, Ford, and General Motors plants in the United States submit 0.4 suggestions per worker per year; U.S. workers at Japanese plants in the U.S. submit four times as many, or 1.6 suggestions per worker per year. But each Japanese worker in a Japanese car plant in Japan submits an astonishing 64 suggestions per year. In other words, the Toyota system of production mobilizes the creative powers of human mentation.

Thus, a company's work force is its most important resource. Toyota understood that, and can now produce over 50 cars per employee each year, compared to only 10-15 cars produced per employee by U.S. automakers. American business managers, however, refuse to accept the evidence that they have taken only 30 years to destroy what was once the most productive economy in the world, and are salivating at the new prospects for gouging their work force opened up by the humbling of the UAW at the hands of Caterpillar. Typical of the idiotic and destructive thinking that pervades all levels of American management, Caterpillar's chairman Donald V. Fites explained why he thought the incomes of U.S. workers should be held down in the Nov. 17, 1991 *New York Times*. "There is a narrowing of the gap between the average American's income and that of the Mexicans," Fites said. "As a human being, I think what is going on is positive. I don't think it is realistic for 250 million Americans to control so much of the world's GNP."

The problem is that Fites wants to lower the wage packet earned by U.S. workers to narrow the gap, rather than raise the wage packet earned by Mexican workers. This means that Caterpillar's victory over the UAW was no victory at all, but one of the final death spasms of an antiquated system that is about to be obliterated by its own stupidity. As Jesse Parker—a tool and die maker who redesigned some rubber blades that cleaned the assembly line at Caterpillar's plant in Aurora, Illinois, so that the blades could go six months before being replaced, instead of twice a week—told the *Wall Street Journal* on May 16 after Caterpillar quashed the UAW strike, "I'll just do my job. I won't do any extra," from now on.

On April 16, Chicago attorney Jonathan Rosenblum, in a commentary, tied Caterpillar's victory over the UAW to the precedent-setting union-busting victory of Phelps Dodge Co. in the summer of 1983. Rosenblum began with a quote from William Seidman, the recently retired chairman of the Federal Deposit Insurance Corp., who was an officer of Phelps Dodge in 1983. "In the end," Seidman had said back then, "it became clear that the only way you could win was to kill the union."

Farm groups flub chance to nix NAFTA

by Suzanne Rose

Members of the Agriculture Committee of the U.S. House of Representatives convened on Sept. 16 and 23 to hear administration spokesmen present the draft text of the North American Free Trade Agreement, and argue for its contents. The hearings were characterized, unfortunately, by the lack of serious opposition on the committees to the proposed text, and by the demoralized state of the farm and industry representatives presenting their views. It is clear that the fight to derail NAFTA will not come from the "official" farm and commodity groups.

On Sept. 16, U.S. Trade Representative Carla Hills presented her theories on the recently signed agreement to a full panel of House Agriculture Committee members, who then subjected her to several hours of questioning. The following week, two academic spokesmen for the treaty, Dr. Robert Paarlberg of Harvard University's Center for International Affairs, and Dr. G. Edward Schuh, dean of the Hubert H. Humphrey Institute of Public Affairs, appeared before the committee to boost the 2,000-page text. They were followed by 25 panelists who expressed their views to the committee members who remained. These congressional hearings, which are scheduled to occur in many other committees over the coming weeks, constitute a 90-day review procedure, after which the document will be completed and submitted to Congress for another 90 days of review and a vote.

The only serious opposition to the treaty came from Sue Atkinson, independent candidate for U.S. Senate in Iowa and Food for Peace activist (see *Documentation*).

The representatives of commodity groups who testified at the second hearing gave up the high ground to the administration and academics sent forth to defend it. There was no mention of the growing world food shortage, which would mitigate against giving up national sovereignty over food production, or "food self-sufficiency." Despite the fact that evidence was presented by almost every commodity group that the agreement would gut their production, the spokesmen contented themselves with whining about their particular areas, demanding that the agreement give them more protection. This is impossible, said Hills and others, because the negotiations have concluded and the agreement cannot be changed. Spokesmen for the Florida fruit and vegetable growers complained bitterly that the negotiators, after promising to protect their produce, which supplies the U.S. population with 50% of its winter fruits and vegetables, had

sacrificed them at the last minute in order to conclude an agreement by the administration's August deadline.

Ed Schuh of the Hubert Humphrey Institute (which is sponsored by the food cartel giant Cargill), brought in to defend the agreement for the administration, answered the objections of the various lobby groups by admonishing them to "look at the bigger picture." The agreement might harm any particular area of the economy, said Schuh, but it will help the *whole* economy.

Feeble objections

The knottiest questions posed by the congressmen and panelists to the administration revolved around the so-called rules of origin. Who is to tell whether an item which will now be allowed into the United States duty free from Mexico was really produced in Mexico? Under the agreement, won't Mexico become a platform for more cheaply priced goods to flood the U.S. market? Who will prevent meat from Australia or Brazil, or milk powder from the European Community, or peanuts from China from coming through Mexican ports into the United States? It was pointed out that less than 1% of goods coming into the U.S. are inspected at the border.

Where would the funds come from to police Mexican ports and all of the produce coming in? Can U.S. inspectors police Mexican ports? The contradictions were glaringly posed between the drive to reduce labor and tax costs—one of the purposes of the treaty—and the need for funds to meet objections raised about infrastructure, pollution, health and safety standards, inspections, etc. Hills promised to deal with these issues, but rejected proposals to fund that effort through a tax on companies moving to Mexico. Committee chairman Kika de la Garza (D-Tex.) pointed out that the revenues would not be available from general funds either, because of the deficit reduction drive. In fact, he said, the Bush administration has only come forward with \$25 million of the promised \$241 million for funding the agreement.

Throughout the Sept. 23 hearing, there were references in the testimony to the real economic nature of the treaty and the interests it would serve. Rep. Byron Dorgan from North Dakota, the first panelist, stated that the treaty was an "economic hoax," whose praises Wall Street could sing. He vowed to lead the opposition to it in the Congress. Schuh remarked that one of the essential features of the treaty would be to increase U.S. exports, which was needed to service our debt. Treaty advocate Paarlberg told committee members that the agreement is intended to "downsize Mexican agriculture." "They made a foolish attempt to become self-sufficient in food production," he said. But, the administration of Mexican President Carlos Salinas de Gortari has overcome this foolishness, he said, and developed a new vision. "They became outward oriented. He recognized that Mexico had no competitive advantage in agriculture." What Paarlberg didn't say, was that countries that are prevented from producing their own food turn into Ethiopias and Somalias.

Documentation

From the testimony by Sue Atkinson, independent candidate for Senate in Iowa, before the House Agriculture Committee Hearings on Review of the Proposed Text of the North American Free Trade Agreement Sept. 23, 1992:

The North American Free Trade Agreement directly violates the intent of our Constitution by putting control of our economy into the hands of a few multinational businesses. The fact that people are going to suffer from this is evident from Chapter Eight, which is called "Emergency Action." It is already foreseen that economic injury is going to result as disparate economies attempt to merge. So, the obvious question becomes: "Why are we doing this?"

By examining the structure being put in place, the working of that structure, what that structure is controlling, and who is controlling that structure, the truth emerges: All of the countries who sign the agreement are handing over control of their economies. Article 105 says: "The Parties shall ensure that all necessary measures are taken in order to give effect to the provisions of this agreement, including their observance, except as otherwise provided in this Agreement, by state and provincial governments."

Appointees to a commission become the policymakers. Below this are committees and subcommittees for various areas, but all eventually report to the Commission. If there are disputes, then international laws apply. Under this Agreement, businesses are allowed to pursue their profit-oriented goals without interference from governments trying to protect their citizens. Article 1502 reads: "Nothing in this Agreement shall prevent a Party from designating a monopoly."

In our country's agriculture sector we have a close monopoly already. Six grain companies control over 80% of the grain trade, and three meatpackers (two of them owned by grain companies) dominate that market. Grains are viewed as raw materials which are used in value-added processing. Raising livestock is viewed as one of the value-added processes.

There have been studies done which show that the price of grains will fall in the move toward free trade. Farmers have been assured that this is good for livestock producers because it will give them cheap inputs, and thus more profits. What is not mentioned, of course, is that the cost of producing the grain must still be recovered somehow. Hiding the cost in the price of a value-added product simply allows the degradation of the value of the labor needed to produce the raw material. We've seen this done before in the production of cotton—it was called slavery. . . .

The fact that some people in this country are actively looking forward to expanding our market for corn by destroy-

ing Mexican production is an example of the moral decay in this country. At one time, our food producers took pride in the fact that they produced food to feed people. Now they have been reduced to cannibalizing each other as well as producers in other countries in an effort to survive—while a recent study shows that profits for food processors have increased.

Food processors have done more than increase their profits. A USDA [U.S. Department of Agriculture] report from this year shows that the food cartel companies have increased their presence in Mexico considerably. They are doing more processing, more transporting, and more distributing through their grocery stores. . . .

What is happening to food production in this country amounts to moral turpitude. The 1985 and 1990 farm bills did away with the reserve—not surplus, but a reserve. As land was taken out of production for various set-aside programs, producers had less on which to earn income. They, in turn, produced the crops with the higher return on investment.

Wheat was one of the crops with a low return, so less wheat was produced—in fact 30% less. What has been the result? The bonus programs which furnished flour to food banks, to schools, to prisons, to Indian reservations, etc. was stopped July 1 of this year. In fact, bonus programs have been almost eliminated both domestically and for exports. What has happened is that the commodities which exist have been transferred to entitlement programs where they are subsidized to the food cartel companies under the guise of protecting our market share. This makes less food available for charitable purposes at a time when the United Nations Food and Agriculture Organization says the numbers of malnourished and starving people have never been greater. Forty million people are considered at risk of death from starvation in southern Africa. Has our morality disappeared completely?

An Iowa State University study was done on the economic impact of just the Conservation Reserve Program to one Iowa county. The income lost from inputs not being used for production was in the millions just for one county. This does not show up in any of the studies I have seen concerning NAFTA. A job retraining program, even if it could be funded, is completely inadequate when the total economic impact is considered. . . .

NAFTA will only further the bankruptcy of our economy. What we need to be doing to save our economy is returning to the economic principles upon which our country was founded. Those economic policies, based on the principle of a national bank, protected our economy from private greed. Enough income was generated from the measures of our founding fathers to provide the basis for a growing population. We need more jobs and better paying jobs today, based on an improved infrastructure rather than this neo-colonial looting process proposed by NAFTA.

Farmers rally on German-Polish border

They demonstrated against the Darwinian free market policies of the IMF, GATT, and the Maastricht Treaty.

On Sept. 12, farmers from Germany, Poland, and France gathered on the German-Polish border to demonstrate against the ruinous economic policies now in effect in Europe, and to resolve to overthrow these with programs for the good of farmers and people of all nations.

On the German side, in the town of Forst, the crowd, numbering about 60, was attended by 10 members of the press. There were around 40 farmers and two tractors, with dozens more running around with TV cameras, microphones, and notebooks. Across the border in Poland, 50 farmers rallied.

The speakers on the western side included leaders of German Agriculture Organization (VdL). The head of VdL East is Frank Richter of eastern Germany; the VdL West was represented by Helmut Eichinger of western Germany. Representing France was Mr. Danielle, of the French group Rural Coordination.

During the German rally, these speakers were joined by two delegates from the Polish Union for the Self-Defense of Farmers. Other Polish farmers, lacking passports, waited at the border, where they were interviewed by the press.

Following the German rally, an indoor meeting was held, where a chapter of the VdL was founded for the region. Then the crowd went over to the Polish side, where Andrzej Lepper, the president of the Union for the Self-Defense of Farmers, and 50 other farmers were waiting.

Lepper was surrounded by a mass of people with a dozen microphones,

two TV cameras, and at least five photographers. A few steps away, police cars staked out the scene.

Lepper and the representatives from the West read messages of support from abroad. Excitement rose over greetings from Sonora, Mexico, from the Minnesota farmers union, and from Sweden. The Swedish Christian Farmers Association sent greetings, as did the Swedish Farmers Association.

Lepper said in his speech that not only Poland, but the whole world is at a moment of profound change. The austerity demands of the International Monetary Fund (IMF), the free trade policies of the General Agreement on Tariffs and Trade (GATT), and the European Community's Maastricht Treaty on European Union are exacerbating the crisis, he charged.

"In Poland, there is a tragedy in preparation, not only in agriculture but in every sector and social layer," Lepper continued. "We want to form a joint organization to fight against this in Europe, maybe even in the whole world. It should be an organization that respects man as a human being. Today man is worth nothing; the only thing that counts is money, money, money. Even in our country, which is a Christian country, they forget that man is the highest good. Too many are making a fortune with lies and stealing. But the world is not only us here; it is Africa and Asia as well, where tens of thousands are dying every day. The world is today incapable of feeding 5 billion people, despite the fact that it could nourish 10 billion easily."

The French representative from Rural Coordination said that his group was founded to defeat Maastricht and the Common Agriculture Policy of the European Community, which is based on a free market approach. "This policy will have the same disastrous consequences for Europe as what is happening in eastern Europe right now. Eighty percent of French farmers will go bankrupt next year. Big companies and banks will buy up their property and we will have collective farms like in eastern Europe. Farmers all over the world are in the same fight. We must not allow ourselves to be thrown against each other all the time."

Frank Richter from the VdL East said that his organization is fighting for a true reform of the old socialist agriculture. Right now, they just rename the collective farms as shareholding companies and declare them as the ideal "competitive" farm for Europe. Richter reported that he saw "many farms in the U.S. that had 400-500 hectares and were completely indebted: They can no longer make it. This is the proof for us that this is wrong."

Helmut Eichinger from the VdL West said that this meeting is the proof that international cooperation is possible. "We have the same problems, so we can and must battle against them together. Together we have to fight against IMF, Maastricht, and GATT. We need parity prices and must not compete with cheap imports from countries that pay slave labor salaries and have child labor."

Uwe Friesecke relayed to the protesters greetings from the Schiller Institute. The collapse of communism showed that societies that do not respect the freedom of man cannot exist, he said. "We find the same attitude now in the West; it is called the 'free market economy.' Our joint battle is against that."

A change in monetary policies?

Monetary turbulence sparks debate about relations with Britain and a new Franco-German initiative.

The results of the French referendum on the 1993 European monetary union treaty (the "Maastricht" package) were not even known on Sept. 20, when leading German banking and industry representatives said that the crisis of European currencies would remain irrespective of a "yes" or "no" vote in France.

The outcome of the referendum, Dieter Spethmann, the former chairman of Thyssen Steel Corp., wrote in a newspaper column published Sept. 16, had become irrelevant because the British pound sterling had already been removed from the Exchange Rate Mechanism (ERM). This, he said, meant that the project signed at the Maastricht European Community (EC) summit should no longer be pursued. Instead, he proposed, a new project for integration should be worked on, one that would close Britain out for the time being and would proceed on the basis of closer cooperation among compatible economies of "core European nations," like France, Germany and the Benelux states.

The farewell to Britain in Spethmann's article was observed in other public statements, too. Meeting Italian Prime Minister Giuliano Amato in Florence Sept. 18, Chancellor Helmut Kohl denounced remarks made that morning by Britain's finance minister, who blamed the German monetary policy for the troubles of the pound sterling, as "totally inappropriate." This phrase was polite enough but Kohl's anger at London was evident.

Other politicians were less polite.

It was leaked in Bonn Sept. 20 that during emergency meetings of the EC finance ministers and central bank heads the week before, Helmut Schlesinger, the head of the German Bundesbank, threatened to leave the talks if British attacks on German monetary policy didn't stop.

On Sept. 17, Schlesinger said that he saw no need to support the pound sterling when the British central bank had more monetary reserves than the central bank of Italy, which was in need of support from Germany. (It must be said, however, that present German "support" for the Italians is for the drastic austerity program of the Amato government.)

Schlesinger's predecessor at the Bundesbank, Karl Otto Poehl, said in a Sept. 21 speech in Washington that the main cause for the weakness of the pound lay in the unsound policy of London. It was "generally acknowledged," Poehl said, "that the United Kingdom joined the ERM at too high an exchange rate; DM 2.95 was wishful thinking" (the pound was down to DM 2.53 when Poehl spoke).

Poehl conveyed a widespread view that the 1990 decision to let Britain join the ERM at a favorable exchange rate was "political," that it had less to do with realistic economic data than with the feeling of Kohl that he owed something to London for its (much-delayed) "yes" to German unification in the autumn of that year.

Poehl, Schlesinger, and other top bankers endorsed a new push for monetary union in Europe that would keep

the British out and concentrate on close Franco-German cooperation. With few exceptions, they called the withdrawal of the pound sterling from the ERM "no big loss," saying that it was even to the benefit of closer France-German relations.

The emergency summit Kohl and French President François Mitterrand held in Paris Sept. 22, however, did not capitalize on these developments, as the pragmatic Kohl avoided open conflict with the British (and their U.S. cousins) which would have resulted from pursuit of another exclusive Franco-German initiative.

But there is strong sentiment in Bonn for a genuine Franco-German policy. This desire, born in the wake of British sabotage of German efforts to pacify the Balkans, is now extending to monetary policy.

Wolfgang Roth, the economic policy spokesman of the opposition Social Democrats, attacked London as "the big mischief-maker of the past years, and especially the past 10 days," and said that "what England is doing" by misusing its present chairmanship of the EC to try to block any Franco-German move "is a big scandal."

Spokesmen of other parliamentary parties in Bonn joined Roth in his critique. Karl Lamers, the foreign policy spokesman of Kohl's Christian Democrats, declared that time was running out for the British to make up their mind whether they wanted to continue their maneuvering against the rest of Europe, or finally live up to standards of cooperation accepted by the continental nations.

Voicing government views, Mrs. Ursula Seiler-Albring, the assistant foreign minister and a senior member of the liberal Free Democrats, warned London against misusing its current presidency of the EC council for sabotaging German initiatives.

Business Briefs

Food Irradiation

Poultry processing clears last U.S. hurdle

The U.S. Department of Agriculture announced Sept. 18 that the final rule governing irradiation of poultry would be published in the *Federal Register* on Sept. 21. This means that the federal Office of Management and Budget has at last approved this technology for control of pathogens like salmonella, listeria, and campylobacter.

Vindicator, Inc., the food irradiator in Tampa and Plant City, Florida, reports it can proceed with the irradiation of chickens within 30 days after publication of the final rule. The chickens will be labeled with the green, international symbol for irradiation along with the words "Treated with Radiation."

While the technology has been available for decades and the U.S. Food and Drug Administration approved poultry irradiation in 1990 after it found that radiation controls bacteria with no hazard to consumers and with no adverse effects on nutritional value, it took a political fight to overcome obstacles erected by the green anti-technology mob—a fight in which *21st Century Science & Technology* quarterly and food irradiation pioneers played major parts—while the big corporate poultry producers sat on their drumsticks.

Labor

Poland plans more layoffs under IMF pressure

As demanded by the International Monetary Fund, the Polish government intends to phase out two-thirds of coal mining and send 12,500 nurses home, in the next round of budget cuts and "consolidation" measures.

According to a report in the Polish daily *Gazeta Wyborza*, the government plan to restructure the Polish steel industry foresees the closure of seven steel mills (Szczecin, Buczak, Bobrek, Batory, Ostrowiec, Bankowa, and Kosciuszko) by the year 2002, with 80,000 workers laid off. In 1988, there were 200,000 steel workers; in 2002, there would only be 40,000, and production would be only 50% of

that in 1980.

This year's report by the National Accounting Office stated that 80% of the equipment in Polish steel mills is antiquated, that new investments are too costly, and that only two mills, Katowice and Sendzimir, will be modernized. The Ministry of Industry is hoping to get funds for this project from the World Bank and the European Bank for Reconstruction and Development.

Similarly, there is no money for the Polish Red Cross (PCK), which used to be financed by the Ministry of Health, Ministry of Labor, and local governments. According to a law passed in November 1990 which will be implemented next year, the PCK will have to rely on local governments for funding. It is expected that 12,500 nurses will lose their jobs, and elderly and sick people who depend on them will have to be moved to hospitals, which are in terrible shape.

The "savings" will not be felt for the time being because the PCK will have to pay 100 billion zlotys, or \$640 to each nurse laid off, in severance pay.

Infrastructure

European industrialists urge great projects

Fiat president Umberto Agnelli, president of the "Infrastructure Working Group" of the European Business Roundtable, and Jerome Monod, a former member of the Club of Rome and president of the roundtable, said that there is a critical need for Europe to build a real infrastructure network, in a report released in Paris on Sept. 14, the French daily *Le Figaro* reported.

Agnelli stressed that infrastructure development is "one of the axes on which the future of Europe turns." The group wants to modernize existing transport routes, and to develop new modalities of cooperation in financing infrastructure based on private-public sector collaboration. According to Agnelli, "Europe is the terrain which is the most dependent on infrastructure, but these are national; what is lacking are those infrastructures which link together the countries of Europe." "A society which has a perspective for development needs modern infrastructure," he said.

One project outlined is a high-speed TGV rail link between Lyons, France and Trieste, Italy. More important than any specific project is to get such projects going now, since "what would be serious, would be to lose time," said Agnelli.

Agnelli said that the importance of the new report is that it underlines the "particular nature of infrastructure, as a common good," especially since European infrastructure is "emerging from one century of technological and institutional stagnation." The roundtable proposes to set up a "Center for Prospective Analysis on Infrastructure" as an independent institution, "dedicated to the physical and economic and social cohesion of Europe, improved competitiveness, and to a higher quality of life for its citizens."

"To increase private investment in infrastructure," the roundtable proposes that governments "provide guarantees for long-term investments"; "reduce risks by providing a stable contractual framework"; and "diminish the financial cost with off-budget instruments."

Life Sciences

Tadpoles born in space defy the expected

Astronauts aboard Space Shuttle Endeavour reported Sept. 16 that tadpoles born from eggs artificially fertilized in space were doing fine. The tadpoles were the first non-insect animals to be conceived and hatched in microgravity.

Kenneth Souza, principal investigator for the frog embryology experiment, explained that the stage most sensitive to gravity changes, and the stage at which symmetry of the frog is established, occurs shortly after fertilization. This stage, from the very start of life, has never before been observed in space.

Souza said that the tadpoles' weightless aquatics, according to AP, were "certainly not what one would see on Earth." The tadpoles were swimming in backward somersaults and forward somersaults. "There was areal hodgepodge of swimming behavior from these tads," Souza stated. He pointed out the importance of learning that eggs can be fertilized in the absence of gravity, which could have implications in the future for human reproduction in space.

● **ASIA** is replacing Ibero-America as the most heavily indebted region of the world, according to a report just released by the OECD, the Sept. 14 *International Herald Tribune* reported. Developing countries' debt totaled \$1.5 trillion last year, up 73% from 1982. Among Asian countries, India, China, and Indonesia are the most indebted. Total external debt in Asia amounted to \$480 billion, nearly double the level of a decade earlier.

● **THE AMERICAN** Society of Civil Engineers says New York City needs \$50 billion in infrastructure repairs over the next 10 years if it is to avoid a total collapse of roads, bridges, waterworks, and sewage systems, in a report released mid-September. ASCE president Chuck Pennoni said, "A nation's infrastructure is the heart and arteries of its economy. The investment needed to put it back in shape is an investment in economic health."

● **UKRAINE** Minister of Defense Victor Ivanovich Antonov said 500 programs have been created to convert defense production to civilian production, combined with interest-free loans from the government, in remarks at the National Press Club in Washington Sept. 17. Orders from the former U.S.S.R. dropped from 160 billion rubles last year to 10 billion rubles this year.

● **WORLD BANK** vice president Wilfried Thalwitz said the economies of some former communist bloc nations could shrink by up to 40% before "recovery" sets in, Reuters reported Sept. 18.

● **ZIMBABWE** has appealed for 750,000 tons of food aid in the next eight months, on top of the 1.25 million tons already imported, for victims of the worst drought in a century. "We need this food to avoid mass famine," Vice President Simon Muzenda told a U.N. conference on disaster management. Zimbabwe's farmers grew less than 30% of their normal crops in the 1991-92 crop cycle under the impact of the drought.

Algeria

Central control of economy reasserted

The Algerian government is moving back into central control of the economy, and has established a committee to control and restrict imports, Reuters reported from Algiers Sept. 17. The government said the move was "to contain the risk of economic, social, and political collapse" as a result of the unprecedented economic strains from servicing its \$28 billion foreign debt.

Algeria is faced with a debt-service ratio of 74% (i.e., 74% of export earnings). Despite the fact that the nation enjoys a trade surplus—imports of \$7 billion and exports of \$11.3 billion—the surplus is used exclusively in servicing the debt.

Guidelines issued by Prime Minister Be-laid Abdessalam empower a government committee to control imports to conform with economic priorities, which give preference to imports of needed medicines, food, construction materials, and spare parts, but discourage consumer items, such as luxury cars or sophisticated communications equipment.

The guidelines appear to replace regulations issued in April of last year which allowed Algerian enterprises to import what they liked directly from foreign suppliers, Reuters reported.

Astronomy

Galaxy redshifts are quantized, skeptics admit

The redshifts of galaxies—supposed to represent their recession velocities—are quantized, say astronomers who set out to prove that they weren't. The preference of galaxies and quasars for periodic redshift values corresponds to no known physical cause and raises the question that redshifts (or a component thereof) may not result from the velocity of the source. This may "force a rethinking of cosmic questions," according to the *New York Times* Sept. 15. Evidence for this conclusion was reported in *21st Century Science & Technology* magazine in January 1989.

Bruce Guthrie and William Napier at the Royal Observatory at Edinburgh, Scotland, studied 89 spiral galaxies chosen at random. Their apparent redshifts are also randomly distributed, until corrected for the redshift contribution from the Sun's motion around the galactic center. Then the periodicity appears.

William Tift, a University of Arizona astronomer, reported quantization of galaxy redshifts in 1976, and, with John Cocke, has continued to gather and refine the data that show periodicity.

Guthrie said, "We undertook this project to find the flaw in Tift's conclusions, assuming we could settle the matter in a couple of months. . . . But we've been at it for four years now. We've tried every statistical attack we could devise or that others have proposed, and this periodicity still doesn't go away." The finding has spill-over implications in favor of the work of the much-maligned astronomer Halton Arp.

Agriculture

World Bank opposed agricultural advances

The World Bank was attacked for obstructing the agricultural "Green Revolution" of Dr. Norman Borlaug, the Iowa plant breeder who won the 1970 Nobel Peace Prize for introducing new, high-yield wheat crops to Asia in the 1960s which tripled and even quadrupled food output, in a commentary in the Sept. 14 *New York Times* by Richard Critchfield.

Critchfield wrote: "Senior officials of the bank, mainly economists or former academics who have never set foot in an African maize field, are wedded to policies like 'structural adjustment,' a buzzword in free-market strategies that entails drastically cutting budgets and inflation, privatizing industry, lowering trade barriers and encouraging foreign investment."

Borlaug said bitterly, "The World Bank says you can't justify our kind of field work because enough research hasn't been done, even though we've demonstrated clearly that we can double, triple, even quadruple yields." World Bank bureaucrats and economists have "never lived in Africa. They live in an ivory tower called the World Bank."

What went wrong with East Germany's economy?

by William Engdahl

A bitter national policy debate has broken out in the Federal Republic of Germany over the developments in the former communist, eastern part of Germany, and the related issue of soaring federal and municipal budget deficits. Since the dramatic opening of the Berlin Wall in November 1989, and the reunification of the nation on Oct. 3, 1990, economic policy blunders have turned a joyful opportunity sour, as factories in the east have been shut down and workers thrown onto the unemployment lines.

Germany's problems since unification are not, of course, entirely of its own making. Leading spokesmen of British policy, including cabinet ministers, openly opposed German unity with a ferocity not seen from those quarters in decades. Similar hostility has come from the French government of François Mitterrand, and, if only somewhat less openly, from the Bush administration.

The geopolitical context at the time of the opening of the Berlin Wall included not merely one superpower, Russia, in collapse. The economy of the second military superpower, the United States, beginning approximately the same time as the Berlin Wall fell, in the fourth quarter of 1989, entered initial phases of an unprecedented debt deflation and industrial depression. America's partner in the postwar Anglo-American "special relationship," Great Britain, began to enter into its deepest depression since the 1930s, also approximately the end of 1989.

But, despite all external political and other forms of pressure against German initiatives in eastern Germany in the recent three years, including assassination of two of the government's most crucial economic policy strategists—Alfred Herrhausen and Detlev Rohwedder—as well as the nearly successful attempt on the life of Wolfgang Schäuble, the coalition government of Chancellor Kohl has to bear the

prime responsibility for allowing a dramatic policy reversal following the murders of Herrhausen and Rohwedder, a reversal which guaranteed that Europe's most promising opportunity for development in decades can, if not reversed, soon be turned into a genuine catastrophe.

A German-Polish initiative

In the weeks before the Nov. 9, 1989 opening of the Berlin Wall, the Kohl government was preparing an economic cooperation program for Poland, which at the time was the East bloc country most advanced in a process of weaning away from Moscow.

The Kohl government and a small circle of trusted advisers from business and banking had been working intensely for more than two years prior, on a comprehensive development strategy for not only Poland, but for the entirety of the Comecon region, including the Soviet Union. Germany had extended a number of large credits to the Gorbachov government in the period especially 1988-89. It had encouraged a large private loan from Germany's largest bank, Deutsche Bank, intended to build up agriculture infrastructure in the U.S.S.R.

Moscow was no longer able to maintain its hold on eastern Europe and had signaled that it might be open to some kind of relaxation of its grip over East Germany. Bonn was disposed to extend credits to Moscow to encourage eventual unification of the divided Germany.

In a calculated gamble, Gorbachov decided to order East Germany's regime to open the Berlin Wall on Nov. 9, 1989, the day Chancellor Kohl was in Warsaw meeting with the new Polish government. The Berlin opening dramatically forced a shift in German government plans, with Kohl leaving Warsaw in the midst of the delicate Polish talks to fly

into Berlin.

The Polish program of the Kohl government and the initial strategy of Bonn for the economic transformation of East Germany, were part of a unified conceptual whole. Kohl indicated that in a televised address to the Bundestag (parliament) in late November 1989, where he outlined his government's vision for the transformation of East Germany. He amended his printed text to include a proposal for a modern rail infrastructure link connecting Paris, Hanover, Berlin, and Warsaw—and eventually, hopefully, on to Moscow. This is crucial to understand what followed.

The key role of Alfred Herrhausen

The architect of much of Helmut Kohl's East strategy at that point in 1989 was Kohl's personal friend, and perhaps most trusted adviser on economic policy issues, Frankfurt banker Alfred Herrhausen, head of Deutsche Bank.

Beginning with a speech in June 1989 on the subject of the international debt crisis, Herrhausen had been making well-conceived challenges to the prevailing London-New York debt and financial order. While diplomatically framing his proposals in terms of respect for the institutions of Bretton Woods—the International Monetary Fund (IMF) and World Bank—Herrhausen was delivering an ever more powerful critique aimed at the very heart of the U.S. and British governments' mismanagement of the debt crisis of the 1980s.

In the June 1989 speech, Herrhausen proposed a new international initiative which would allow debtor countries to reduce their onerous debt service costs to foreign bank creditors by 50% over five years, restructuring the principal value of the old debt to repayment in 25-30 years, with a 5-7 year grace period to allow the debtor country time to rebuild its industries in order to service such debt. Herrhausen also correctly pinpointed the vulnerability of the large American and Japanese banks on their Third World debt exposure.

Herrhausen followed his June proposal with a public speech at the September 1989 IMF-World Bank annual meeting in Washington. "You know," he told his audience, "that for some years now I have pressed for a reorientation of the debt strategy, for a new initiative including a compromise to lighten the debt burden. You also know what massive criticism has been leveled against me—the first occasion when two years ago here in Washington at the World Bank conference in 1987, I called for all possible solutions to the debt problem to be examined afresh. Then, last year at the IMF meeting in Berlin. . . . I state again, that we need an uncomplicated and urgent workable initiative."

In his IMF speech, Herrhausen for the first time called for a significant reduction of the hard-currency debt burden on certain reform-minded East European countries, notably Poland. He called on the governments of the western "Paris Club" creditors, who held fully two-thirds of Poland's staggering \$40 billion foreign debt claims, to make a dramatic reduction in "debt or in the debt service burden" in order

that Poland's fragile efforts at economic reform could get immediate encouragement from the West.

Then, in an interview in the Nov. 20, 1989 issue of the *Wall Street Journal*, Herrhausen introduced his concept for the economic development of East Germany, some two weeks after the fall of the Berlin Wall: "We can use the eastern part of Germany . . . as a springboard to the Eastern Bloc countries. . . . I think the Eastern countries, Poland, Hungary, Czechoslovakia, even Bulgaria, will play a major role in European development. And that is why we draw our attention to this part of the world. . . . I think we are almost destined to play the role of bridge between Western Europe and Eastern Europe, but within the context of European unification." Herrhausen indicated that he had well-developed ideas for transforming the economy of East Germany to the point that "within 10 years Eastern Germany would form the technologically most advanced industrial part of Western Europe." He concluded, "Germany, a reunified Germany, will be an enormous, strong economic force."

Finally, in a speech which was written in the last week of November 1989, which Herrhausen was to have presented on Dec. 4 in New York to the meeting of the American Council on Germany, Herrhausen focused on the reconstruction of the East once more. Repeating his call for the western governments of the so-called Paris Club to reduce Poland's debt service burden, Herrhausen introduced his proposal for founding a new development bank, to be located in Warsaw, modeled on the postwar West German Kreditanstalt für Wiederaufbau, which he provisionally called a Polish "Institute for Economic Renewal." The supervision of the new development bank should, he insisted, be jointly managed by a board of western experts together with Polish government, trade, and industry experts, "a temporary scheme whereby external donors would have a say in the application of funds provided. The task here is to ensure that new loans are channeled into promising projects . . . to make sure that the costly mistakes of the '70s are avoided."

Herrhausen, according to informed German banking sources, also favored a canceling of the old communist central planning device known as inter-company "debt," or *Alltlasten*, correctly regarding this "debt" as a meaningless residue of communist central planning, which could only burden successful modernization.

Herrhausen saw East Germany as the transmission belt for the rebuilding by continental European industry of the entire East. He knew that the average technical education and skill level of an East German worker were higher than those of his West European counterpart. He also realized that infrastructure projects must be the way to re-employ the unemployed in East Germany. Skilled East German engineers and technicians often had invaluable direct experience working in other East European countries and in Russia. Herrhausen realized the enormous asset this would be, in a skilled East German population with widespread knowledge

of the Russian and other East European languages.

The assassination of Herrhausen at the end of November 1989 was a great blow to Kohl. As well as a trusted friend, perhaps his most competent and influential policy adviser was gone. This cannot be underestimated in evaluating ensuing policy mistakes and lost initiatives in eastern Germany and eastern Europe. Helmut Kohl is a skillful consensus-manager, but not a strategic economic thinker. Herrhausen was, and had the trust of the chancellor. Kohl said later of Herrhausen, "There is not one economist or financier or industrialist in Germany today, with Herrhausen's understanding of socio-political-economic links."

Herrhausen's loss has been devastating to Germany and to European development since 1989.

Rohwedder's policy at the Treuhand

The second person Kohl personally recruited, this to the critical task of heading the newly created government holding company, Treuhandanstalt, was Detlev Rohwedder. In June 1990, just before the conclusion of the German-German Currency and Social Union agreement on the path to formal unification that October, Kohl named Rohwedder as chairman of Treuhand.

Rohwedder was from an older generation of Germans which had direct experience with the postwar reconstruction in the West in the 1950s. He had long Bonn government experience, and intimate knowledge of heavy industry, having been chosen some 11 years earlier to reorganize the Ruhr steel company Hoesch AG. A more suitable choice to head the difficult task of industrial restructuring in eastern Germany in 1990 would have been difficult to imagine.

Rohwedder had the pivotal job, just as the rapid process of German monetary and economic unity was finalized in July 1990. He oversaw the disposition of, in effect, the entire East German economy, as head of Treuhand in Berlin. In an interview to the daily *Die Welt* on Jan. 2, 1991, after five months as head of Treuhand, Rohwedder gave a glimpse of his conception of the role of the central Treuhand agency. "I come from the side of the industry, and I want to see the population of the former G.D.R. [East Germany] as rapidly as possible overcome their material inferiority. The need just now is—in this respect the creation of this Treuhand is not so foolish—for a central agency, which, with a sufficiently powerful capacity, exclusively occupied with taking care that the living conditions, the working conditions, the economic existence of the population of the former G.D.R. is brought up to our average level as rapidly as possible. The Treuhand is the central institution which is bringing our recipe for economic policy success and our grand social convictions into the former G.D.R."

In the interview, Rohwedder made clear that he conceived the development of a massive infrastructure investment into eastern Germany as the precondition for his work at Treuhand. "Until now there has been almost nothing accomplished in the area of infrastructure—road construction,

bridges, harbors, waste dumps, railways. But all this will come. . . . The motor of construction development will have a tremendous catalytic effect on the overall economy."

By November 1990, Rohwedder had launched an open policy fight with Finance Minister Theo Waigel and with the rest of the government in Bonn over the future policy of Treuhand. From the start, Treuhand was placed under the Finance Ministry—the ministry with closest ties to the Group of Seven and the IMF, and most preoccupied with issues of "cost control"—and not under the Economics Ministry, or, as would have been far more sensible, a new Special Ministry for German-German Industrial Development, as some had urged.

Rohwedder demanded powers to change the mandate of Treuhand, and to invest in modernizing East German state companies and industry to make them economically viable, holding them in trust for a matter of years if required, were there to be no buyer of a given company, rather than simply dumping them onto existing markets. If Bonn would not agree to this change, Rohwedder announced that he would leave the post before the end of the year. The day Rohwedder declared his ultimatum, certain media began promoting Birgit Breuel to be his successor.

This was at the end of October 1990, in the run-up to the important first German-wide national elections that December. Few people in Bonn at that time wanted a serious debate over changing policy in eastern Germany. Nonetheless, with the potentially embarrassing public announcement by Rohwedder that he would return to Hoesch at the end of that year, Kohl personally intervened to persuade him to stay as Treuhand chief, and Kohl agreed to support at least certain of Rohwedder's demands for policy change.

By January 1991, Rohwedder had completed an extensive internal organizational change inside Treuhand, altering the original structure which had been established under the final days of the East German communist regime. Rohwedder had secured, following bitter fights with the Finance Ministry and others in Bonn, the flexibility to make decisions regarding the future of eastern German companies without having everything first be approved by the Finance Ministry.

In his final interview, on March 30, 1991 with the *Frankfurter Allgemeine Zeitung*, Rohwedder said that in light of the alarming rise in unemployment in eastern Germany, Bonn had agreed to allow him to shift the priority of the Treuhand from one of immediate privatization at all costs, to a greater emphasis on regenerating existing industrial companies to make them competitive. At the time of the interview, some 300 firms with 80,000 workers employed, had been closed.

Rohwedder told the Frankfurt paper, "I have never thought that a 100% privatization policy was possible." Under Rohwedder's plan, with the clear exception of the obsolete and dangerous Soviet-made nuclear plants and the inefficient coal-run power stations, many large industries of the former-G.D.R.—heavy machinery, shipbuilding, and

steel—would remain for some years as concerns largely owned by the Bonn government. The workplaces and industrial capacities would be modernized and upgraded. After all, why should east German steel workers not produce the steel for the reconstruction of their own region?

Rohwedder told his interviewer, "I have come to Berlin not as a businessman, but out of a patriotic love for my country."

Only weeks following his victory on the vital Treuhand policy change, on April 2, 1991, Rohwedder was assassinated by so-called "RAF third generation" terrorists, who left no forensic trace.

The Treuhand policy shift

Within weeks of his death, Rohwedder's Treuhand policy was quietly reversed under the new leadership of Christian Democratic Union political figure and Hamburg banker's daughter Birgit Breuel. There was a brief internal power struggle inside the Kohl cabinet after the death of Rohwedder to transfer the Treuhand from the Finance Ministry over to the Economics Ministry. There was even a brief discussion of creating a special ministerial-level department to oversee the reconstruction of eastern Germany, with Treuhand its central component.

Both proposals were defeated. The chairman of Kohl's Free Democratic Party coalition partners, Otto von Lambsdorff, has been all too accurately described by certain influential policy voices in London as "a London mole inside the Bonn government." His FDP has done much to obstruct and hamper an effective infrastructure-oriented policy for eastern Germany. It is little known in Germany that Count Lambsdorff today is also the European chairman of the Trilateral Commission, with which Henry Kissinger and Paul Volcker have been intimately associated.

Breuel is the daughter of an Anglophile German banking family (her father is Alwin Munchmeyer of Schroeder, Munchmeyer, Hengst). Upon being named to replace Rohwedder as Treuhand president, she immediately moved to rescind his policy shift, beginning spring 1991. Breuel's policy, backed by the Finance Ministry, was a raw monetarist approach of selling "uncompetitive" firms for hard cash as fast and cheaply as possible, with little dirigist notion of a guidance or industrial strategy.

Money was the prime determinant of Treuhand policy after Rohwedder's assassination. Ironically, Breuel's policy is orders of magnitude more costly to Germany than Rohwedder's would have been. And as Treuhand chief, she has imposed an economic regime on the east of a savagery never imaginable in western Europe, creating a social chemistry of a most dangerous sort.

The current problems in eastern German economic development have their seeds in this shift. Breuel, given her background and prior training, could not be expected to act any differently. She is the wrong person for the job. She opened the doors of Treuhand to a host of Anglo-American "manage-

ment consultants" to pick over the 8,000 German companies under Treuhand ownership and prepare them for rapid sell-off. Anglo-American "quick buck" accounting methods would determine the future of eastern Germany. McKinsey and Co., Arthur D. Little, Arthur Andersen, Peat Marwick, Goldman Sachs and Co., S.G. Warburg, and a host of British and American consultancies were given free rein at the Treuhand. Even Schroeder, Munchmeyer, Hengst was given a nice share of Treuhand business under Breuel.

As early as May 1973, when she was an unknown 36-

The coalition government of Chancellor Kohl has to bear the prime responsibility for allowing a dramatic policy reversal following the murders of Herrhausen and Rohwedder, a reversal which guaranteed that Europe's most promising opportunity for development in decades can, if not reversed, soon be turned into a genuine catastrophe.

year-old Christian Democratic member of the Hamburg City government, Breuel had already been picked out by elite Anglo-Saxon financial circles. She was invited to attend a top gathering at Saltsjoebaden, Sweden, of the Bilderberg group, at which the details of the coming "oil shock" were revealed. She continued to attend these secret Bilderberg meetings in her post as Treuhand head as recently as June 1991. Her participation in these secretive international financial talks of the Bilderberg group, seen in the context of the policy Breuel has pursued as head of Treuhand, form a coherence. The policy in both instances is the worst and most brutal form of Anglo-Saxon "free market" financial destruction, fully opposite to what her predecessor, Detlev Rohwedder, was building at Treuhand.

As a result of this policy shift, eastern Germany's industrial economy has been condemned to its least viable path—immediate "competition" with the most modern multinational western companies for those same western markets. One year after Breuel took over, it was being openly discussed among private management consultants in Germany, that the long-term future of eastern Germany was seen by Treuhand to be, not one of Europe's most advanced industrial, technological regions as it had been conceived by Rohwedder and others a year before, but rather as a service economy, featuring tourism and such!

Western firms were offered large incentives to buy former

East German state firms from Treuhand, only to take them, shut them down, fire the work force, or use them in similar jobs at a fraction what western workers would get, and grab the real estate for a future holding. This past March, Breuel introduced a financial salary "bonus" program for top Treuhand personnel who speed up the tempo of their respective privatizations! The worst nightmare of American-style "asset stripping," tragically, has been permitted to flourish in the new "free market" climate under Breuel's tenure.

Because of the capitulation of the Bonn government to the demands pressed by German banks to keep the DM 110 billion in old G.D.R. state "debt" on the books of the enterprises now owned by Treuhand, not only has the ability to attract western investors as buyers been severely restrained, but the cost to the German taxpayer of the Treuhand fiasco under Breuel is rising exponentially. Including its remaining DM 70 billion in G.D.R. "debts," Treuhand by mid-1992 had a total debt of DM 137 billion, equivalent to the combined foreign debt of Argentina and Venezuela. The taxpayer, absurdly enough, must pay interest on financing this debt through public capital markets.

By the end of 1994, it is calculated that this Treuhand debt will rise to some DM 200 billion. But this does not include the most part of the present DM 180 billion yearly funds transferred from western to eastern Germany, most of which goes to finance early retirement programs, unemployment compensation, and other social programs.

Many of the companies still under Treuhand ownership are simply being kept alive artificially, with no new internal investment, until a buyer comes up. The Berlin-based German Institute for the Economy (DIW) criticized the Treuhand earlier this year, charging that fully three-fourths of the credit needs sought by Treuhand are being used to keep companies going which are in no way viable, leaving only tiny sums for what Rohwedder had mandated as the first priority—internal company investment in state-of-the-art production technology so that the firms could be economically viable in the market. A new September 1992 study by the economics institute of the German Trade Union Federation confirms this, adding that a closer look at the Treuhand balance sheet for 1991 reveals that of a total of DM 77.5 billion listed for "expenditures for reorganization and restructuring" only DM 5 billion actually went for reorganization—that is, Rohwedder's priority of investing to upgrade existing companies! The rest went for social costs of liquidating companies or keeping firms open without new production investment until buyers could be found.

For example, why has it not been Bonn policy that rail and bridge steel for eastern German infrastructure construction should first come from east German steel mills, mills which get the most modern technological production capacities, or from eastern German construction firms before a single kilogram of western European steel is imported? Why not insist on a sensible policy, like that in many Ibero-American countries which demand, say,

60% local content in key industrial products?

The physical economic consequences of this Treuhand policy under Breuel have been staggering. As noted, including "half-time" workers, the real level of unemployment in the eastern states of Germany as of summer 1992 is *approximately 40% of the active labor force*. Officially, the Federal Labor Office reckons total unemployment and short-time workers as 1,943,000, as of August. They admit the peak of eastern Germany's unemployment and underemployment will not be reached until the beginning of 1993 at the earliest. Valuable trained workers are being retired at age 55 in countless cases, to statistically push the problem away, under the present climate of "money panic."

As a result of Bonn's abandonment of the original concepts of Herrhausen and Rohwedder, in favor of the Waigel-Breuel "consumption boom" strategy, the gross public resources required to be transferred to eastern German states will reach an estimated DM 218 billion in 1992, up from DM 170 billion in 1991. Discounting east German tax payments and such, net public fund transfer this year will alone reach DM 180 billion, a level at which it is conservatively estimated to remain at least until 1996. East German consumption and investment are presently estimated to be approximately twice the level of east German industrial and agricultural output. The deficit in this production output capacity is simply being made up in the massive flow of funds from Bonn, and the ensuing soaring government deficits.

Spending on social unemployment and such is by definition inflationary spending. This cost is the real background to the current historically high German interest rate levels of the Bundesbank. In contrast, every deutschemark of government spending directed toward investment in modern, more efficient economic infrastructure, by making the nation's physical economy more "energy efficient," creates an automatic *anti-inflationary* effect. Further, the private economy's profitability benefits from the improved infrastructure investment such that within a few short years after completion, private prosperity and tax revenues to the state treasury more than make up for the outlays for public infrastructure in the budget. This is the economic secret of infrastructure investment, which has been obscured by the bankers and monetarist economists.

An estimated three-fourths of all funds from Bonn are today going for social transfer payments—early pensions, unemployment, health insurance, and the like. Almost nothing is left for the vital infrastructure reconstruction which would turn eastern Germany into the industrial pivot of Central Europe. The hope of some in Bonn has been to spur a consumer boom in the east, to replace foreign export markets of west German firms hit by a savage and spreading world economic depression.

But now, after two years of such policies, the consumption in eastern German states is markedly declining. After all how many cars can an unemployed steel worker or machinist in Leipzig or Dresden buy? Today, as a result of the policy

incompetence tolerated by Bonn since especially the death of Rohwedder, the export-oriented economy of western Germany as well is at the brink of a decline unlike any it has experienced in the postwar period. The coming months will be decisive.

These huge fund transfers support what is an actual unemployment level in the five eastern states of 35-40% of the active work force—those able and wanting to work, if we include those unnecessarily forced into early pension. Under the Rohwedder concept, factories would have continued to produce while being modernized with the latest equipment under Treuhand aegis, with the state or Treuhand retaining majority ownership of the enterprise—as with Volkswagen or Veba after the war—until the firms were fit to stand on their own. Rohwedder's plan would have left far more funds available for the essential development of major public infrastructure, the leading edge of any real industrial transformation of the east European economies.

A devastated economy

But quite another result has ensued in the past two years.

Before the opening of the Wall in 1989, East Germany had some 7 million employed in all state industry. Today that number has fallen to 3 million. In agriculture, only some 230,000 of a total of 800,000 remain. The East German steel industry has virtually vanished. Textile manufacturing, which had earlier employed 140,000, today has 12,000. Electronics has shrunk from 12,500 employed in 1989 to less than 4,500 today. Only through large mass protests in the north German port region of Rostock have the huge ship-building capacities of Mecklenburg-Prepomerania been in any way salvaged, but even here jobs have fallen from 55,000 to only 20,000, and the future under new owners is very bleak. Of the 4 million workers under the aegis of Treuhand two years ago, only 1.2 million remain.

While it is the case by western standards that most of these industries were "uncompetitive," Herrhausen's original calculation, endorsed also by Rohwedder, was that with well-planned investment, a vital core of industry in East Germany could have been renovated in fairly short order, and that the unemployed could be retrained for construction of badly needed infrastructure, while maintaining the essential productive base of the economy of eastern Germany. Shortly before his death, Herrhausen stated, "If we implement such measures promptly, unification will be a stimulus rather than a drag on the German economy, and economic growth will be strong throughout Europe in this decade."

One can identify other policy "mistakes" from Bonn since July 1990. But these assume a secondary importance. The argument that "too high" wage demands from the east Germans have impeded western investment is not valid. Because people in the east must pay west German prices, they naturally feel an income squeeze, all the more because the federal government continues to raise rents on antiquated housing.

The special obstructive role of the Social Democratic

Party of Germany (SPD) in this context is also worth note, especially since the SPD obtained a majority in the upper house of parliament, the Bundesrat. However, this also is not primary, but rather an aggravating factor in the context of the wrong policy shift described above. It is a matter of record that prior to each major policy declaration by SPD chancellor candidate Oskar LaFontaine in the period from November 1989 to December 1990, LaFontaine first made a pilgrimage to Washington, where he held private talks, not with his Democratic Party counterparts, but rather with George Bush, Secretary of State James Baker, and other top Republican officials, regarding election strategy.

It is an unspoken reality of postwar German political life that American and British influence has been exercised over a number of German politicians. According to Washington reports, the role assigned to LaFontaine's campaign by the Bush administration was "to cut Helmut Kohl and his German ambitions down to size," as one former senior State Department official put it. LaFontaine was the sacrificial lamb of the game, his campaign effectively being used to pin the Kohl government into the corner over the single issue of "costs of unity."

Since the December 1990 German elections, this "cost of unity" theme has been placed more and more in the center, as the original infrastructure-centered strategy of Herrhausen, Rohwedder, and others was deliberately pushed to the side. Money, not industrial strategy, has become the issue of an increasingly absurd debate.

Had the Treuhand pursued Rohwedder's policy of preserving industry and modernizing production while Bonn concentrated resources on developing the rail and other communications infrastructure, including a modern high-speed rail enclosing the world's most concentrated industrial potential—Paris-Berlin-Vienna, with spiral arms reaching to Prague, the Balkans, Warsaw, Kiev, and Moscow, such as economist Lyndon LaRouche proposed back in November 1989, and which is known widely in Bonn—western Europe today would be enjoying a capital spending boom unlike any seen in the postwar period.

But only in July 1992, fully two years after German economic and monetary unification, did the Kohl cabinet approve a comprehensive rail, highway, and waterway infrastructure proposal for the combined Germany. Parliamentary debate on financing it has not even begun. There has been no attempt to educate the German taxpayer as to the unique role of public "core infrastructure" investment as a stimulus to private investment and to private economic growth, thus leaving the debate open to the self-defeating arguments of "cost." These were precisely the kinds of arguments Herrhausen and Rohwedder were clear about.

If these errors are not soon corrected, the costs and complications of rebuilding eastern Germany will mount to unsustainable levels. There is a growing realization of this in Bonn, but there is no time for delay in acting on that realization.

LaRouche-Bevel campaign brings a message of hope

An interview with Rev. James Bevel

Reverend James Bevel is an independent candidate for the vice presidency of the United States, as the running mate of Lyndon H. LaRouche, Jr. One of the most esteemed leaders of the civil rights movement, Reverend Bevel was the director of nonviolent political action for Dr. Martin Luther King, Jr.—hence one of King's chief lieutenants. He was the founder of the Student Nonviolent Coordinating Committee, and was the strategist who devised the Birmingham March in Alabama, recognized by many as the turning point in the civil rights movement. It was he who brought the civil rights movement into the fight against the Vietnam War.

The following interview, slightly abridged, was conducted by Mel Klenetsky on Aug. 25 on the Fairfax Cable Access Corp. program "The LaRouche Connection."

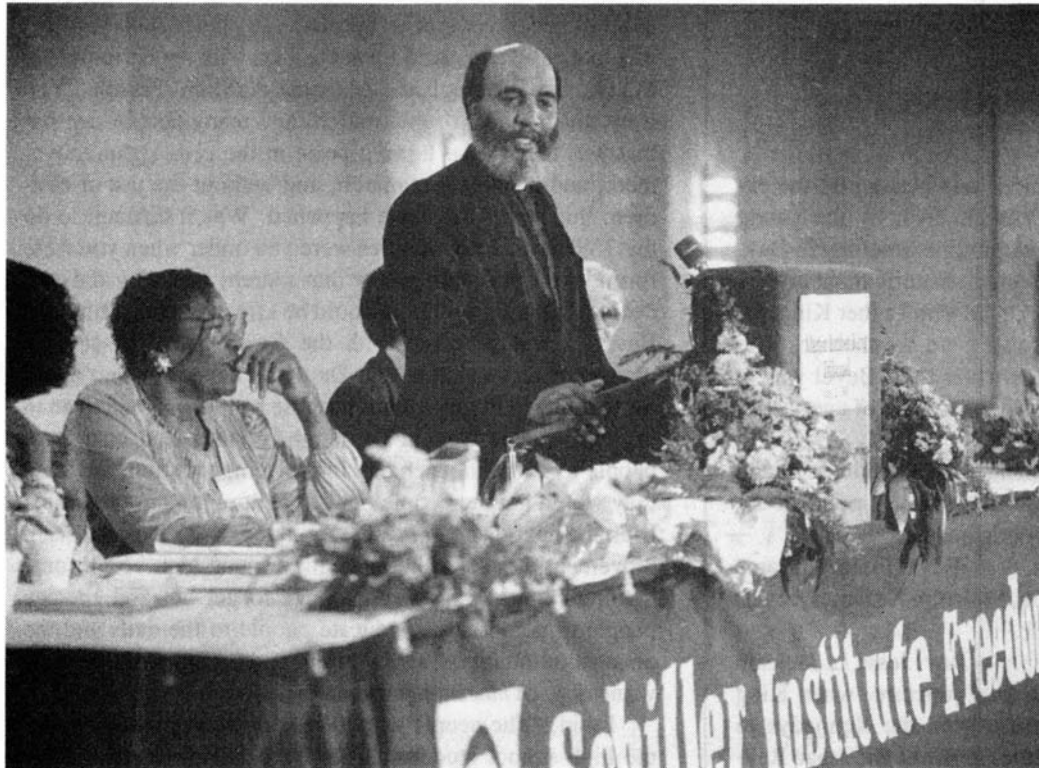
Klenetsky: Reverend Bevel, what made you decide to run for political office?

Bevel: I think it's necessary to give the American people the opportunity to advance and continue the American Revolution by using principles and means that are in keeping with the principles and goals of the American Revolution. And by running with Lyndon LaRouche as an independent in this election, we will give the American people the opportunity to vote for two men who are constitutionalists, and who are committed to using constitutional principles to solve problems, resolve issues, fulfill needs, and answer questions. I think that, at this point in history, the greatest need is for people to be elected to office who are committed to the constitutional process.

Klenetsky: What makes you say that George Bush and Clinton are not committed to the constitutional process?

Bevel: Both of them aspire to the idea that murder advances the American Revolution, either in irrational wars that are not declared for rational reasons, or in capital punishment.

When men are not committed to serve the health, interests, rights, and needs



Reverend Bevel speaks to the Schiller Institute's Martin Luther King Tribunal in Maryland in 1990. To his right is Amelia Boynton Robinson, another veteran of the civil rights movement.

of people, over their own perversities, preferences, privileges, and pleasures, they cannot comprehend our system of government, nor can they see the way by which you use that government, to serve all the people. When you can't see that, then you assume, or you conclude falsely, that the power of government can be used to murder, and that this murdering of people with government can bring about peace, freedom, or justice. This is absolutely not true, as was proved by us in the sixties, in acquiring the right to vote, open housing, ending segregation. Under the most hideous conditions, oppressive conditions, we used the principles of the Constitution to bring about change without killing people or injuring people, and when men do not comprehend that, then I recognize that they do not comprehend the constitutional process, and if they do, then they're not willing to use it.

I find that Lyndon LaRouche is a man committed to that. I'm committed to that, and this will create a dialogue and a context, to allow the American people to advance the American Revolution, using the principles of the American Revolution.

Klenetsky: Gov. Bill Clinton is an advocate of capital punishment, and has executed two men on the campaign trail—he went back to Arkansas to do that. But what about George Bush? Why do you feel that he is not qualified to run for President of the United States?

Bevel: First of all, go back to the 1988 election, when he resorted to the Willie Horton antics. Under our Constitution,

if you break a law in pursuance of an office, you break the principles of the law; you break the dignity of the law. You are not qualified to uphold the law, once you get into that position. That's what people need to understand. I truly understand that, being a pastor: I cannot manipulate or do anything in pursuance of a pastorate. It has to come as a natural process of law. But Bush broke the law.

Now the only people who had the courage or the integrity to deal with that, were the students at Howard University who refused to let Lee Atwater serve on their board, because he had been a party to the criminal act of using the Willie Horton gimmicks to get Bush elected.

Let me speak about Clinton.

I went to the Democratic Convention with the intent to discuss the theological and constitutional alternatives to capital punishment. A delegate from Ohio had introduced a resolution against capital punishment before the platform committee. He had more than enough votes to have that issue discussed before the convention as a minority plank. Bill Clinton and the leadership of the convention refused to allow that issue to be discussed.

That issue is too crucial to my physical life, and to the life of my children, and to the life of the American people, not to be discussed. Anybody who heads a party, and who will not allow open full honest discussion on issues pertaining to the welfare of the citizens of this nation, is not qualified to run our system of government.

You could run some kind of communist scheme, but *our*

Who is James Bevel?

"The Birmingham movement was blessed by the excitement and the fervor brought to it by the young people. Jim Bevel had the inspiration of setting D-Day, when students would go to jail in historic numbers."

—Rev. Dr. Martin Luther King, Jr.

"Most of the SNCC folks were Northerners who were basically afraid of the white folk. Bevel was in Mississippi for three years in the middle of every conflict."

—Atlanta Mayor Andrew Young

"James Bevel, probably the greatest mind in the country for dealing with young people."

—Rev. Hosea Williams

"I was inspired by Jesus, Malcolm X, James Bevel, and Martin Luther King, Jr."

—Rev. Jesse L. Jackson

"In early May, at a critical juncture, when King wavered because of pressure from the Kennedys to hold off further demonstrations, Bevel and Isaac Reynolds, ignoring King's wishes, slipped the children out of the church and marched them downtown in the most brilliant maneuver of the campaign."

—August Meier and Elliott Rudwick, *Core*.

system of government demands freedom of speech on this: open discussion, dialogue, and debate, and due process of law. If you take that out of our government, in essence, you don't have a government.

So, with Bush being irrationally and illegally elected in 1988, and with Clinton not allowing open and honest discussion, the American people's only choice would be *the lesser of two evils*. I feel that the American people must have the opportunity to vote for what's right, and what's good, and to have the opportunity to vote for men who would stand on the principles of the Constitution and uphold the Constitution in relationship to *all* people—not give privileges to this group, not give privileges to that group. The American people can grow, and American institutions function, when there is leadership that upholds the Constitution. If the Constitution is upheld, then all problems can be solved, all needs can be lawfully fulfilled, and all questions can be honestly answered. So it's absolutely necessary in this government, to have officials who will uphold the Constitution, so that the health, interests, rights, and needs of all the people can be lawfully and constitutionally addressed.

Klenetsky: I want to dive into a little bit of the history of

the civil rights movement, because you played such a critical role in that history. And I want to start with the Birmingham March, the Birmingham, Alabama children's march. You were the architect of that march, and many people say that that was the crucial turning point in the civil rights movement, and without that march, and without the use of children, this would not have happened. Was it difficult to do that? What kind of pressures were you under when you were formulating the strategy for that march, and why did you decide that using children would be effective at that time?

Bevel: I was involved with the Greenwood, Mississippi movement at that time, and Dr. King called me and asked me to come to Birmingham, because he had planned to go to jail. When I arrived in Birmingham, they had only 8-10 people to go to jail each day in the demonstration, and then they would get the people out of jail at night and send them back the next day. So I said, "You guys are running a scam movement, it's not a legitimate movement. You've got some manipulation. You really do have to get out and educate people to nonviolence, educate people to the evils and the unconstitutionality of segregation, and get people to become witnesses, *en masse*, against an evil system."

I said, "The people who have a long-range bonding, are the high school students. They've been together in classrooms for 12 years, and they operate as communities. So let's educate the young people."

If you go to William Sloan Coffin's book *Once to Every Man a Nation*, he came into one of our workshops and pointed out, that the thing I was teaching students was this: Though we often assume that racist white people are the sole perpetrators of segregation, there's another side of that coin. You have an arrogant man, making a foolish suggestion, and you have a cowardly man going along with that foolish suggestion, which makes the foolish suggestion operate. But if the cowardly man would address his cowardice, then he would have the knowledge and the wisdom to help the arrogant man overcome his arrogance, and they could negotiate a new contract.

So I told the students, "You blame the white people, but if you go back through history, you would see that your mothers and your grandmothers and great-grandmothers and -fathers, all compromised their integrity. And they went along with what was wrong. *You* must stop doing that and stand up, run the risk, and you will be able to change history, and change your circumstance." And they said, "Are you kidding?" I said, "I'm telling you the truth. It's that simple."

When I started organizing the students, the older people began to complain, and then Dr. King agreed, and then Kennedy, recognizing that this would be an explosive situation, started putting a lot of pressure on Dr. King, and of course then Dr. King told us not to do it. But we had agreed previously, and my position with him was that I was going to carry out our previous agreement. So I went on and *en masse*, we demonstrated. We had hundreds and thousands

of students involved.

It was not a difficult situation for me. My argument to the Kennedys was: "You have 17-year-old children over in Vietnam killing folks' children. Dr. King has young people in the streets singing 'We Shall Overcome' and reading the Bible. So why are you telling him he's wrong for doing what he's doing? He's not killing anybody, he's not destroying any property, and yet you murdering people think you have the authority to tell us, that what we're doing is incorrect. We're not going to listen to you."

In fact, it was that argument that caused me to call the March on Washington—that if you come to Alabama, hassling us about what we're doing, we will do the same thing in Washington, D.C. And that's how the March on Washington came about.

Klenetsky: Let's move over to Selma, Alabama. There, the fight was for the right to vote, and you were telling me that you think there's a problem today, because a lot of people don't understand the significance of that.

Bevel: The church was bombed in Birmingham, as you recall, on Sept. 15, 1963. When it was bombed, all of this rage and violence came up in me. Then I got a call from Reverend Billups, who told me that they knew some of the guys who were involved in blowing the church up, and that we should probably deal with them. I started praying for absolution. And Diane [Bevel's former wife] and I sat and that Sunday worked out a strategy on the right to vote. We said, "Since they have killed these children, we should organize all of the people who are angry, all of the people who feel this pain, to fight for the right to vote, to vindicate these young girls."

Diane took this proposal to Birmingham, and all of the civil rights leaders were saying, "Oh, white people should be punished, white people should be punished." And Dr. King called for the President to send troops to Birmingham. Shuttlesworth wouldn't cooperate with the program. All the leaders said that white people should be punished; but Diane and I said, "No, we should organize people to fight for the right to vote."

We finally convinced SCLC [the Southern Christian Leadership Conference]. King told us to drop the program. But then I moved to Alabama and got the people in Alabama to agree. And then, finally, over a period of time, I got King to agree, and then in November 1964, we moved full-scale on focusing on the right to vote, with Selma as our pivotal city.

What is significant about that, is that that action proves the validity and the wisdom of our Founding Fathers, when they say, "All men are created equal. They have inalienable rights." The first right is the right to life, and government is instituted among men to secure this right of life, so instead of doing counter-killings or counter-negative things, based on negative things having been done, the strategy was to follow the principles of the Founding Fathers. To secure

these rights, governments are instituted among men.

So, if the people are being injured, and they do not have the right to vote, then the next step would be to gain the right to vote. But use the principles of the Revolution—that instead of thinking about killing people, let's create a more perfect union.

You don't resort to barbaric conduct or anarchy. No. You do something that is in keeping with the principles of government, which keeps government evolving scientifically.

We started the campaign officially on Jan. 1, 1965, and on March 15, 1965, Lyndon Baines Johnson gave the most brilliant, most beautiful speech—you will not find a speech from the civil rights movement period or any period in history that matches the speech of Lyndon Baines Johnson, that he gave before the Joint Session of Congress on March 15, 1965. It's the most passionate, humane, honest speech, sermon, that any man could give, delineating the problem of segregation, disenfranchisement, and what his commitment was, and what the government commitment was, and what the American people must commit themselves to, in terms of extending the franchise to all people. I was crying, I couldn't help myself, because this struggle had brought the American people to an agreement so quickly—because we used the principle of the American Revolution, that we work always to create a more perfect union. In this speech, Johnson said something very profound. He said, Listen: the enemy is not our neighbors. The enemy is poverty, disease, and ignorance. And these enemies we shall overcome.

This was profound. And that is what we must take the American people back to today. That the enemy must be defeated. The enemy. What is the enemy? Who is the enemy? Ignorance, poverty, and disease. And we must fight that with all of our heart, always loving our neighbors, but yet fighting ignorance, poverty, and disease. And this is what incites people to struggle, because then, out of love, they can struggle, because they're not hating anyone. They're loving people, and they're getting rid of that which is injurious to people, and they can give their whole mind and their whole spirit to that. And so that speech summed up that struggle and moved us into a new phase.

Klenetsky: After Martin Luther King was assassinated, there was an incident which resulted in you breaking from the SCLC, or, to be more explicit, I think you were thrown out of the SCLC. Why don't you tell us about that? What were the issues involved at that time?

Bevel: After King was killed, the government arrested the young white man who was in there, and claimed that he had killed Martin Luther King. It's the most ridiculous, asinine thing that could happen. First of all, the man still is in jail, which is a real curse upon this nation, and has not yet had his day in court.

They claimed that he had killed Martin Luther King. But

On preaching

Reverend Bevel, speaking in Demopolis, Alabama, on Aug. 4, 1992, to a group of community leaders:

It has never been my good fortune to have the opportunity to entertain Negroes on Sunday morning. Because my understanding of a minister, for instance, is Moses. Moses was a preacher. And the evidence that Moses was a preacher, is that when he went to Egypt, the folks was in Egypt—on the other side of the river. When he got through preaching, they were on the *other* side of the river—which meant that he preached, because he was not a Negro religious entertainer. He was a *preacher*. And when he spoke, things changed, because he was preaching. So that's preaching.

And so, I'm like Moses. I have to work, because I'm a preacher.

When I was called to preach, I didn't like preachers. And you know, what I decided, after I got put into a corner and couldn't get out, and had to do it, was that in that I am going to be a preacher, I will at least have as much integrity as an electrician. At least when you call them out, they come out and get the lights on. They don't come up with no alibis as to why the electricity don't go down the wires and bulbs don't work—they just get the lights on.

And every science, every science, has a principle within it, that allows any person in *any science*—if they have integrity—to produce what that science purports to produce on Earth among men. So I agreed to be a preacher, and so I've been preaching ever since.

the state of Tennessee could not produce a witness, could not produce a conflict of interest between James Earl Ray and Martin Luther King, and could not produce a motive.

My position with the black leadership was—and still is—that we must see to it that this man gets a fair and impartial trial. Tragically, the black leadership says, there are too many black people who want blood, too. My position is this: If your sense of justice breaks down because of the color of the skin of the people, or because of the sex of the people, or because of the status of the people, then you are not serious about justice.

And if you're fighting for justice, then you must stand for justice for everyone; whether James Earl Ray killed God or not is not our business. Our Constitution says that a man should have a fair and impartial trial. And my position is, we should give him that. Because I wouldn't stop advocating

that, and because I was organizing to get him a fair trial, because I was going to close Memphis down with the students until he got his day in court, they put me out of the organization, in order to avoid that.

I was also advocating that we should demand that all nations cut back on their military spending by 5% each year, and that we put that money in escrow in the United Nations, to support human and community development education, and that we should start fighting for a scientific education curriculum, and to put prayer back in schools. You can find what I'm telling you in *Life* magazine, April 15, 1968, I think, or 1969, when I was arguing this.

So, in that I insisted that Ray get a fair trial, the black leadership could not stomach that idea, or because they were injured, they felt angry—"We want to punish someone." My position is, you can never go to punishment. You must always go to the cause of the problem and address the cause of the problem, and let this pain drive you, not to be vindictive, but let the truth of the suffering drive you to a real solution.

Klenetsky: You mentioned putting prayer in schools. Many people who are supporters of the civil rights movement are now supporters of the position that prayer should not be in schools, that that's a violation of individual rights. How do you answer them?

Bevel: First of all, they probably don't know what prayer is. Jesus said, a man must always pray, and not faint—which means that prayer is a precondition for the science of thinking.

So if you really looked at the prayer "Our Father," theology, church; "Thy kingdom come," sociology, government; "Give us this day our daily bread," ecology, business; "Forgive us as we forgive," psychology, clinic; "Lead us not to temptation," biology, home; "Deliver us from evil," anthropology, school. So if a man was really praying all the time, that man would be initiating, developing, maintaining, and administering his church, his government, his business, his clinic, his home, and his school.

Now, by doing natural work as it relates to his own problems, questions, issues, and needs, and as it relates to the social problems, questions, issues, and needs, that man would be constantly a dynamic, positive, creative, or social force. He would be responsible to himself, his family, his institution, and to his community.

So, if they say that prayer is an encroachment on your individual rights, we have been duped by a lady who was a communist, who filed a suit in our school system saying that prayer was a violation of her rights. Russia, the communist nation that did not pray—they fell into their own stew.

Now, why would we be insane enough, as a people, to take out that which has made our nation great? All of our great scientists, all of our great generals, all of our great educators, all will tell you, that the greatness, and the contribution they made, is a direct result of their prayer lives. If

you go and read the biography of any of the great scientists, they will tell you: It is their prayer lives that allowed them to contribute as much as they did to humanity.

So, why would we take the prayer out, and let in all of this disorder? Once you take prayer out of the class, the only way the teacher has to bring order is through force and violence. She does not have a principle about which she can call order; because, prayer is the principle by which you call order in a dialogue, in a community. And each class is an academic community.

It is the ability to call order—in prayer—in the classroom, that gives the teacher authority. It also allows the ministers, and people of good will, and the prayerful people to contribute to the schools in all kinds of ways; but, once prayer is out of the school, then the community cannot support the school, because, the prayerful people with insight, with love, and with intelligence, have been effectively locked out of the schools.

So, we would have to put the prayer back in school; and, we would have to put the prayer curriculum back in the schools, also. We would have to teach the students to run their basic institutions; we would have to teach all students to be economically independent, so that we could have a free nation. You cannot have a free nation with ignorant, dependent people.

Klenetsky: Mr. LaRouche is in prison, and you've never held political office. What makes the two of you qualified?

Bevel: What makes us qualified, is the fact that both of us put the health, interests, rights, and needs, of the American people, and the peoples of the world above our perversities, privileges, pleasures, and preferences. This allows us to understand how to run our system of government, because if you do not put the health, interests, rights, and needs of the people above your own preferences, perversities, privileges, and pleasures, you cannot, first of all, comprehend our system of government; nor can you see the options and opportunities within that government to serve the health, interests, rights, and needs of all the people.

You may ask me, "How were you able to see how to gain people the right to vote?" It was because I put the health, interests, rights, and needs of African-Americans, European-Americans, native Americans, and Hispanic-Americans, above my own privileges, pleasures, perversities, and preferences. By doing that, I was able to see.

One of the things that Lyndon LaRouche has been working on, and trying to get the American people to see, is how to build an economy without turning an ethnic group into slaves and prostitutes.

Now, all America has to admit that they have not been able to achieve that.

Under slavery, black people were slaves, and the women were prostitutes—and a host of young white women were prostitutes. Under segregation, you have a whole race sub-

jected to economic exploitation. And LaRouche comes and says, "Look, if we develop the minds of all of our children, scientifically, since the real wealth is the creative mind—it increases wealth without violating the environment or without violating people."

So let's do that. He's calling for scientific education for all the children. Then he's calling for an economic system that is not built on the backs of an ethnic group or of other nations.

Now that vision is as revolutionary as George Washington and Alexander Hamilton and Thomas Jefferson's vision of a free nation. The world cannot go forward without a comprehension of that vision and the science of that vision.

LaRouche is qualified to run the nation, because he understands the difference between constitutionality and private interests. For instance, he says, let's take the Federal Reserve, constitutionalize it, take it out of the hands of private interests, capitalize it, let it make long-range loans to states, counties, cities, governments, long-range loans to federal projects, creating massive employment, creating massive research and development in the industries and businesses that are now failing, because they would have to service these federal, state, county, city projects, creating massive research and massive employment and massive work.

That's intelligent. No one can claim that there is a more intelligent way to get our country going. It's lawful, it's constitutional, it doesn't violate anybody, it doesn't threaten anybody—it's just good common sense.

I come to that, not from the Federal Reserve/strategic base; I come to that from a community base. We should have a precinct council, so that people will have a hands-on, constitutional democratic republic, at the local level.

In other words, this country was not built on guns, it was built on its town meetings. What would happen if we put scientific town meetings in every precinct, where you have a church committee, a government committee, a business committee, a home committee, and a school committee? You would have the means by which people could address their problems rationally, constitutionally. They could start development, they could weed out illiteracy, they could weed out drug addiction, they could weed out gang-banging, they could weed out violence.

Then, we would put in scientific curriculum, that prepared people to be precinct councilmen, administrators, and economic developers at the local level. That can be done with just basic legislation. I would call it constitutional development and economic development registration. We see how to do that—I have been experimenting with that since the death of Dr. King. I have been experimenting with the church, government, business, clinic, home, and school, and the agricultural development projects.

Because that is rational, because it is in keeping with the Constitution, because it does not allow exploitation, because it does demand thinking, not moving on your secondary

Why LaRouche is in jail

Reverend Bevel, speaking in Demopolis, Alabama, Aug. 4:

There's a guy in the country named LaRouche. Have you heard of him? Everybody and their mommy and daddy throw rocks at this man. Oh, they say, he's the worst man in the whole world. They tell more lies on him than they told on Socrates. They beat up on him more than they did Jesus. And they locked him up, more than they did Martin Luther King.

And you know, when people pick on people, it amuses me, so I always go and find out why folks throw rocks at people. Because I'm not particular against throwing rocks at people; but when people are throwing rocks at people, I have to have an understanding on why they're throwing the rock, so I can appreciate hitting him with the rock.

So I went to see this guy. And I was amused, as to why this man is in jail. And he's in jail primarily for the same reason that all great minds go to jail.

You know, when I was a boy in Mississippi, there was a thing called the "crazy nigger" over there. The crazy nigger's a guy who wouldn't say "yassum." If he wouldn't say "yassum," he was a crazy nigger. You'd say to him, "You know, everybody around here says, yassum." "Right." "And so why don't you say, yassum?" So if this guy didn't yassum, and didn't scratch and dance, he was called a "crazy nigger." And white people hated these crazy niggers. And my daddy was one of 'em.

Now, there's another thing in Mississippi that was hated worse than a crazy nigger. It was called a "nigger lover." White folks couldn't stand a nigger lover. He was a man who insisted that everybody be treated right. He insisted on this, LaRouche—

drives but on your primary drives, because of that, it looks "weird" to people. But the Revolution of 1776 looked weird to people. The nonviolent movement in the South looked weird to people. When people are accustomed to living contradictorily, and you give them the opportunity to live rationally, at first it looks ridiculous. But this qualifies us to run the nation.

First of all, we will not kill the citizens! We know that if you practice the law yourself, you have all the means within our legal system, to get to the cause of a problem. The plea-bargaining schemes and scams that are being run on the

people by the judges and the lawyers, for instance. They don't have the intelligence or the training necessary to enable them to get to the cause of a problem, so that they could recommend to the legislative body in their city, county, and state, remedies for the causes of the crimes.

When you love all of the people, and when you love and obey God, it provides the basis for the science of government. And because we do understand the science of government, and because we're willing to serve God and our people, using constitutional democratic republic means, we are eminently qualified—in fact, we are more qualified than any of the other candidates. That's why the major media are working so tenaciously to make sure that our message is not heard.

Because if the American people hear Lyndon LaRouche and James Bevel, the American people will be awakened to the principle that they themselves are the government; that they must take responsibility; that they must get involved in helping to develop precinct councils. They must insist that the courts stop killing people. They must insist that plea bargaining stops. They must insist that the Executive branch does not go out killing our neighbors like we did in Panama, where you kill 5,000 people and lock their President up. That threatens the security of every American, because that precedent endangers us. There is no evidence, that in the next four or five years the Chinese, the Russians, and the Japanese will not coalesce to fight us and decide they're going to lock up our leadership. And if somebody asks them, "Well, where do you get this idea that you can go into America, and steal leaders and take them to your country and give them a trial?" they'll say, "We got it from George Bush." It's dangerous to set up irrational precedents, because they will be followed.

If the President of the United States, breaking international law, goes around killing people, does he not create an example for the young people in our streets?

If the Ku Klux Klan, which sits on the bench with black robes on, kills people in the electric chair, do they not set an example for the young boys in the streets? If we're going to stop killing in the streets, then, at the top of our government, the men must be people who do not kill people. They must solve problems without murdering people, which shows intellectual power. Martin Luther King showed intellectual power: that you solve problems with the law. You solve problems with love. You solve problems with reasoning. And you do not solve problems by terrorizing, murdering, and intimidating people. When elected officials do not have that intellectual power and that kind of love and commitment, they really cannot serve the people in our government system. They can only take it and butcher people; they can only take it and give privileges to their friends; but they cannot serve the constitutional interests of the American people.

Klenetsky: Over the past few years, we have seen a re-emergence of the civil rights movement, in terms of the



Reverend Bevel addresses a rally at the United Nations in September 1990, opposing the Bush administration's drive to war against Iraq.

efforts that were promoted by the people of East Germany in getting their political freedom. They started with similar types of prayer meetings in churches. They believed in the principle of nonviolence, and that eventually led to their political freedom. Do you think that you and Mr. LaRouche need that kind of civil rights movement at this time, a re-emergence of the civil rights movement, a coalescing of a new civil rights movement, in order to become President and Vice President?

Bevel: I wouldn't say that we need it in order to become that. I think that, because we are running together, it's going to bring a lot of clarity and strength to the American people. I think that after the killing of Bobby and John [Kennedy], the killing of King, Medgar Evers, Malcolm X, Dr. Pike—we had a lot of people injured, killed—I think the American people lost their nerve, and lost their confidence and their courage. And they started feeling that maybe doing right is not advantageous, maybe right can't be done.

I think that Lyndon LaRouche's noncompromising stance for what is right, and my noncompromising stance for what is right, give the American people a context in which to regain their strength and their confidence. America is great, not in relation to some fantastic leader, but in terms of the creative good will and the integrity and the courage in the American people. And so I think that what will happen, in that we are raising issues about capital punishment, is that the young people will say no, we're not going to live under capital punishment. That's barbaric and it's unconstitutional

and it does not serve the goals of the founders of this republic. I think they will rise up and say we are not going to allow ourselves to be put in jail through the schemes and scams of plea bargaining.

I think they will *insist* that judges and lawyers go back to school and learn due process; I think they will insist that prayer and education be put back in their schools; and I think they'll insist that the President open the files. Because George Bush is not hiding the files to protect the national security as he claims; he's hiding the files to protect pedophile and homosexual friends of his.

Klenetsky: Which files are you referring to?

Bevel: The Kennedy files, the Martin Luther King files, the LaRouche files; all of the files that he claims, and the government claims, that the American people can't see.

Now, I'm not going to live as a citizen of a nation, paying taxes to that nation, and have them tell me that I can't have *my records*.

Lyndon LaRouche and I will not run an undercover government. We will run a government above board, so that the American people can know their history, know what decisions to make, because we're demanding that people make intelligent decisions. If the American people are to make intelligent decisions, one of the things that we all know, is that information is vitally important for making informed decisions. Now we expect people to make decisions. And our Presidents get killed, our ministers get killed, and the

The lesser of two evils

Reverend Bevel, speaking in Demopolis, Alabama, on Aug. 4, denounced the Democratic Party leadership's refusal to discuss the issue of the death penalty at the party's 1992 nominating convention.

Now the Republicans don't have anybody, and the Democrats don't have anybody. So the Negroes were crying at the convention. . . . "Well, sir, it looks like we're going to have to take the lesser of two evils."

"The lesser of two evils." Are y'all listening to that? Do y'all know why there was a movement in Montgomery? Because Rosa Parks wouldn't accept the lesser of two evils.

Do y'all know why Martin Luther King is Martin Luther King forever in history? Because he never would accept the lesser of two evils. Do you know why the Revolutionary War was fought and the king got put out of America? Because Washington wouldn't accept the lesser of two evils. Do you understand that?

So they say, "Well, you'll have got to accept the lesser of two evils." So the Negroes went on back home, took the coffee and donut money, went on back home crying that they had to vote for the lesser of two evils.

Let me tell you something. I don't play about this. Any black person in America who votes for anybody who has principles less than Martin Luther King—you ought to be dead. You ought to be a slave forever. Because when you vote beneath the principles of a man who gave you the right to vote—who do you think you are? What do you think you're doing?

If Jesus Christ saves me, don't you know I'm not supposed to live beneath his principles? If Martin Luther King used love and truth to gain you the right to vote, don't you know you cannot vote for anybody who lives less than that? And here's some boy from Arkansas, claiming, "Well, I'll just leave the campaign trail and go home and kill a few Negroes, and you know, I just can't help it." What's wrong with him?

And then black folks say, "Well, we'll just have to vote for the lesser of the two evils."

I'm a preacher. And the preachers tell me, "Wait on the Lord." And Isaiah said, "He who waits on the Lord, shall renew their strength." I never would vote for the lesser of two evils, because, if I wait on the Lord, then He will open the doors for me.

government says, well, we can let you see the records on this, after all of you guys are dead. And they claim that they are protecting national security. No! They're protecting the perversity of the murderers and the homosexual establishment that is engaged in murder and robbery, because they cannot, with natural law, run government. That's what's being protected. The vulgarity, the perversity, of the power elitists. And my position is, these guys need to repent and get out of government, because we, as the American people, will get our records and our files.

We're not going to live like this. We're not a bunch of plantation Mississippi Negroes; we are the American people, the American citizens, and we're saying to George Bush and to Clinton, you're not going to kill us, and you're not going to hide the files. If you do not know how to run government, you cannot hold office in this country. And that's the message we're taking to the American people. We're asking the American people to support that position. They're not cattle, they're not dumb Mississippi plantation Negroes, these are the American people, and they must be treated as a citizenry. These guys go along with all this manipulating, with television, bubble gum, beer, sex, murder, games, and they do not take legislative power and executive power to insist that education come through our national television media.

They're not principled people. They're party people, they're personalities looking for power and prestige, but do not know how to take the office of our government to serve the legitimate interests of our people. That's the tragedy. And they've got everybody caught up in this game: "We won, we won!"

It's not a question of winning. It's a question of who, in fact, can give scientific service from the office in this country.

I'm not going to vote for a guy to fly an airplane because he looks good; he has to know aviation and aeronautics. He has to be committed to aviation and aeronautics. I'm not going to vote and support someone because he might win. No. He has to be scientifically correct about serving this nation and these people, and he has to know how to do that.

I know how to do that. That's how I can take law and get open housing. I could take law and end segregation in theaters in Nashville. I could use the law to end segregation at lunch counters. I could take the law to get the right to vote. Because I'm committed to this nation, to the Revolution, to the health, interests, rights, and needs of people, and I'm committed to due process of law. And once a man is really committed to that, there are no problems he can't solve, and he never has to resort to the murder of people to solve problems or to stop crime, because all of those powers are built into the government, once you love the people and look for the cause rather than going around hating people, and then pretending that you've got to do this because of some mysterious law you know that no one else knows.

It goes right back to what Lyndon Baines Johnson said: Our enemy is not our neighbor; it's poverty, it's crime, it's

disease, and we must attack those problems, and we must stop punishing people, to play on the hostility and the rage and inferiority in some people who hate other people, and call that “good government,” because we can get a bunch of haters to like us when we kill someone. No. We must educate the haters, to the fact that killing people does not solve our problems.

Klenetsky: The head of your ticket, Lyndon LaRouche, is in prison. Does that make it difficult?

Bevel: Well, yes, it does make it difficult, but from a theological point of view, the question of faith is important. So we raise the question: Can a one-legged man running for Jesus outrun a two-legged man running for Satan? And the answer is, sure he can. Yes. So, it’s difficult. But let me tell you this, Mel. If I had the option to be a party to something Socrates was doing, or a party to something King or Jesus or Gandhi was doing, even though they were in jail, I can assure you, that in all conscience, I would join them.

Somebody asked me, “Bevel, if you had the option to be on the ticket with George Bush, would you be on it?” No. “If you had an option to be on the ticket with Clinton, would you be on it?” No. Because I will not work with unprincipled people. I work with Lyndon LaRouche, because he is a principled person.

When history records the facts 50 years hence, Lyndon LaRouche will be the father of the American new nation that does not have slavery, prostitution, racism in it, but has an economy that dignifies man. He will be the father of that economy. And George Bush and these guys will be seen as the same small-minded criminal types that killed Socrates and Jesus, and the Gandhis and the Kings. They will be seen in that light. So, though he’s in jail, I would be amiss, I would miss history, not to be a part of this man’s struggle.

I remember when I was called to Birmingham to be with Dr. King. I could have been with Dr. Joseph Jackson, with the big churches and the long cars. But here was a young preacher, whom the South had lied about and claimed that he was a communist. The young people wouldn’t even come to church to hear him because they believed the lie. And I went to Birmingham and began to teach people who this man was, and to help him to take nonviolence to end segregation.

And so, though it’s difficult, it makes me feel clean and good and strong inside, knowing that I am working with a man who absolutely believes in principles, believes in the divinity of every human being, is not a secret racist who talks like a liberal but hates “niggers” in his heart, but a man who truly respects the dignity of females, a man who truly respects the dignity of indigenous Americans, African-Americans, all Americans, who has a respect for Europeans so deep that he can understand how, as a European man, to be successful without robbing the colored man. And that’s *rare*. All these guys talk all this stuff, and they talk about wealth, they talk about making money. In the back of their minds, they all

‘Right’ is going to win

Reverend Bevel, speaking in Demopolis, Alabama on Aug. 4:

I remember 1963, when they blew up the church in Birmingham, and killed the four little girls. The black leaders met, and they said, “Well, we ought to punish white folk.” King said, “Well, Kennedy ought to send armies into Birmingham.” And the Holy Spirit said, “Why don’t you go and work for black folks to get the right to vote?” And I obeyed the Holy Spirit. And I remember the first day I got to Selma. Old Jim Clark met me at the bridge, and he had 300 possemen, and they followed me down to the Brown Chapel Church; and about 10 ladies and about 15 little children showed up for the meeting. And they had a law then: couldn’t but three Negroes meet.

And, I looked out and here’s Jim Clark with his possemen with the white helmets and big long sticks, and double-barreled shotguns; and here these little ladies there, with their hair plaited up, and the white stockings on, singing, “We Shall Overcome.” And I said, “Lord, this is all the soldiers you gave me?” He said, “That’s enough. That’s *enough*. That’s enough!”

When you don’t bow to *evil*, God can take a little plant out [of the projects], and turn a nation around. When you don’t bow to evil, it is not important to win; it’s important to be right; because right is going to win.

scheme ways to rob other people—even with this North American Free Trade stuff: How do we go and rob the Mexicans? That’s what they’re talking about. They’re not talking about how to rebuild sovereignty in Mexico and economic independence so we are real trading partners. They’re talking about how to rob these young people of their labor and their natural resources.

That’s vulgar. That’s the stuff the British tried to do to America back in 1776—and it’s not going to work. But here’s a man who comes and says, look, let’s help the Mexicans educate all their children. Let’s educate all of our children. Let’s don’t rob them. Let them develop their industry. Let us develop our industry. Let us trade and let us all be wealthy and healthy people. That’s revolutionary! And any American, black or white or indigenous, who does not join that revolution, will stand on the side five years up the road being ashamed of themselves for allowing the greatest revolution to take place right in their midst, and themselves too cowardly to join in it.

A Christian soldier who fights without violence

The Reverend James L. Bevel, 55, is a prominent name in the history of the American civil rights movement, in the history of the movement against the Vietnam War, and other milestones of twentieth-century American political life.

Born on Oct. 19, 1936, in Itta Bena, Mississippi, he is an ordained Baptist minister, having attended the American Baptist Theological Seminary in Nashville, Tennessee from 1957 to 1961. He has pastored churches in Tennessee, Illinois, Ohio, and New York.

In his theological studies, and later as a minister, Reverend Bevel came to the understanding of Christianity as what he characterizes as the "science of human consciousness," underlying and mandating each and every individual citizen to take responsibility for the human community overall. It was on the basis of that outlook that he came to nonviolence, and came to assume responsibility for the pivotal role in the civil rights movement of the 1960s.

At the same time, he says he came to see expressed in the Declaration of Independence the fullest sociological manifestation of scientific human consciousness, the goal toward which all people must strive.

It was those two concepts, he says, that formed—and

form—the twin bases of his thinking, social action, and educational and economic development theories and processes.

As a young pastor of a congregation, Reverend Bevel was introduced to Leo Tolstoy's *The Kingdom of God Is Within You* and Mahatma Gandhi's *My Experiment with Truth*, and as a result, his ministry turned in a radically different direction as he became involved with a nonviolent study group in Nashville in 1959. In 1960, he became a leader of the sit-in movement in Nashville; from that day forward, he says, he was involved in consistently applying the theology of the Sermon on the Mount to social problems and personal needs alike.

It was under his chairmanship of the Nashville Student Movement that the Freedom Rides were continued—the Freedom Rides which led to the ending of segregation in interstate transportation.

As a member of the Student Nonviolent National Steering Committee, Reverend Bevel assumed responsibility for the Mississippi Project, one of three projects being set up in 1961-62 by the Student Nonviolent Coordinating Committee (SNCC), the other two being the Albany Project and the Selma Project. It was his work in, and his success in, these projects that led Dr. Martin Luther King, Jr. to ask him to function as the Mississippi field organizer for the Southern Christian Leadership Conference, and, later, as the director of the SCLC's Direct Action.

While serving in this capacity, Reverend Bevel developed the Children's Marches in Birmingham and initiated the world-famous March on Washington in 1963.

After the 1963 bombing of the Sixteenth Street Baptist Church in Birmingham, he proposed, developed, and execut-



James Bevel (left) and other mourners carry Dr. Martin Luther King, Jr.'s casket to the crypt, on April 5, 1968.

ed the Alabama Right to Vote Movement, which culminated in the Selma campaign and the March on Montgomery in 1965. Those movements led, in turn, to the passage of the 1965 federal Voting Rights Act.

Wanting to test the theory of nonviolence in a Northern context, he developed the Tenant Unions and the Open Housing Movement in Chicago in 1965 and 1966, which led to a ruling by the U.S. Supreme Court to outlaw racial segregation in housing. He had previously challenged the nonviolent movement to oppose the use of violence in foreign policy. As a result, in 1966, he became the director of the Mobilization to End the War in Vietnam. Under his directorship, the Mobilization to End the War in Vietnam produced the largest demonstration in the history of the United States to that date, at the United Nations building in New York, on April 15, 1967.

Bevel was the Director of Nonviolent Education in the Poor People's Campaign, and was present with Martin Luther King at the Lorraine Motel in Memphis, Tennessee on April 4, 1968 when King was shot.

After the death of Dr. King

Bevel's insistence on a fair trial for accused Martin Luther King assassin James Earl Ray, and his ability to organize the base of the Southern Christian Leadership Conference for the principle of justice for all, led to his being ousted from the leadership of that organization.

In graduate studies at Vanderbilt University Divinity School, he discovered that existing psychoanalytical disciples were unable to address the psychological damage created by slavery, segregation, and oppression. For the next 20 years he developed institutions to study and treat these problems, including the Man Nonviolent Clinic in Baltimore, the Human and Community Development Project in Nashville, the Organic Farm Project in Hiram, Ohio, and Students for Education and Economic Development (SEED) in Chicago.

In 1984, Bevel ran for Congress in the 7th Congressional District in Illinois, introducing the Precinct Council as a means for character, institutional, and economic development. Running as a Republican, he received 33% of the vote in a district where Republicans normally receive 8-10% of the vote.

Reverend Bevel traveled to Omaha, Nebraska in October 1990, as chairman of the Citizens' Fact-Finding Commission to Investigate Human Rights Violations in Nebraska. He was so horrified by the evidence of satanic sexual child abuse being committed by powerful figures in Nebraska's financial and political circles with ties to the Bush White House, that he moved to Nebraska for a year to work with citizens there resisting the pedophiles' coverup.

He was recently elected as the director of the Bettis Academy in Trenton, South Carolina, where he has been developing a comprehensive educational and economic development curriculum that will leave students economically independent and institutionally sovereign.

Reverend Bevel has traveled extensively throughout the United States and many countries of the world, including Northern Ireland and South Africa. His friends throughout the world echo the sentiment of his friends in Nebraska: "Thank God for Reverend Bevel. When he found out that we were resisting being crushed by powerful men, he came to shine the light of truth on our struggle."

Bevel's campaigns

The following chronology gives some of the highlights of James Bevel's career:

1960: leader of Nashville, Tennessee Sit-in Movement

1960: co-founder of Student Nonviolent Coordinating Committee (SNCC)

1961: director of the Open Theater Movement, Nashville

1961: director of the Continuation of the Freedom Rides

1961-62: director of the Student Nonviolent Coordinating Committee Mississippi Project

1962: co-founder of Council of Federated Organizations in Mississippi

1962: director of the Greenwood, Mississippi Voter Registration Campaign

1963: organizer of the Children's Marches, Birmingham, Alabama

1963: initiator of the March on Washington

1965: director of Nonviolent Direct Action, Southern Christian Leadership Conference (SCLC)

1965: co-author and director of the Selma Right to Vote Movement

1966: developer and director of the Chicago Open Housing Movement

1966: developer and organizer of the Tenant Unions in Chicago

1967: director of the Mobilization to End the War in Vietnam

1968: director of Nonviolent Education in the Poor People's Campaign

1970-72: developer of the Nonviolent Clinical Process, Baltimore

1975: developer of the Human and Community Development Institute, Nashville

1980: director of the Organic Farm Project in Hiram, Ohio

1984: developer and director of the Students for Education and Economic Development

Non-victory in France's Maastricht referendum

by Christine Pierre and Volker Hassmann

If the Danish "no" to Maastricht last spring was the first in-depth attack against the treaty to create a single European market and a unified currency, ironically, the tiny French "yes"—51.05% for, 48.95% against—will likely signal the end of the treaty, at least in its present form.

The thin margin of victory of the "yes" in France's Sept. 20 referendum was about the worst option for the pro-Maastricht forces. Had the referendum passed by a wide margin, its backers all over Europe would have cried victory and proceeded to rapid implementation of the treaty. Had the French voted a resolute "no" to Maastricht, like Denmark before, but even more so because of the long history of French patriotism, France would have been accused of being backward and chauvinist; all subsequent evils in the financial monetary scene would have been blamed on her and on those who organized the defeat.

The slim "yes" vote is the option of greatest instability: nearly 49% for "no," in a situation where the entire political establishment—left and right—campaigns vigorously for "yes," is a slap in the face of the elites of France and a major protest vote; moreover, the 2% margin of victory does not give the "yes" party the maneuvering room needed to implement the treaty.

The consequences of this no-win result are incalculable, domestically as well as for the rest of Europe. At home, it is a warning from French blue and white collar workers, farmers, and jobless, to the political elites that they must solve the desperate economic crisis. Elsewhere, the French results can only reinforce those in Germany and in Britain who are already quite skeptical about the treaty.

Domestic repercussions

The results of the referendum entirely justify the decision of a few hundred "Rural Coordination" farmers to "occupy"

in mid-September, the Jeu de Paume building in the Tuileries Garden in Paris, where the Declaration of the Rights of Man was adopted two centuries ago.

An analysis of the voting results reveals the impact of the economic crisis which hit France as a result of the Socialist Party's free market turn in 1983. It was mainly producers—farmers, workers, artisans—who voted a resounding no to Maastricht, while the yes vote came from the upper classes and professionals. Some 62% of farmers voted no—with peaks of 70% on average among agricultural workers (farmers who do not own their land). Sixty percent of blue collar workers, in those areas hit hardest by the economic crisis, voted against. Among artisans, small businessmen, and white collar workers, the no rates reached 52-53%. Who voted yes? Large company heads and businessmen (65%), liberal professionals (66%), as well as engineers, scientists, and professors (60 to 70%).

In terms of the departments—the regional political units into which the nation is organized—the French voted no. In 53 out of 96 departments of metropolitan France (not including French territories abroad), the voters rejected the treaty. Following the pattern outlined above, the departments which voted no are the rural ones, or those where the collapse of the steel industry (northern France) and shipyards (Mediterranean and Atlantic coasts) has created mass unemployment. All of the departments which voted against the treaty, except one, have an average 12% unemployment, while the national average is 9%. All of the poor suburbs where riots have occurred over the last couple of years voted no.

The vote defied classic party lines. The map of the referendum results indicates that it was the very departments that voted *against* the treaty, which in 1981 and later, had elected François Mitterrand, Maastricht's top salesman, as President. Conversely, those who voted "yes" are the traditional

bastions of the right wing! Without the support of former Prime Minister Jacques Chirac, the chief "right-wing" political rival to Mitterrand, which swung the Paris vote 62% in Maastricht's favor, without the support of the right-wing mayor of Lyons, and of mayors of other cities, the Maastricht Treaty would have been defeated. The only real cleavage that emerged in the election was a France divided between the poor and unemployed, and those who are either wealthy or who still manage to survive despite the crisis.

Mitterrand's Socialist Party, badly weakened in its strongholds, will try to seek new alliances with the Greens or center-right forces in order to survive the next elections. The right-wing parties are in shambles as well. Jacques Chirac, head of the "neo-Gaullist" RPR, who campaigned for the treaty, will have to explain to his base why he gave this victory to Mitterrand, the most discredited President the Fifth Republic has had. Charles Pasqua and Philippe Séguin, the RPR's leaders of the no, have already organized more than 50 deputies and senators to boycott a leadership meeting called by Chirac to get a confidence vote for himself. In ex-President Valéry Giscard's party, some 40% voted against Maastricht, and Giscard, an oligarchical lord, did not even convince his home department, the Auvergne, to vote "yes."

The only real winners of this referendum are the people who are fighting austerity and a corrupt national leadership. The referendum was "a total success" for Rural Coordination, "which was able to mobilize thousands of persons through a dynamic and often original campaign, to vote for the no," they state in a press communiqué, which also calls for European farmers to support the fight for a "great debt moratorium on farm debt." The vote will no doubt encourage all those who are discontent, to pursue the fight. Many conflicts cropped up in the weeks prior to the referendum: transport strikes, joint demonstrations of farmers, artists, nurses, and taxi drivers. As we write this article, half of France's prison guards are striking for better security and working conditions in the overcrowded prisons.

European repercussions

The tiny French "yes" has created as much of a shockwave as the Danish "no," because it confirmed that at least half of the Europeans are resolutely against a monetarist reorganization that takes away national sovereignty and provides for no real economic development. The first to recognize the no-win situation were, of course, the stock exchange and money market speculators. At 7:30 p.m., as British traders leaked the news of a 52% victory for the treaty, trading activity soared. But as the margin became smaller and smaller, narrowing to some 500,000 votes, trading came again to a halt.

While the partisans of the treaty had announced that the stock exchange would boom if Maastricht won, not only was there no "boom," but the stock exchange lost 2 points the day after the "victory." In a matter of days, massive speculation

broke out against the franc, with the Bundesbank and the French central bank having to spend billions of deutschemarks to defend the franc Sept. 23 and 24. The markets were full of rumors of an upcoming slight revaluation of both the deutschemark and the franc relative to all other currencies, which implied a small devaluation of the franc. Meanwhile, interest rates in France, which the finance minister had promised to lower in case of a "yes" vote, were pushed up to 11%.

German Chancellor Helmut Kohl's meeting with Mitterrand in France on Sept. 23, was obviously the occasion to try to "readjust" the treaty to the popular will, at least on paper. Not much filtered out of this meeting, but it appears already that major negotiations on the treaty will take place at the European Community (EC) summit called by John Major in Britain for Oct. 12. While both Kohl and Mitterrand are declaring that no "renegotiation" is possible, Kohl indicated to a newspaper that rearrangements of the treaty could be worked out, meaning, less power to the European Commission in Brussels. Among those areas in which "redefinitions of the treaty" are being discussed are: the principle of "subsidiarity" (defining which are the domains of the EC as opposed to those of the nation-states); a greater democracy in the EC institutions; and a social policy addendum to the Maastricht Treaty.

For many observers, the small French "yes" was the kiss of death to the treaty. Some of the comments of the British press in the aftermath of the vote are quite telling. For the *Independent*: The close results of the referendum do not guarantee the survival of the Treaty; saving it will take time and the results are uncertain. The *Financial Times*: The treaty, in the form it was signed last February, is certainly condemned. Even European Commission head Jacques Delors, stated that "the Maastricht Treaty is only a framework."

Even if the European governments, especially Bonn and Paris, embark on intensive damage-control measures, Maastricht is an irreparable wreck. Neither the EC emergency summit, the Franco-German mini-summit, new treaty negotiations, nor a new referendum in Denmark, will change this. But there is no reason for rejoicing. The instinctive reaction of governments and central banks to the growing friction in European currency markets means draconian austerity policies, which will worsen the economic crisis in Europe. The paradox is that the purely monetarist-motivated Maastricht outlook already determines economic thinking at the top, even though the agreement itself is kaput.

Italy's Amato government has decreed the cruelest austerity program of the past 20 years, a deficit reduction scheme in which half of the savings are to be gouged from public spending, and half from higher taxes. Sweden has announced a gigantic austerity plan where the axe will fall above all on social programs. England and Germany face equally harsh "stabilization" plans: horse-remedies that will only make the economy sicker, as long as authorities cling to a monetary system that cannot be saved.

Capture of Guzmán could end Shining Path, despite Bush's support

by Luis Vásquez Medina

The Sept. 12 capture of Abimael Guzmán, head of Peru's Shining Path, could mean the beginning of the end of this terrorist group. The second and fourth in command of Shining Path—both women—fell along with Guzmán, together with volumes of vital information which are still being deciphered, and which could lead to a definitive set-back for subversion in Peru.

The Peruvian government succeeded in arresting Guzmán through an excellent combination of police and intelligence work which, as President Alberto Fujimori said, was "100% Peruvian," a swipe at the Bush administration, which, for more than three years, limited military aid to Peru, claiming that the Peruvian Armed Forces violate human rights in their anti-terror fight. On April 5, when Fujimori dissolved the corrupt Congress, the United States ended all military and economic aid to Peru outright. With the information now in hand, it is known that the terrorist strategists considered the cutoff of U.S. aid to Peru as one of their most important victories.

The arrest of Guzmán and Co. also dealt a harsh blow to the plans of the U.S. administration to impose its "new order" upon the Ibero-American continent, through a military invasion into the South American heartland, following the expected dismantling and defeat of the Peruvian Armed Forces. Thus the bitterness with which spokesmen for the Anglo-American political establishment have received the news of Guzmán's capture. The *New York Times*, *London Guardian*, and others complain that the arrest of Guzmán "will be used to justify the Fujimori dictatorship."

But it took Pen International writer Mario Vargas Llosa to bring the questioning of Guzmán's capture to the level of delirium. In recent statements published by *Time* magazine, he argued that the capture of the Shining Path leader would turn out to be a victory for the terrorists, since, according to his twisted logic, "the capture of Abimael reinforced the Fujimori dictatorship, and given that it is to Shining Path's advantage to fight a dictatorship, in the long run his capture could prove beneficial to Guzmán himself!"

The de facto support which the Bush administration has provided Shining Path was confirmed again on Peruvian television Sept. 18, when the press attaché of the U.S. embassy in Lima was asked, "Why do certain academics and political

organizations which openly back Shining Path in your country enjoy the legal protection of your government?" The attaché answered, "It is not a crime to back Shining Path, and they are protected by the freedom of opinion which prevails in the country." His argument is identical to that put forward by the British government to justify its continued protection of Adolfo Olaechea, Shining Path's "ambassador" in London, who uses his "freedom of expression" to issue threats that a million Peruvians will die in Shining Path's war.

A dramatic change in policy

Guzmán could not have been captured without the institutional changes put through on April 5 in Peru. His arrest demonstrated conclusively that the system of formal democracy which existed prior to that date was not only incapable of stopping terrorism, but was in fact the most appropriate framework for Guzmán to achieve his objectives. As President Fujimori said, when he announced the arrest of the Shining Path leader, the changes instituted on April 5 ended the institutionalized support which had protected Shining Path. He noted that since April 5, not one single person arrested for terrorism had been released, compared to the more than 200 terrorists freed in the months prior by a terrified and corrupted judiciary. At least two of the Shining Path leaders arrested with Guzmán had been imprisoned before, but had been set free!

For the first time in 12 years of battling these terrorists, military and police forces were unified under a single anti-terror command, permitting the coordination of intelligence and operations. Also after April 5, a series of anti-terrorist decrees was promulgated which had previously been torpedoed repeatedly by parliament. The National Intelligence System was raised to a cabinet-level post, thereby able to coordinate directly with the President on an almost daily basis. All of this was facilitated by a secret budget, of a minimal but sufficient amount to achieve the spectacular successes.

The information seized in the Guzmán raid included computer files which contain key data on the terrorists' military and political structure nationwide. At the time of this writing, more than 100 Shining Path cadre have been captured, based on the information which intelligence experts have just begun

to sort through and decipher.

According to police intelligence sources, "surprising" new revelations, which implicate high-level social and political leaders of the country, will become public soon. As Peruvian commentator Patricio Ricketts stated: "No one should fool themselves thinking that Abimael could elude, for 12 years, pursuit by 250,000 soldiers and policemen. The truth is that no one sought him, nor wanted to seek him, until six months ago." Denunciations of the complicity of former President Alan García (1985-89) have begun. According to journalist Chirinos Soto, García was a "shamefaced *Senderista*" (supporter of Shining Path—Sendero Luminoso in Spanish), while Ricketts decried the fact that García kept the Dircote (the police division responsible for the anti-terrorism fight) "toothless, blind, and deaf, lacking telephones, mobility, and even petty cash."

Neither has ex-President Fernando Belaúnde Terry (1980-85) gone untouched. According to retired Gen. Clemente Noel, who nearly defeated Shining Path in Ayacucho in 1981, when police had surrounded the house of Guzmán's political godfather, with Guzmán inside, Belaúnde "prohibited a search of the house where Guzmán was sick, because he did not want the prisoner to die in jail, leaving him open to blame."

The relations of Shining Path with Theology of Liberation networks, including coming very close to their Peruvian founder, Father Gustavo Gutiérrez, are also being exposed. As the police have revealed, the now-jailed former nun, Nelly Evans, a rabid militant of liberation theology, provided the thread which finally led to the skein itself. Another nun, still at large and with the last name Bailey, has been identified along with Evans as Shining Path figures who form part of the circle around Gutiérrez.

Also captured with Guzmán were detailed plans already under way for a "final assault on Lima," with Oct. 12, 1992 as the target date: the day on which 500 years of the Christian evangelization of Ibero-America is commemorated. This date, as an officer of the Peruvian Army told this magazine, "constitutes conclusive proof that Shining Path is a project against the Catholic faith and culture which Spain bequeathed us 500 years ago."

It must be added that, according to the evaluations of anti-terror forces, the recent seizures have only postponed, but have not yet dismantled permanently, the "Red October" which Guzmán prepared for Oct. 12.

So evident is the role of Shining Path as an instrument of the *Black Legend*—the lie propagated by the British that Spain's Catholic-led colonization of Ibero-America constituted genocide against the native population because they were largely Christianized—that the Peruvian Armed Forces, through a presidential decree, declared Sept. 24 the day of the Virgin of Carmen, the patron saint of the Armed Forces, to be a national day of thanks for the capture of Shining Path's chief.

The war isn't over

While Guzmán's capture is a hard blow to Shining Path, it does not mean that the Peruvian nation can claim victory in this irregular war. On the contrary, everything suggests that the war will intensify. One of Guzmán's first statements from jail was to take full responsibility for all the terrorist actions committed in 12 years of subversive warfare against Peru. His statement constitutes a total challenge to the Peruvian state, and is a clear message as well to his psychotic followers that the war must continue, despite his imprisonment.

Shining Path is now engaged in attempting to reconstruct its national leadership, under the former "Number 4" of the organization, Oscar Ramírez Durán, son of a former Army general; Teresa Durán Araujo, one of the organization's most important military commanders; and by her brother, physicist Maximiliano Durán Araujo, who serves as Shining Path's "foreign minister" in Europe and who has gone into hiding in France.

Under standing orders to carry out the "taking of Lima," significant numbers of terrorist cadre continue to arrive in the capital from the interior of the country. It is rumored that a group of 100 commandos which Shining Path had sent for training in Libya is now on their way to Lima. In response, combined Army-police forces are conducting intensive nocturnal searches in the various shantytowns ringing the capital, looking for hidden stores of weapons, explosives, and terrorists.

Two recent developments have raised the level of tension in the country: A few days following Guzmán's capture, Lima television showed a video which police forces had taken of Guzmán's capture, which included a harangue by the Shining Path leader. President Fujimori slammed the leaking of the video as a "terrible betrayal," and suggested that the effects would be negative. The other development was the discovery of a radio-guided missile in the middle of a Lima street. The missile, which belonged to the Peruvian Air Force, had apparently been abandoned by Shining Path when they were unable to explode it. The missile had an explosive impact radius of 600 meters!

The final proof that the war is not over is the fact that more than 200 attacks, with 54 victims, have occurred since Guzmán's arrest.

Along with the rising success rate in the arrests of Shining Path members comes a question that will prove decisive for the future of the country: what to do with Guzmán? A large group of Shining Path apologists ensconced both inside the country and abroad is defending Guzmán's life. People like social democrats Enrique Bernaldes and Armando Villanueva are all coming out with legalistic reasons to argue the impossibility of decreeing capital punishment for the man responsible for 25,000 Peruvian deaths.

But a number of retired military officers, such as Gen. Sinécio Jarama and Gen. Luis Cisneros Vizquerra, argue that the only chance the country has to win the war against Shining

Path is to condemn Guzmán to death. For these two generals, among others, what the Peruvian state must do—as a matter of its own survival—is convoke a Nuremberg-style tribunal, similar to the one which judged the Nazi leadership at the end of World War II. Such a move would be fully justified, given that Guzmán's "crimes against humanity" are fully comparable to the crimes of Adolf Hitler.

Others note that the country is still submerged in irregular warfare, and that it is not only acceptable but imperative in such cases to apply the death penalty to Guzmán, given that his followers have bloody plans to free him from jail at the first opportunity. Shining Path's plans to kidnap President Fujimori's family members, those of government ministers, and even school buses filled with the children of military personnel, as bargaining chips to negotiate Guzmán's release, are already known. The fact is that as long as Guzmán remains the head of Shining Path, the national security of Peru remains in danger.

Documentation

Shining Path's operatives abroad

On Sept. 17, the government of Peru released the following list of 49 people and 39 organizations which lead Shining Path's support network in the United States and Europe, with a concluding commentary on the overall importance of SP operations in France. We have rendered names of groups in English equivalents, except for those operating in Spanish-speaking countries:

1. BELGIUM

- a. Committee in Defense of Human Rights in Peru
- b. Committee in Support of the Peruvian People
- c. International Popular Relief in Belgium

Terrorist criminals

- a. Luis Arce Borja (journalist, propaganda chief in Europe, current director of [SP's newspaper] *Diario Internacional*)

2. SPAIN

- a. Unión de Lucha Marxista-Leninista
- b. Comité de Apoyo a la Revolución Peruana
- c. Asociación de Amigos Hispanos Peruanos
- d. Comité de Solidaridad
- e. Frente Cultural

Terrorist criminals

- a. Javier Mújica Contreras (president, Asociación de Amigos Hispanos Peruanos)

- b. José Adolfo Mejía Giraldo (member of the newsletter, *Chuschi*)
- c. Mila Zanabria Rivero (promoter)
- d. Yolanda Domínguez Ríos (promoter in Vigo)
- e. Jorge Mújica Contreras (promoter, ex-policeman)
- f. Carmen Prado (Mújica's sister-in-law)
- g. Walter Malca Carbal (head of operation)

3. FRANCE

- a. Mariátegui Artistic Intellectual Front
- b. French-Peruvian Committee against Repression
- c. Sol-Peru Committee
- d. Sol Peru 11 (founded by Maximiliano Durán)
- e. Movement for the Liberation of Peru
- f. International Solidarity Committee with the Struggle of the Peruvian People

Terrorist criminals

- a. Alberto Diego Ruiz Eldredge Goicochea
- b. Maximiliano Durán Araujo (from the José Carlos Mariátegui Cultural Circle)
- c. Ronald Bustamante (president, Sol Peru Committee)
- d. Carlos Cáceres Campos (secretary, Sol Peru Committee)
- e. Alfredo Carrillo (Treasurer, Sol Peru Committee)
- f. Manuel Herrera (French-Peruvian Center)
- g. Elvira Zanabria Rodero (principal promoter)
- h. Bertha Ore Meneses (activist)
- i. Angélica Mendoza Almelda (Committee of Relatives of the Disappeared in Ayacucho)
- j. José Rodríguez Najjar

4. ENGLAND

- a. Peru Support Group (headquartered in London)
- b. Sol Peru Committee
- c. Revolutionary International Movement (RIM, headquartered in London)

Terrorist criminals

- a. Adolfo Héctor Olaechea Cahuas (Sol Peru Committee in Great Britain)
- b. César Augusto Sotero Alejos (promoter in London)
- c. Carlos Calderón Toralba
- d. Oswaldo Edwin Buchuck Gil
- e. Judy Córdor
- f. Nancy Rocío Buchuck Gil

5. SWEDEN

- a. Ayacucho, Peru Studies Circle
- b. 4th of November Peruvian Group
- c. Ayacucho Literary Circle of Shining Path
- d. Popular Movement of Sweden
- e. Ayacucho Group (headquartered in Malmö and Stockholm)
- f. Latin American Cultural Coordinating Committee

Terrorist criminals

- a. Carlos Rolando La Torre Córdova (promoter in

Stockholm)

- b. Dalia M. Carrasco Galdo (Stockholm activist)
- c-g. Guisela, Juana, Román, Humberto, and Pablo La Torre Carrasco (Stockholm activists)
- h. Octavio Paz (Ayacucho Studies Circle in Stockholm)
- i. Javier Esparza Márquez (Ayacucho Studies Circle)
- j. Felix Ismael Cruz Ramírez
- k. Juan Boris La Torre Carrasco (resides in Stockholm)
- l. Carlos La Torre Cárdenas (Abimael Guzmán's father-in-law)
- m. Raquel Martín de Mejía (from the Popular Movement)
- n. Javier Zequer

6. SWITZERLAND

- a. Peru Popular Movement in Switzerland (headquarters in Geneva)
- b. Revolutionary International Movement (headquarters in Geneva)
- c. César Vallejo Peruvian Student Association (headquarters in Geneva)

7. GERMANY

- a. Peru Group in Germany
- b. Amauta Circle in Berlin

Terrorist criminals

- a-g. Walter Ligan, Edwin Quispe, Carlos Vega, Carmen Velarde, Aníbal Sánchez, Fernando Sheen, and Benigno Zavala (leaders of the Peru Group)
- h. Julio Casanova Rodríguez
- i. Arturo Morote

8. DENMARK

- a. Support Group for the Liberation Struggle of the Peruvian People
- b. Peru Popular Movement (headquartered in Copenhagen)

9. UNITED STATES

- a. Committee to Support the Revolution in Peru
- b. José Carlos Mariátegui Cultural Center
- c. José María Arguedas Cultural Center
- d. Solidarity with Peru Group
- e. Latin Americans in Solidarity with the Peruvian Revolution

Terrorist criminals

- a-b. Alberto Valdivia and Samuel Guía (leaders of the Committee to Support the Revolution in Peru)

Note on Shining Path terrorists in Paris, France

1. Based on information provided by sources of the high-est credibility, the following is known:

- a. The engineer, Maximiliano Durán Araujo, member of Shining Path's top leadership and considered to be the Foreign Relations Minister of a future Shining Path (SP) govern-

ment in exile, is in charge of coordinating all SP relations in Europe, both with the political parties which joined the Revolutionary International Movement (RIM) and the groups created directly by SP.

Durán Araujo apparently does not engage in political activity and is respected for his professional prestige as a nuclear physicist, thereby being careful not to enter into any conflict with French authorities.

2. The organization put together by Durán Araujo is divided into four branches, each one of which fulfills specific tasks and reports directly to Durán, without having any contact among themselves.

These branches are:

- a. the body charged with agitation, propaganda and the collection of funds in all intellectual and university circles, led by a Peruvian with the last name, Nazarro Rúa, brother of the Shining Path member Eucario Nazarro R., who died in the Frontón jail uprising. This person at the same time supervises the functioning of the so-called "José Carlos Mariátegui Study Circles" which operate in various European countries, and serves also as Durán Araujo's secretary;

- b. the body charged with agitation and propaganda in cultural and artistic circles, led by the Shining Path member Hildebrando Pérez Huaranco who also supervises the folkloric musical groups and theater groups, which under different names spread the Shining Path message;

- c. the body charged with creating support groups for "the Revolution in Peru" and maintaining contact with the groups which defend human rights, led by the ex-priest of French nationality, Jean Marie Mondet Isnard. This individual coordinates the functioning of all the committees known as *Sol Peru* (Solidarity with Peru) which exist in various European countries; and has as his collaborator, Miriam Kerese-lidze, also known as Miriam Keirel, who lived for several years in Peru, acting as a militant in a Trotskyite organization.

Mondet Isnard is also the director of the publication, *French-Peruvian Annals*, which promotes Shining Path ideology;

- d. the body charged with coordinating and providing economic support for the RIM, run by Alberto Diego Ruiz Eldredge Goicochea, son of the Peruvian ambassador to Brazil during General Velasco's military government, and who before his exile in Paris was a leading Shining Path member in the Lima Metropolitan Committee.

It should be pointed out that Shining Path member Ruiz Eldredge Goicochea is second in hierarchy, after Durán Araujo, and his differing criteria (Ruiz Eldredge is a hardliner) provoke constant discrepancies and frictions. On the other hand, there is no doubt that the most important of the four branches is that of Ruiz Eldredge, not only for the propaganda support which SP provides the Revolutionary International Movement (RIM) and its 26 allied parties, but because Shining Path actually leads the RIM.

Envoy warns of genocide in Bosnia

by EIR Staff

The French daily *Le Figaro* on Sept. 22 published an interview with Spain's José-María Mendiluce, special envoy in ex-Yugoslavia for the United Nations High Commissioner for Refugees, and the first official to issue public warnings about the Serbians' practice of "ethnic cleansing" this past spring. Across the top of page two, *Le Figaro* headlined, "Bosnia: 400,000 Civilians Threatened with Death," and sub-headlined that the UNHCR envoy was launching a "cry of alarm" at a time when "cold weather risks killing civilians trapped by war and deprived of everything."

The interview was preceded by the kicker: "Without help, they will not survive the winter."

Le Figaro noted that "at 41 years of age, José-María Mendiluce has, behind him, 14 years of humanitarian missions, in Africa, in South America, in Afghanistan or in Kurdistan. But it is in the heart of Europe, in Bosnia-Herzegovina, that the special envoy of the U.N. High Commissioner for Refugees says he has confronted the worst. In the Serbian camps, he says, they are continuing to assassinate children, women, and the elderly. As winter approaches, death is stalking 400,000 civilians trapped by the war and deprived of everything. And the exodus of more than 2 million refugees is a bomb which threatens all of Europe."

In the interview, Mendiluce said, of the situation in Bosnia-Herzegovina as winter approaches, that "in the north of Bosnia," which is controlled by the Serbs, ". . . we fear that the conflict is further intensifying," with 1.8 million refugees at the present time.

As for deaths, Mendiluce said, "I have the impression that there are still more deaths" than the official 60,000 reported by the government in Sarajevo, "especially in the regions which are outside the control of the Bosnian government. In addition to the bombardments and the massacres, the winter, which is very harsh in Bosnia, will be a factor of still further destructiveness."

A race against winter

Mendiluce was asked about the conditions of those remaining in Bosnia, who have not been able to flee. He said

that some 400,000 persons there are in danger of death, "isolated, without food, without medicines, without anything even to build shelters. If it is impossible to bring them help, they will not survive the winter."

To assist the Bosnians, Mendiluce said the U.N. needs to provide three times more than the 250 trucks currently in Bosnia, both to protect convoys and to distribute supplies. "The city of Sarajevo alone now needs 250 tons of food each day. For the center of the country [Tuzla, Gorazde], the needs rise to more than 5,000 tons per week. It is impossible to quantify the needs in terms of medicine. That ranges from syringes to blankets for the winter." He warned that the situation is "a race against the winter. The deployment of the supplementary troops of the U.N. has already been delayed."

Turning to the Bosnian refugees, who, he said, total some 4,000-5,000 persons fleeing per day, Mendiluce predicted that "perhaps 1 million more refugees . . . will take flight, because of the war, the persecutions, and the cold weather." These refugees are passing through Croatia bound for other European countries. "Europe," he declared, "must prepare itself for an enormous effort of assistance: If a million Bosnians, hungry and weakened, bring themselves to our frontiers, it is not the customs officers who will stop them. From here until the end of the year, Europe risks being invaded by the refugees from ex-Yugoslavia."

'Civilians are the sport of the battle'

Mendiluce was also asked about the Serbian camps, which were visited by the Red Cross after international publicity spotlighted mistreatment of prisoners. Mendiluce confirmed that there is "irrefutable proof that six or seven camps continue to 'function,' where they assassinate the elderly, women, and children. It is terrible to say, but we are no longer surprised to discover such crimes. All the belligerents have ended up resorting to them; it is a sort of chain reaction: The civilians are the sport of the battle." He expressed hope that several thousand detainees will be transferred to Croatia next week.

Further documenting the atrocities, Mendiluce told *Le Figaro*, "Here, civilians are arrested in order to exchange them for other civilians; cities and hospitals are attacked with heavy artillery and tanks. They have no respect for people, including those who bring humanitarian aid. Certain of my colleagues have been arrested, beaten, stripped and, even, in the Red Cross, killed. I heard militiamen justify massacres of children, by explaining that 'we have to prevent them from killing our own children tomorrow.'"

As the conflict threatens to extend southward toward the region of Kosovo, Mendiluce said that the same "ferment" exists in Kosovo and in the Sandjak, a Muslim-majority region in southern Serbia, as well as in Vojvodina, a Hungarian ethnic-majority region in northern Serbia. He grimly predicted that "we have to prepare for the worst."

Jordan's Laith Shubeilat framed up as Anglo-Americans drive for war

by Muriel Mirak-Weissbach

If George Bush, White House Chief of Staff James Baker III, and CIA Director Robert Gates were to have their way, sometime in early October the head of Laith Shubeilat, esteemed Islamist member of the Jordanian Parliament, would be presented on a silver platter to the extravagant residence of the American ambassador in Amman, with greetings from the government. Following the exchange of courtesies, the assembled dignitaries would proceed to reorganize affairs in the troubled Middle East, assured, this time, that not a peep of protest would be heard.

Very little of this formulation is metaphorical: In reality, the charges which were formally presented on Sept. 22 to Shubeilat's lawyer, Mr. Ibrahim Bakr, include several counts which carry the death sentence, by hanging. Shubeilat, who has been held in detention at Swaqa prison in Amman, was charged with threatening the state by supporting an insurrectionary group. The accusation, that his automobile had been used one year earlier to transport weapons, had allegedly emerged during interrogations of detained youths who were reported to belong to a group called the Vanguard of Islamic Youth, which had never been heard of prior to the arrests.

Shubeilat was not allowed to confer with his lawyer alone, nor was he allowed to be visited by his wife until Sept. 23. A preliminary hearing is slated for Sept. 29, after which a trial date will be set.

The Shubeilat affair, which has assumed the dimensions of a test case for the viability of the Jordanian elite, has little or nothing to do with a couple of youths borrowing a car to transport weapons. It is political, at the highest level of international politics.

What peace, at what price?

The White House and its higher-ups in London, want a general reorganization of the Middle East, including the partition of Iraq (and its subsequent re-confederation under a puppet regime), and the emergence of Israel, Turkey, and Iran as regional powers. The ongoing "peace conference" is the framework within which a series of separate peace agreements are to be drawn up between Israel and Syria, Israel and Jordan, etc., on the model of the Camp David agreements of nearly 15 years ago.

To make it work, Jordan must play the game, vis-à-vis both Israel and Iraq. During the Gulf war, Jordan maintained

an uncomfortable position of neutrality, which earned it the rage of the United States. (Some hardened cynics believe Jordan's stance was itself part of the U.S. coalition's policy: If Jordan had joined the coalition overtly, they reason, it would have become a target of Iraq, which could have brought Israel into the conflict.) Now, Jordan is being persuaded to abandon its facade of neutrality and join the U.S.-Saudi camp. King Hussein, following surgery for cancer at the Mayo Clinic in Rochester, Minnesota in late August, met with Bush, then-Secretary of State Baker, and Gates on regional policy, and press reports applauded his change of heart. He also met twice with Saudi Ambassador to Washington Prince Bandar, the man known to Arab circles as the "master of payments" of funds which the CIA and the Congress are not equipped to authorize. Bandar is also the official Washington go-between with the Israelis, enjoying intimate relations with the Zionist lobby.

More worrisome is the fact that the king reportedly met with several figures prominent in the anti-Saddam Hussein opposition, including Kurdish leader Talabani and Shiite leader in London, on his way back to Jordan. What was discussed in these meetings was Amman's posture toward Baghdad. Not only does Washington demand that Jordan respect the anti-Iraq embargo, blocking the flow of goods across the border, but it would like to see the anti-Saddam opposition stationed in Jordan, perhaps with "Radio Free Iraq" transmitters beaming into Iraq. What the White House wants, in short, is for Jordan to sell out Iraq, lock, stock, and barrel.

The Jordanian people, most of whom are Palestinians, see things differently. The vast majority of the people support Iraq, despite differences some may have with its leadership, and have facilitated humanitarian aid efforts as well as the supply of food and medicines. In late August, thousands rallied to the call to demonstrate against the "no-fly zone."

As for the U.S.-led "peace conference," very few Jordanians give any credence to the myth that it will give the Palestinians their right to self-determination. Most vocal in their opposition to the Camp David II are the Islamists in Jordan and the Hamas within the Occupied Territories. The champion of the Islamist camp is none other than Laith Shubeilat. Shubeilat had expressed his "pessimism" regarding a peace-talk breakthrough. He has emphasized that, were an

agreement to be reached involving Jordan, it would have to be ratified by Parliament, a highly unlikely event. The Islamic parliamentarian's view has been that the only basis for peace was implementation of the juridical instruments so ceremoniously forged by the U.N.: resolutions demanding the total withdrawal of Israel from the Occupied Territories and real self-determination for the Palestinian people, including their eventual decision to form a sovereign state.

Silencing opposition

On Sept. 22, the formal charges were presented against Shubeilat, depicting him as involved in an Islamic network, armed to the gills, ready to move militarily to block the "peace process." On Sept. 23, BBC reported triumphantly that the U.S. and Jordan had mended their fences and were holding joint military exercises in eastern Jordan (near the Iraqi border). Acting Secretary of State Lawrence Eagleburger was ebulliently praising Jordan the same day, on its implementing the blockade against Iraq. During those days, a motley crew of well-paid actors, variously sporting Kurdish dress, Shiite robes, and "Baath Party" uniforms, met in Kurdistan to lay the basis for an alternative government to Saddam Hussein. Simultaneously, operations were already afoot at the U.N. to confiscate frozen Iraqi funds, transfer them into an escrow account, and allocate them for the planned uprising against Baghdad's leadership.

No doubt there will be massive protest against all these machinations in Jordan. What better way to suppress such protest than to take the recognized spokesman for the dissenting view and sacrifice him?

Laith Shubeilat, it must be understood, is not merely an opposition figure who happens to have made it into Parliament. As an independent representative of the Islamic movement, he has enjoyed unprecedented popular support since his first election in 1984. In 1989, he was reelected with the highest number of votes, his supporters coming not only from Muslim but also Christian quarters. He has held positions of honor as president of the Engineers Union and member of the National Council. He is known in Jordan for his profound religious convictions, his personal integrity, and honesty. It is said that "the only thing Laith Shubeilat fears is God." In Parliament, he was leading the House Investigations Committee, which had assembled material implicating corruption on the part of six former ministers, among them former Prime Minister Zaid Rifai, former Finance Minister Hanna Odeh, and former Public Works Minister Mahmoud Hawamdeh. Rifai is also known as the International Monetary Fund's man in Jordan, largely responsible for the country's financial breakdown.

Thus, Shubeilat has become the symbol of the fight against corruption, against the IMF and its usurious policies, against the new world order's wars and imperialist designs for regional takeover. His endorsement of the ideas and program of Lyndon LaRouche have only made this political

position more incisive. To smash the opposition in Jordan—and the Arab and Muslim world—Washington thus made a careful choice in singling out Shubeilat.

Shubeilat must be freed

If such is the intention, such is not necessarily the course which events will take. If the U.S. and its allies proceed as planned in Iraq, the outcome will be war, like that which ravaged Lebanon for over a decade. Such a war is, indeed, the real content of the Anglo-American policy. Despite their historical political subservience to Washington, even the Saudis do not look with favor on a breakup of Iraq. Iran, in such a juncture, would gain relative status, emerging as a major power. Already, Iran has been flexing its muscles in the region, refusing the presence of Syria or Egypt in any regional security arrangement (as was planned at the end of the Gulf war) and occupying the island of Abu Musa in violation of a 1971 agreement with the United Arab Emirates (see *International Intelligence*). Some smaller emirates, as a result, are turning to Iraq for protection.

Similarly, if the U.S. rams through an Israeli-Syrian agreement and a sellout arrangement for the Palestinians under Jordanian sponsorship, all hell will break loose. Jordan, as a nation, will stand to lose as much as anyone else. In short, any further destabilization anywhere in the region will unleash uncontrollable war, along the lines of the Thirty Years' War of 1618-48. In such a situation, it is not governments who will be in control, but populations and popular movements.

Mass organizations have already begun to move in defense of Laith Shubeilat. An alliance of the Muslim Brotherhood, the United Organization for the Reconstruction of the Baath Party, the Socialist Arab Baath Party, the Arab Movement for Popular Liberation, the Jordanian Revolutionary People's Party, the Arab Pioneer Movement, the National Progressive Democrats, the Social Arab Nationalists in Jordan, and various individuals, signed a statement Sept. 10, denouncing the arrest and calling for his release. Similar statements followed in rapid succession, from the Graduates in Islamic Studies, the Democratic Popular Party, Mansour Morad (chairman of the Jordanian Youth Association), the Group of Islamic Parliamentarians, the Jordanian Journalists, the Islamic Movement Parliamentary Office, and a group of electors of Laith Shubeilat from his congressional district. Overseas, the Schiller Institute launched a call (see below). The Committee against Repression, headquartered in France, picked up the call, and joined the mobilization to channel telegrams and faxes of protest into Jordan, demanding his immediate release.

The most elegant way of averting catastrophe is for the highest authorities of the kingdom to find the means to liberate Shubeilat. If, on the contrary, his head is placed on the silver platter, it is sure to be the last banquet the assembled VIPs will attend.

Demand freedom for Laith Shubeilat

On Sept. 17, the Schiller Institute issued the following international appeal:

A grave case of human rights violations in Jordan, perpetrated by the "secret government apparatus" of the Bush administration, must be redressed immediately, for the sake of the individual victims, and for the sake of the sovereignty of the nation of Jordan. The case involves Laith Shubeilat, a parliamentarian of the Islamic movement since 1984, who enjoys popular support in his country as well as abroad. Shubeilat was detained on Aug. 31, and has been held in prison since on hoked-up charges that his automobile was used one year ago by other persons to transport weapons. The charges stem from the alleged confessions of Islamist youths also arrested. No evidence has been presented. Neither Shubeilat's attorney nor his wife has been allowed to confer with him in private. No release on bail has been set. An international press campaign has slandered him and declared him guilty.

The arrest is a political frameup, which smells of CIA tactics, originating in Washington, D.C. There are many reasons why Shubeilat would qualify as a target:

- At the time of his arrest, he was serving as chairman of a parliamentary commission of inquiry into corruption cases lodged against a former prime minister, Zaid Rifai, known to be an associate of Henry Kissinger and an advocate of the austerity policies of the International Monetary Fund (IMF). The corruption probe, unprecedented in Jordan, could have led to charges against other politicians, past and present.

- Shubeilat has been in the forefront of the campaign against the IMF, on grounds that its policies of usury are economically devastating and morally unacceptable. As a devout Muslim, Shubeilat has promoted policies which foster economic progress through technological development. In rejecting both the usurious model of the IMF and the Marxist collectivist approach, Shubeilat has endorsed the "third way" economic method associated with American political economist Lyndon LaRouche.

- Shubeilat has been an outspoken critic of the "new world order," campaigning against the anti-Iraq war of 1991 and the continuing embargo. At the time of his arrest, he was leading demonstrations in Jordan against the U.N.-imposed "no fly zone" in southern Iraq. He opposes the U.S.-sponsored "peace conference" on the Middle East on grounds that it will not fulfill the just aspirations of the Palestinian people

to sovereignty. Furthermore, he joined 45 other prominent figures in Jordan, to sign an ad published in the European press, denouncing the Anglo-American support for Serbian aggression, and calling for defense of the sovereignty of Croatia and Bosnia-Herzegovina.

In short, Shubeilat represents the leadership of effective opposition to the policies and outlook of the ruling elites in Washington, London, and Paris. By singling him out for repression, the United States and its allies believe they can intimidate all those political forces in the Arab and Islamic world who share his views.

The attack comes directly from the U.S. government. Just days prior to Shubeilat's arrest, the U.S. embassy in Amman refused to issue visas to two Jordanian journalists who would have attended a conference in Washington, D.C. of the LaRouche movement. Following the arrest, Adam Garfinkle, the top U.S. expert on Jordan (according to the State Department), admitted, "Shubeilat is the most prominent Islamic politician in the country and has been for years." He added that Shubeilat is "popular in Iraq," that "he hates the U.S., he hates the IMF; he thinks it's a new form of imperialism. He despises these institutions." Said Robert Sandloff of the American-Israeli Public Affairs Committee (AIPAC), "The IMF is one of the sacred cows, which is off limits to criticism."

What is at stake is not only the well-being of a principled political figure, but the fate of the nation he serves. Washington believes it is necessary to silence Shubeilat to pave the way for dramatic moves in the region. These include the partition of Iraq, and the unleashing of a Thirty Years' War along ethnic, tribal, and religious lines, so as to destroy the nation-state, but maintain imperial control over oil. A current scenario penned by geopolitical strategist Bernard Lewis identifies the destruction of Arab unity as well as of Islamic unity, as the precondition to this "Lebanonization" of the entire region. As Lewis states, "The West . . . would rather remain indifferent to . . . wars, disasters and upheavals, as long as the oil continues to flow."

In this nightmare scenario, Jordan as a nation and the monarchy as an institution are expendable. For Garfinkle, Jordan is "an artificial state and could disappear as a state." For his colleague Daniel Pipes, "the King's health is precarious; the state is in jeopardy." King Hussein was put under pressure at a White House dinner; George Bush, James Baker, and CIA chief Robert Gates reportedly told him to acquiesce to U.S. demands vis-à-vis Iraq and Israel, or else.

Shubeilat, an uncompromising critic of the new imperialism, is known for his rejection of violence, his loyalty to the monarchy, and his dedication to his nation. If Anglo-American interference into the internal affairs of Jordan is tolerated and Shubeilat is sacrificed in a CIA frameup, then the democratization process and the sovereignty of Jordan are in mortal danger. We are sure that with justice and the people on his side, he will be freed.

U.N. wants to help trees, not refugees

by Joyce Fredman

The latest figures from the office of the U.N. High Commissioner for Refugees show that the population of displaced people around the globe is continuing to grow at a staggering rate. Only two years ago, in 1990, the world's refugee population was 15 million. In 1991, it rose to 17 million. As regional wars continue to spread, that figure is now nearing 25 million. Why there appears to be no solution for the plight of these souls might be better understood by looking at those organizations that are charged with responsibility to alleviate such suffering.

A refugee is one who flees to a foreign country to escape danger or persecution. In *Food Aid in Africa*, a report by the World Bank and the World Food Programme, their vulnerability is noted: "Refugees, unlike victims of natural disasters or drought, depend almost exclusively on international and host government assistance. They are rarely allowed to seek outside employment and receive little or no cash to supplement their food rations or to cover their basic requirements for items other than food. Displaced people seeking refuge from civil strife can sometimes be helped to settle in new areas, but often their 'temporary' status means that they cannot own land."

Environmental degradation

The primary agencies set up to deal with this tragedy are the U.N. High Commissioner for Refugees (UNHCR) and the World Food Programme (WFP), part of the Food Aid Organization of the U.N. Both have failed miserably, and one only need look at their agenda to find out why: "Environmental degradation has increasingly become both a cause and a symptom of population movements. The majority of refugees today are to be found in arid and semiarid areas of the poorest countries of the world. The concentration of large populations in such areas leads to a tremendous strain on these fragile environments and on the meager resources available," stated Mrs. Sadako Ogata, high commissioner for refugees, in the World Food Programme's 1992 *Food Aid Review*. "Population growth is fastest in the poorest countries. More people means more pressure on natural resources—less land, less water, poorer soil, fewer trees."

The year "1979 saw the beginning of war in Afghanistan. It also saw the start of a less bloody but nevertheless brutal assault against the environment in neighboring Pakistan," said Diane Weathers in the report.

"Seeking safety from the terror raging across their land, one-fifth of Afghanistan's population fled to neighboring countries, making it one of the largest mass migrations in history. Approximately 3 million people—along with an equal number of sheep, goats, cattle, and camels—crossed the border into Pakistan. Most people crowded into the ecologically fragile Northwest Frontier Province, inflicting damage on the region from which it may never fully recover."

Recently, Keith Richburg of the *Washington Post* wrote of an investigation which claimed to uncover massive fraud, diversion of funds, embezzlement, and currency exchange manipulation in the U.N. programs. According to this and other reports, life in refugee camps is pushed to the limit by sheer negligence. In Liboi, a stop for Somalian refugees in Kenya, for six months, while UNHCR argued over what water holes should be dug, refugees "were forced to wait in long lines under a scorching sun for up to 12 hours a day to receive a couple of quarts of water. Problems with diarrhea and dysentery among the Somalis grew worse, and the death rate climbed."

Richburg quoted Jeffrey Clark, a former staffer on the Select Committee on Hunger in the U.S. Congress and now a consultant for the private U.S. Committee for Refugees: "The horror stories are not aberrations. Incompetence and evasion of responsibility are pervasive within UNHCR. That incompetence is so severe that it almost borders on negligence of a criminal nature. Then on another layer you have outright malfeasance."

UNHCR officials cite staffing shortages and inadequate funding. "All of these problems are true," Clark said. "But the main problem is the lack of determination to get a handle on these situations and to try to prevent these crises from developing. A bad situation is allowed to fester and become a horrible situation, and a horrible situation is allowed to become a catastrophe."

U.N. Special Envoy to Somalia Mohammed Sahnoun is blunt about the U.N.'s failures. "We were absolutely, totally absent," he said in Mogadishu, referring to Somalia. "The U.N. should have intervened, and I do not understand why they didn't. It was a very, very long delay and a tragic delay. And now we are paying the price. . . . I saw children dying with my own eyes. . . . I saw old people dying. . . . and there was no assistance."

Another overarching explanation as to why refugees receive little help, is that people are not a priority. Over 45 million people in 1991 were in need of food relief, yet less than half received aid of any consequence, and those that did got the barest minimum. The WFP publications state: "WFP spends \$1 million a day on projects for afforestation and soil conservation and activities to promote environmentally sustainable agricultural production. Since its inception in 1963, WFP has disbursed \$6 billion in support of such projects and is one of the largest donors of resources for environmental projects in the developing world."

Western governments offer Somalia U.N. trusteeship, but not food

by Uwe Friesecke and Linda de Hoyos

Unless the nations of Africa find the courage to stand up to the genocidal policies of the International Monetary Fund (IMF) and the political pressures coming from western capitals, they need only look to the condition of Somalia to see their future. That future is not only the death of millions of people through starvation and war, but the final takeover of destroyed nations by foreign occupying powers, as heralded by demands from London that Somalia be placed under United Nations trusteeship.

The political disintegration of Somalia and the consequent death of hundreds of thousands of citizens by starvation, particularly its younger children, is no natural occurrence. They are the deadly result of a combination of the "Project Democracy" campaign of Washington, and calculated inaction by western government agencies, including the United Nations.

According to the Sept. 16 congressional testimony of Gerald Jones, international director of the American Red Cross, 1.5 million people in Somalia are "at risk of death by starvation, and another 4.5 million [are] in need of some form of assistance." Jones testified that out of the 6.5 to 8 million Somalians, "the malnourished account for 95% of the population, with fully 75% suffering from severe malnutrition. Almost 15% of the population has sought refuge abroad in neighboring countries. . . . 75% of the population has been displaced." Upon returning from Somalia, U.S. Rep. Mervyn Dymally reported that it is believed that 25% of all Somali children under five have already died of starvation and consequent disease.

Jones also told the U.S. Congress that Somalia requires a minimum of 60,000 metric tons of food assistance per month, far below the 20,000 metric tons it is now receiving. The Red Cross is now feeding over a million people a day through 600 kitchens in south and central Somalia, but Jones reported that the lack of food means that rations doled out are "65% of the nutritional goal" of 2,400 calories a day. That is to say, that starved and weakened people who have survived the long treks to the soup kitchens are not even receiving enough food to survive.

The millions who are not serviced by the soup kitchens have a far worse plight. Dymally reported that in the area around Baidoa in central Somalia, refugees are not in camps,

but out in the open, without means to cook the tiny amounts of rice and dry beans they may get from airlifts. Baidoa is a "land of the living dead." Women and children "are so weakened from the prolonged famine" that without medical help, "all the food in the world would not save them," Dymally told the press.

How the plug was pulled

The destruction of Somalia is the direct result of actions taken by western governments, beginning with Washington, over the last two years. The political and economic disintegration of the country is the result of the civil war which resulted in the ouster of President Siad Barre in January 1991. Barre had ruled Somalia for 20 years. As Kevin Henry of the CARE charity, which is active in Somalia, testified to Congress on Sept. 16, "Since the collapse of the Siad Barre regime, the Somali state, in existence since independence was achieved in 1960, has effectively disintegrated. There is no government which is recognized within the country on a national basis. Groups in the former British Somaliland last year declared secession from Somalia, while a number of other clan-based political and military groups control different regions of the country. There is no civil administration in the country to speak of; social services are virtually nonexistent, and much of the country's economic and social infrastructure has either decayed or been destroyed."

This disintegration of Somalia's political structure was entirely predictable in 1990, when western governments "pulled the plug" on Barre. The impetus was given by the loud publicity suddenly given Barre's alleged human rights abuses. In 1989, the U.S. government, feeling more secure in the region with the disintegration of U.S.S.R.-Ethiopian ties, ended all aid to the Barre regime, citing human rights as the reason. Meanwhile, in London and Rome, conferences were called of the Somali opposition to Barre. At the time, it was known by the western governments, that *there existed no viable, national institution to replace Barre, but only a plethora of deeply divided, regionally based opposition warlords.* The plug was pulled anyway.

In January 1991, Siad Barre was ousted by the rebels of the United Somali Congress (USC), after a bitter fight. Bands of marauding followers of Barre continue to wreak

devastation and commit murder among the civilian population. Since the summer of 1991, a merciless war has developed within the USC among hostile clans of the Hawiye, between the followers of the businessman Ali Mahdi Mohammed, who was named the Interim President, and the followers of Gen. Mohammed Farah Aidede, who claims, in the meantime, to have joined forces with three other rebel groups and to control two-thirds of the land.

The backdrop for Somalia's disintegration is a series of orchestrated wars that have ravaged the Horn of Africa since the mid-1970s. From July 1977 until spring 1978, the Ogaden War between Ethiopia and Somalia was waged with massive support from the former Soviet Union to the Ethiopian government of Miriam Mengistu. In the following years, neither Somalia nor Ethiopia could recover from this war of extermination. Indeed, Ethiopia was provided with weapons by the Soviet Union and Somalia by the United States, because of their geopolitical significance at times of East-West confrontation.

At the same time, the possibility of sustained economic development was denied to the entire region in the course of the subjugation of all countries to the austerity conditions of the International Monetary Fund. Also, after the fall in May 1991 of the dictator Mengistu, who had been kept in power up to then by Moscow, Ethiopia has received no opportunity for economic reconstruction and could decline into chaotic civil war just as Somalia has. In Ethiopia today, the population in the south and east is threatened with famine, due to the drought that has afflicted the entire eastern African coast.

The same fate is encountered by Eritrea, which after a 30-year civil war has finally obtained its political independence, but has received no opportunity for economic development, which it cannot accomplish on its own strength. It has been known since June of this year, that people are now starving to death in Eritrea.

This catastrophe is the direct result of the economic policies of the western governments, beginning with their demand that African countries be subjugated by the IMF and World Bank.

When the Horn of Africa countries were already completely ruined in the 1980s, the West insisted without compromise upon the fulfillment of the IMF dictates and payment of the foreign debts. From 1980 to 1990, the debts of the countries in the Horn more than tripled from \$1.5 billion to over \$5.4 billion. Correspondingly, the raw materials exports have also increased through service of the debt. From 1980 to 1990, the foreign debt owed by Ethiopia increased from \$804 million to \$3.02 billion, and for Somalia from \$660 million to \$2.2 billion.

The colonial gameplan

Western pressures succeeded in destroying Somalia—but to what purpose? The colonial gameplan was revealed on Sept. 20, when British Member of Parliament Michael Meacher declared that the United Nations should place So-

malia, a former colony of Britain and Italy, under trusteeship. Speaking to the press from Mogadishu, Meacher declared that “the international community does have to consider a wider U.N. mandate and a temporary trusteeship.” The boldness of this neo-colonialist plan is matched only by the paucity of food aid coming to Somalia from Britain.

Under this plan, the United Nations bureaucracy would take the full reins of administration in Somalia—despite the fact that the United Nations Development Program stalled for months the distribution of \$68 million of aid to Somalia, and that the U.N. agencies have not even entered the picture to deliver aid until August.

This call is being echoed by such agencies as the Commission for Refugee Women and Children, a subsidiary of the International Rescue Committee, which enjoys close links to the U.S. Central Intelligence Agency. In her testimony to Congress on Sept. 16, commission chairman Catherine O'Neill offered her opinion, “The U.N. must heal Somalia by working to broker a peace and *administer* the country until some civil government is in place.” Repeating the demands of U.N. Secretary General and British agent-of-influence Boutros Boutros-Ghali, O'Neill added that force might be required to do so: “The world community and the U.N. need to have standby, on-loan, military capacity to ensure humanitarian access, and if necessary, to reestablish order when it collapses inside a [i.e., any] country.”

What must be done

The same agencies that are calling for the military and/or U.N. takeover of Somalia are either the same that aided and abetted the disintegration of the country, or that have stood by doing nothing while thousands have died over the last year. Nevertheless, the world community must take action to save Somalia.

This includes:

- 1) An immediate arms embargo on Somalia, to be enforced by the Organization of African Unity, led by Nigeria and Kenya.
- 2) The calling into action of classical military logistics, initiated by the U.S. and other governments, not under the auspices of the United Nations; to deliver 2 million metric tons of food to Somalia, which will “flood” the area with food, removing food as a commodity of political power and violence. This logistical help should aid in taking Somalia's millions of displaced back to their original homes, and aid in reestablishing or supporting the local village structures. The logistical support should include building the required infrastructure to get the food aid to the citizenry, with the building of roads and bridges.
- 3) The delivery of seeds, fertilizer, and farm implements, along with the building of transport, energy, and water infrastructure, to breathe life into the Somali economy.
- 4) The immediate suspension of all payments on foreign debt to the International Monetary Fund or any other agency.

Philip Morris, drugs, and organized crime

by Roger Moore

The July announcement that free trade ideologue Baroness Margaret Thatcher had landed a \$1 million "geo-political consulting" contract with American tobacco giant Philip Morris suggests that, like Britain's free trade Opium Wars against China in the 1850s, free trade and organized crime go together. The latest police reports concerning organized crime in eastern Europe and the members of the Community of Independent States (CIS) document that Philip Morris's Malboro brand has become a major black market product line for the rapidly expanding mafias. German Customs expert Dirk Hahn has stated that highly organized criminal structures are being built around cigarette smuggling which will be used for drug smuggling when narcotics consumption in the East takes off.

Philip Morris's involvement with crime is nothing new. In December 1991, then Italian Finance Minister Formici banned Malboro sales in Italy, charging that the company was complicit for decades with the Naples Camorra and Palermo Mafia networks that control Italy's black market for cigarettes. In fact, numerous accounts of the mid-1970s boom in heroin consumption in Europe and the United States, document that the startup capital for the Balkan route heroin pipeline, which brought in the Golden Crescent morphine base from the Middle East, came out of profits from the Palermo Mafia and Naples Camorra cigarette smuggling. Malboro was the prime brand, and the KGB-supervised secret services of Bulgaria and Yugoslavia helped organize the cigarette-, and later drug-smuggling across the Adriatic Sea into Italy.

Although Philip Morris has no direct need for smugglers to open up the vast untapped eastern markets—deals with Moscow have already given them a major stake—their business relations with smugglers give them an "in" with the "new breed" of pirates who are profiting on the shambles of the old Comecon planned economy. Collapsing real production, scarcity, ruble inflation, and flight capital have put a premium on "quick buck" operators with international connections. According to German Customs, there are three major sources of supply for the booming cigarette black market in Germany: Philip Morris's licensed production in Poland; stockpiles of Malboros on Red Army bases in Germany; and western-produced cigarettes sold out of warehouses in Antwerp, Belgium or Hamburg's free trade zone, which are freight documented for duty-free transit through Germany, but which get diverted into the black market. The controllers of the black market are

mafias hidden away in Poland and the CIS states.

According to a Russian diplomatic source, western-produced cigarettes and liquor are flooding the CIS republics in legal trading relations worked out in context of the liberalization reforms. Trading companies staffed by the old *nomenklatura*, perhaps with western partners, dominate the trade. The economic situation is so catastrophic that cigarettes and liquor are becoming means of payment, i.e., money, in the state-run factories. The factories purchase cigarettes at a wholesale price above the 25 ruble-equivalent production cost per pack, and "pay" their work force, accounting these at retail prices up to 70-150 rubles per pack. The source claims that state enterprises are increasingly preoccupied by such "quick buck" investments and are not investing the "profits" in new technology for rebuilding the factories.

The Red Army role

The Red Army central supply structure also comes upon large quantities of western-produced cigarettes. There are reports that soldiers are receiving payment in cigarettes, but, in Red Army units still in eastern Germany, smuggling seems to be the key. According to one investigator, every Red Army soldier and all dependents and personnel would have to smoke two cigarettes at a time, 24 hours a day, to account for the cigarette stockpiles. Of course, no German police are going to ever raid a Red Army base to search for contraband. Russian and Polish mafias, who have worked together bringing stolen luxury cars into the East, are now dominating the booming cigarette black market.

A fraud case being pursued by U.S. and U.K. officials has cast light on Philip Morris's role with smugglers. According to the International Chamber of Commerce in London, some crooks set up front companies with the promise to deliver cigarettes to businessmen in eastern Europe and Southeast Asia. Upon receipt of the freight forwarding documents, payment is made, but the cigarettes don't exist—the freight documents are counterfeit. London investigators have another problem—the victims in the upwards of \$100 million fraud are not coming forward to the police. In turns out that the victims are smugglers.

Philip Morris has promoted "parallel structures" for marketing their cigarettes among criminal networks. In the fraud case, these were the glue between Philip Morris and their smuggling customers. The criminals, obviously having intimate knowledge of how smugglers are supplied, counterfeit documents à la carte, convincing smugglers that they were part of an inside track of Philip Morris's delivery system. Interestingly, a familiar name in Philip Morris's business with the former communist German Democratic Republic, the state-owned DSR freight company, turns up in the falsified documents. As documented in West German Customs cases, DSR helped smuggle Marlboros to the Italian mafia, and it seems that "DSR Senator Lines," the privatized successor, is still delivering cigarettes.

Clamor grows for CAP's resignation

The Venezuelan President is confronted with accusations of corruption, by a populace fed up with his economic policies.

A recent series of events has put Venezuelan President Carlos Andrés Pérez (known as CAP) on the same path as Brazilian President Fernando Collor de Melo: toward unemployment.

Pérez turned a blind eye to the causes behind the *caracazo* of February 1989, when the citizenry rose up against the austerity measures imposed by the International Monetary Fund (IMF). He chose to ignore what was behind the attempted coup d'état in February of this year. He has not lifted a finger, either to provide some relief to his countrymen from the brutal austerity measures, or to put an end to the rampant political and government corruption. On the contrary, he has aggravated them.

Every day there are increasing demands that he resign as President of Venezuela. On Sept. 17, all the Caracas newspapers published a call from 49 high-ranking officers of the Armed Forces, addressed to "the 49 senators of the republic," urging that CAP's term be cut short, or the country would risk "a civil war." This ultimatum, as the politicians called it, signaled the grave situation within the Armed Forces, which is reflected in the ever more frequent reports of insubordination, arms theft, desertion, and even skirmishes, from garrisons all over the country.

Sept. 17 was also the date that the popular mobilization against Pérez resumed. One student in Maracay died, shot by the National Guard. That same evening, there was a *cacerolazo*, the noisy banging of pots and pans to demonstrate discontent, to which the

government responded with threats, censorship of the communications media, militarization of some zones of the city of Caracas, and by shooting at the buildings where pans were being banged.

Pérez is now also facing the possibility of various criminal proceedings against him. Congressman Enrique Ochoa Antich has just requested that Venezuela's prosecutor general bring Pérez to trial for "criminal conspiracy," "human rights violations," and "illicit enrichment," among other charges. There exists ample proof to support the charges, and, in particular, that money was channeled to his "other woman," Cecilia Matos.

The President is also accused of "influence peddling," pointing to his close links with wealthy banker Pedro Tinoco, who, as president of the Venezuelan central bank, strongly promoted the interests of his own Banco Latino.

According to the dailies *El Nacional* and *El Nuevo País* of Aug. 24, Congressmen José Antonio Martínez and Fernando Alvarez Paz were seeking yet another criminal investigation of Cecilia Matos, in order to determine the source of her wealth. The parliamentarians are requesting that a criminal court open an investigation based on the many reports of criminal activity on the part of Matos that have been presented to the media by a leader of the President's own Democratic Action party, Gustavo Orlando López. He has accused Matos of using her relationship with President Pérez to enrich herself.

Martínez claims that Matos went from being Pérez's private secretary, before his first administration, to being the owner of apartments in New York, mansions in Caracas, and summer homes. Moreover, he says, Matos intervened to have government contracts awarded to arms merchants Orlando García (ex-chief of security for Pérez) and Gardenia Martínez. There are arrest warrants out against the two.

According to the press, the leader of the Movement Toward Socialism (MAS) in Táchira, Elbano Carrillo, is requesting that the Fifth Criminal Court in the city of San Cristóbal carry out an investigation of Matos, regarding the financing of a museum honoring Pérez. One court has subpoenaed Matos's tax returns.

Yet another proceeding under way is the Cuntrera case, which touches not only Pérez, but other prominent members of the Venezuelan political elite. On Sept. 11, the government announced that it was revoking the Venezuelan citizenship of Pascuale Cuntrera, and that it was deporting the brothers Paolo and Gaspare Cuntrera, Italians who are naturalized Canadian citizens. The Cuntrera brothers had been sought by the Italian government in connection with the investigations of the recent assassination of Judge Giovanni Falcone.

Since 1983, there had been outstanding arrest warrants against them by the Rome police for drug trafficking.

On Sept. 18, Pérez told journalists that the Cuntrera brothers "were not carrying out criminal activities in the country. It was because of the persistence of my government that people who came and went because they had been given residence here, were detained. But they did not carry out any criminal activity here, although they did do so in the rest of the world."

Asia Watch in bed with Naxalites

When the Andhra Pradesh government began to crack down on the terrorists, a hue and cry went up about "human rights violations."

After putting up its defense on behalf of the Khalistani and Kashmiri secessionists in India, the Washington-based human rights group Asia Watch has made its pitch for the Naxalites—an organization with avowed ties to the Shining Path of Peru—in a recently published 49-page report on "Police Killings and Rural Violence in Andhra Pradesh." The report said that while the radical militants (Asia Watch's designation for terrorists) pose a "serious security threat," the police and federal forces "collude with politically influential landowners to assault and murder peasants and tribal villagers in the name of fighting terrorism."

The latest Asia Watch report is the fourth of its kind on India published during the last 18 months. The first was on "Indian Prison Conditions" (April 1991); the second was "Kashmir under Siege" (May 1991); and the third was "Punjab in Crisis" (August 1991).

As if the report were not enough, Asia Watch Research Director Patricia Gossman told an Indian reporter that police encounters represent the worst abuses of the security forces. She complained that "senior police officers who kill Naxalites receive promotions and cash incentives." Alleging that human rights activists are more at risk in the state of Andhra Pradesh than anywhere else in India, the report recommended that Prime Minister P.V. Narasimha Rao, who is from Andhra Pradesh, pressure its chief minister "to end the policy of impunity" and "punish those who engage in human rights abuse."

It is indeed surprising that Asia Watch, a foreign-based group, could have the temerity to urge India's prime minister to remove a duly elected chief minister. Perhaps there are reasons for such rashness. Almost a decade ago, the news agency United News of India reported that police had seized documents showing that "the Naxalite movement is being financed by sources in the U.K., Canada, and the U.S.A." Although the "secret documents" were not made available to the public, it has since been established that the Revolutionary Communist Party in the United States had sent a delegation to India and had subsequently heaped praise on the Naxalite movement in Andhra Pradesh.

The other possible reason why Gossman is so enraged about "ruthless suppression" of the Naxalites may lie in the fact that Sharad Pawar, then chief minister of Maharashtra and now India's defense minister, had told the state assembly in 1988 that the Naxalites were armed and trained by the Khalistani separatists of Punjab. It is only fitting and proper that Asia Watch, which had earlier pitched for the Khalistani terrorists, is now upset over use of force against the Naxalite terrorists.

Asia Watch is a bit careful, though, to cover its tracks. The report has duly condemned the "radical militants" for "grave violations including assassinations and summary executions." However, this hardly covered up the essence of the report: to pressure Delhi to stop actions against the Naxalites.

Beside the obvious slant, the re-

port also "fails to mention" that under the pretext of annihilating "class enemies," hundreds have been killed by the Naxalites, and many more have lost their arms for being suspected police informers.

The difficulty that Asia Watch faces now is that the present Congress Party government, after years of a lax policy toward the Naxalites, has decided to take the bull by the horns. Throughout the 1980s, when the state government was under the rule of the corrupt Telegu Desam party, led by N.T. Rama Rao, the Naxalites were allowed to grow as a counter to the controversial Congress Party. During this period, Naxalites procured sophisticated weapons, got trained by fellow terrorists from Punjab, and enhanced their killing power.

On May 21, 1992, the Andhra Pradesh government declared that the main Naxalite gang, People's War Group (PWG), along with a few other groups, is banned, and the government obtained the right to search any premises without a warrant. The decree also tightened bail restrictions on some offenses, and allowed bail to be denied for others.

However, it is too early to say that these policies have met with success. Recently, the Naxalites went on a killing binge. They killed the brother and two family members of the minister of municipal affairs in Andhra Pradesh, and 17 policemen, including seven paramilitary personnel. The incident has angered the police, hardening the attitude within the force. And senior Congress Party members have received death threats from Naxalite terrorists whom Asia Watch is openly defending.

Meanwhile, the Indian press has given highly favorable coverage to the actions taken by Peru's President Alberto Fujimori against the narco-terrorist Shining Path.

International Intelligence

U.S.-Israeli strategic cooperation expanded

As part of the sale of F-15 fighters to Saudi Arabia, the United States and Israel are in the process of negotiating a major military cooperation deal, the Sept. 17 *International Herald Tribune* reported.

Defense Secretary Richard Cheney and Israeli Ambassador Zalman Shoval have already met to establish the framework for the deal. "I would expect that out of that process there will be decisions . . . that will provide for higher levels of effort, a greater degree of cooperation, coordination and support from the United States to the government of Israel," Cheney said Sept. 14.

There will be five commissions, covering five areas, including: 1) the possibility of the U.S. storing of \$200 million of military equipment, which could be drawn on by the Israelis. The same committee would consider stockpiling equipment in Israel to supply a full U.S. division; 2) the possibility of turning over \$700 million of U.S. surplus military stocks now in Europe; 3) participation in the proposed Global Protection System, an early-warning radar system against missile attack; 4) long-term military cooperation, including an Israeli request for \$1.8 billion in U.S. military aid; and 5) ways to expand military high-technology cooperation.

Iran insists U.S., U.K. 'provoking' Gulf row

Iranian leader Ayatollah Ali Khamenei claimed Sept. 15 that western powers were fanning the crisis between Iran and the United Arab Emirates over control of the Abu Musa and the Greater and Lesser Tumb islands in the Persian Gulf, to justify a military presence. "Who can fail to see the hand of the powers present in the Persian Gulf, of America and of that old and ominous colonialist—Britain—in this affair?" Khamenei said in a speech broadcast on Teheran Radio, Reuters reported. Iranian newspapers were predicting on Sept. 17 that the United States would seize the islands.

Egyptian Foreign Minister Amr Mous-

sa, who chaired a meeting of foreign ministers of the Arab League in Cairo on Sept. 14, told reporters the 21-member League had "issued a resolution clearly supporting the U.A.E.'s stand against Iran's occupation of the Abu Musa islands. . . . We urge Iran . . . to review its position and approach because the continuation of its presence in the islands will lead to a dangerous development, threatening the whole region."

Unidentified "western diplomats" say Iran wants to build a deep-water base on Abu Musa—which lies almost midway across the Gulf close to its narrowest point at the Straits of Hormuz—for submarines it wants to buy from the former Soviet republics.

Teheran insists it is responsible for the islands' security under a 1971 accord negotiated by Britain, which then controlled the foreign relations of the seven lower Gulf sheikhdoms that became the U.A.E. later that year. The U.A.E. maintains the 1971 agreement was signed under duress and has reasserted its claim to another island earlier occupied by the Shah of Iran, the Tumbs. Iranian media have noted that if historical claims are to be pursued, it could assert rights to Bahrain and parts of Iraq.

LaRouche featured on Colombian radio

A one-hour taped interview with U.S. presidential candidate Lyndon LaRouche was broadcast twice on Radio Todelar, the third largest radio chain in Colombia, with 28 stations around the country, on Sept. 20. The broadcast was featured on Todelar's popular "Personality of the Week" program.

LaRouche was introduced by journalist Luis Enrique Rodríguez as a candidate and political prisoner, calling from a public payphone in jail because he fought with Henry Kissinger and the "centers of power" in the United States. He presented aspects of the LaRouche case, and told Colombians that many people have defended LaRouche internationally, and that the case has been presented before the United Nations. Two quotes from LaRouche's autobiography, *The Power of Reason*, were read; and the work of *EIR*, which was founded by

LaRouche, and of LaRouche's wife Helga Zepp-LaRouche was cited.

The interview covered topics ranging from LaRouche's opposition to the Maastricht Treaty for European Union, his solutions to the monetary crisis, including his proposal known as Operation Juárez, to the problem faced by Peruvian President Alberto Fujimori and the sovereign right of a nation to defend itself against such plagues as the terrorist Shining Path and drugs. LaRouche also discussed his opponents George Bush and Bill Clinton, the coffee pact, and other topics.

For 15 years, Colombian media have maintained one of the tightest blackouts of LaRouche activities of any country in the world. But LaRouche's spectacular interview was the third time LaRouche and his associates had been on Colombian media as of mid-September. Aurelio Cordoba had been interviewed briefly on Medellín television on the arrests in Peru of Shining Path terrorists, and Dennis Small had been interviewed live for 20 minutes on the LaRouche case and the world crisis by a Bogotá radio station.

China declares holiday for bestial emperor

In a move equivalent to Germany's honoring Hitler, or Italy's honoring Caligula, China has declared a holiday for Qin Shihuang. Qin was the emperor from 221 to 207 B.C. who built the Great Wall with slave labor and burned alive Confucian scholars, and Confucian books with them. A "legalist," the equivalent of the Spartan-Aristotelian ideology in the West, Qin was the hero of Mao during the bloody 1966-76 Cultural Revolution, when Mao bragged that he killed even more "counter-revolutionary intellectuals" than his mentor Qin.

The Chinese news agency Xinhua announced on Sept. 16 that Oct. 2-6 is to become the first festival dedicated to Qin. "The festival aims to reinforce the unity of all the Chinese people in the world and further develop economic and cultural exchanges with the outside world," Xinhua said, Reuters reported. "Services will be provided for visitors who want to offer sacri-

Briefly

● **MALAYSIA** will help Iraq obtain food and medicines, including a long-term loan, the Sept. 5 Malaysian daily *Berita Harian* reported. President Dr. Mahathir Mohamed gave the assurance to Iraqi Vice President Taha Yasin Ramadan when the two were in Jakarta for the Non-Aligned Movement summit in early September.

● **ISRAELI** authorities granted convicted Zionist terrorist Shimon Barda an early release from prison, despite a request from Israel's High Court of Justice. Barda was caught in 1984 hauling explosives to destroy the Haram es-Sharif Mosque (the Dome of the Rock). In 1988, he broke out of prison and stole Army weapons to try again, the Sept. 14 *Washington Times* reported.

● **ARMENIA** lost its last rail link to the outside world after saboteurs blew up a rail bridge in the republic of Georgia Sept. 14. A Georgian communique said that the bridge was destroyed by "unknown terrorists," but it is believed that forces linked to former Georgian dictator Zviad Gamsakhurdia, whose Chechen forces are allied with the Azeris, were involved.

● **JAPAN** formally protested to Moscow over Russian plans to develop the islands off Japan's northern coast. The protest came after Japan confirmed that local authorities had awarded a Hong Kong front for unknown British investors a 50-year lease to build a casino gambling resort on one of the disputed islands.

● **SYRIAN PRESIDENT** Hafez al-Assad's brother Rifaat has returned from European exile. Rifaat, formerly head of Assad's secret police and security forces, was forced into exile in the mid-1980s following a failed power play. Renewed rumors of Assad's ill health have brought up the question of succession.

● **TAIWAN PRESIDENT** Lee Teng-hui called for Asian countries to set up a system of collective security and contribute to a fund promoting regional peace, in a statement released Sept. 17.

fices to the Qin Emperor, such as sacrificial utensils and ancient music."

This celebration of the most infamous tyrant in Chinese history must be viewed as part of an expanding effort to reassert Maoism in its pure satanic form, part of a reaction to the mounting economic crisis being brought on by Deng Xiaoping and his "reformers," who are implementing a Chinese variation of International Monetary Fund shock therapy.

Ecuador gripped by anti-IMF protests

The International Monetary Fund (IMF)-authored draconian austerity program imposed by Ecuador's new President, Sixto Durán, sparked violent protests and looting on Sept. 16 in the capital city of Quito, where at least one person died, according to an AFP wire published in the Peru daily *Expreso* on Sept. 18. Members of the subversive organization "Alfaro Vive Carajo," which three years ago announced its demobilization, led the looting in Quito, according to the report.

The port city of Guayaquil has been militarized, say diplomatic sources. Durán, a rabid free trader, also announced that he is pulling Ecuador out of the Organization of Petroleum Exporting Countries (OPEC), in order "to be free to increase our production."

Diplomatic sources say nationalist military circles in Ecuador blame Durán's IMF economic program and his threatened withdrawal from OPEC for the budding resurgence of the "Alfaro Vive Carajo" narco-terrorist gang. Also, the military is reluctant to take on the role of repressing the population, and is even less happy about expected cuts in the military budget.

'30 Days' journal hits West for support of Deng

The Italian Catholic monthly *30 Days* published an attack on western support for Chinese leader Deng Xiaoping and the tyrannical Beijing regime, and pointed to Deng's policy of allowing exploitation of coolie labor as the reason for that support. The Au-

gust-September issue refers to the well-known fact that 17 bishops and about 50 priests are incarcerated in China because of their refusal to deny their beliefs and commitments to the Catholic Church.

"In 1989, the so-called free press dedicated rivers of ink to the persecuted churches of East Europe. At that time, it was useful to the Americans to hide their political interests behind the moral shield of Christian martyrs. Today, newspapers and television are ignoring the new 'church of silence' in the Far East. And the reason is clear. On the economic front, China is making a great show of opening up to the West. . . . Under these circumstances, the order and political stability the Chinese Communist Party guarantees are highly welcome factors. . . . At the moment in China, a persecuted church is only the source of unwanted tension. And so there is a news blackout."

Protests continue in Kosovo against Serbians

In an attempt to mobilize international pressure against Serbian oppression, ethnic Albanian high school students and teachers of Kosovo on Sept. 14 began staging daily silent protests in front of schools to which they have been denied admission for two years. This enforced closure of high schools to ethnic Albanians is perhaps the most degrading of the Serbian repressive measures, and it has been destroying the future of an entire generation.

The protests were orderly and peaceful. Only in the town of Pec were there minor, police-provoked scuffles, where several Albanian teachers were arrested. How long Albanian patience will last and such protests remain peaceful is an open question.

A member of the Bosnian presidency, meanwhile, warned that embittered Bosnians may turn to international terrorism. "I'm scared to death that some people abroad may do something terrible," said Ejup Ganic, a member of the Bosnian presidency. "I'm very afraid of radicalizing this problem. . . . We send messages to people to behave properly, but it is a serious matter," Ganic said, in an interview with Reuters Sept. 16.

Kissinger under fire on POW scandal; the end of an era?

by Edward Spannaus

Henry A. Kissinger was in a very uncomfortable position on Sept. 22, one he usually avoids: having to testify under oath. The issue was the fate of prisoners of war and missing in action (POW-MIAs) from the Vietnam era. For the first time, Kissinger has come under sustained public attack, much of it from cabinet-level officials from his own administration—known as the Nixon-Ford administrations. Former CIA head James R. Schlesinger and former Secretary of Defense Melvin Laird were among those who testified that it was probable that the United States had knowingly left POWs behind in Southeast Asia in 1973.

Among the disclosures coming out around hearings before the Senate Select Committee on POW-MIA Affairs, chaired by Sen. John Kerry (D-Mass.), are:

- A memorandum written by Richard Secord and signed by Lawrence Eagleburger which said that the release of 10 POWs captured inside Laos would be sufficient for the United States to carry out a troop withdrawal, even though 350 men were listing as missing in Laos;

- The 350 POWs were arbitrarily declared dead so as not to complicate the withdrawal of U.S. troops;

- Former Secretary of Defense Laird testified that he was urged not to discuss the POW issue. Among those urging him not to go public was Averill Harriman;

- Former Secretary of Defense and former CIA head Schlesinger testified that he has “a high-probability assessment that people were left behind in Laos.” Schlesinger also testified that he and other high administration officials were kept in the dark about Kissinger’s secret negotiations with the Vietnamese.

A conspiracy through five administrations

At various points, Kissinger let loose tirades against the hearings and the news media. For example: “I am amazed to see press stories hinting darkly about prisoners abandoned

by their own government. There has been talk of conspiracy extending through five administrations. Leaks assert that when President Nixon announced that all prisoners were on their way home, he or his aides knew that many were left behind. That allegation is a flat-out lie.”

Kissinger put his finger on it. For what is at issue is bringing to an end that “conspiracy extending through five administrations,” which can be otherwise identified as the “Kissingerian era” of U.S. foreign policy.

Appropriate parallels can be drawn to the John F. Kennedy assassination. In both cases there are *two* principal conspiracies: the original conspiracy around the event (the assassination, or the abandonment of the POWs), and the coverup. In both instances, the subsequent coverup involves a much broader circle of officials than those involved in the original events.

What is being covered up here, is the early 1970s secret war in Southeast Asia, which was centered in Laos and Cambodia. The United States could not acknowledge the existence of POWs in Laos, because it never admitted to having troops there. The Sept. 23 *New York Times* broached the issue, when it noted that in 1973, there were 1,100 U.S. servicemen listed as “KIA-BNR” (“killed in action, body not recovered”). Says the *Times*: “All people lost in covert operations were apparently on those lists, including 150-200 whose places of death were falsified to hide their presence in Cambodia or Laos, where Americans were not supposed to be.”

Theodore Shackley, CIA station chief in Laos from 1967-71, who was a key operative in Operation Phoenix in Vietnam from 1973-75, and later CIA deputy director of operations, ran the secret war in Laos. This was based upon the secret training of indigenous Meo tribesman to fight the communist Pathet Lao.

According to many sources, this operation, like many others, was financed by drug money. Specifically, the covert operations in Laos were financed through the proceeds of

opium production and trade run by Laotian warlord Vang Pao. Indeed, the secret war in Laos did not end with the U.S. withdrawal from Vietnam. U.S. involvement in the "Golden Triangle" drug trade continued.

What has emerged from the public Senate hearings is the idea that the Nixon administration and its successors perpetuated the POW coverup because they were locked into Nixon's statements in the Spring of 1973 that there were no more POWs in Vietnam. Attention has been focused on the role of Nixon and Kissinger in arbitrarily declaring all POWs dead, so as not to have the POW issue complicate the withdrawal of U.S. troops over 1973-75. However, many accounts of the POW coverup suggest that the hysteria with which one administration after another greeted revelations about sightings of POWs in Vietnam and Laos, was closely related to these drug-financed covert operations which were to be kept secret from the American public.

In fact, it has been shown in various sources, such as the 1990 book *Kiss the Boys Goodbye*, that not only were U.S. POWs abandoned in Southeast Asia, but the Pentagon and intelligence agencies went to extraordinary lengths to perpetuate the coverup. Various sources report threats and frame-ups to discredit those who protested the coverup, and even the deployment of teams into Southeast Asia to assassinate American POWs who knew too much.

Kissinger's betrayal of the U.S.

The deeper implications of the POW-MIA coverup are twofold. There is the Kissingerian geopolitical, balance-of-power foreign policy, tied to a belief in British superiority and Soviet ascendancy. And there is the "secret government" apparatus, partially exposed in the Iran-Contra affair, which is an outgrowth of the secret wars of the Kissinger era. Both must be brought to an end. Kissinger's "Metternichian" view of foreign policy has been widely discussed: his belief in the so-called balance of power, playing one power off against another, never allowing one country to dominate. What is less well known is how this resulted in a sellout of U.S. interests.

Elmo Zumwalt, the former chief of naval operations who resigned from the Nixon administration in protest of Kissinger's duplicity, described Kissinger's world view as based on the belief "that the dynamics of history are on the side of the Soviet Union." Believing that the Soviet Union would soon be the only superpower, and the United States would be an also-ran, Kissinger wished to "make the best possible deal with the Soviet Union while there is still time to make any deal."

The other side of Kissinger's policy was his slavish adoration of the British. As he admitted in his May 1982 speech at London's Chatham House, Kissinger carried out the dictates of the British Foreign Office while in the U.S. White House. On Sept. 19, Kissinger repeated this in a speech to the World Congress on Economic Development in Washington. "The British view at the end of the World War II was that their empire was over, and they had to gain as much influence

as possible over U.S. decision-making," said Kissinger. "They were so zealous about this, it became almost embarrassing not to take their advice."

It's not that benign, however. The Kissinger policy was one of carnage and butchery, expressed in assassinations, terrorism, regional wars, and surrogate wars. The destruction of Lebanon is an example of such Kissingerian methods, as was the bloody eight-year Iran-Iraq War, in which the U.S. armed both sides. The stated policy of Kissinger's protégé Lawrence Eagleburger in the Balkans is the same: Let everybody fight and kill each other until they can't fight any more.

Kissinger's protestations in the Senate hearings that his hands were tied by anti-war sentiment in Congress is a bald-faced lie. Kissinger never relied on U.S. military strength in his negotiations. His leverage was his back-channel negotiations with China and the Soviets. He was counting on the promise of concessions to both powers, as well as playing off the two against each other, to isolate North Vietnam. U.S. troops, and those who became POWs, were mere pawns in Kissinger's global game.

Project Democracy and the secret government

The second legacy of the Kissinger era is the growth of the secret government apparatus partially exposed in the Iran-Contra affair. Former CIA head William Casey's private covert operations, bypassing official bureaucracies, were pale imitations of Kissinger's practices in the Nixon and Ford administrations. Kissinger attempted to centralize all foreign diplomacy, intelligence, and covert operations in the National Security Council, bypassing State, Defense, and the CIA.

It is thus no accident that so many figures in the Iran-Contra operation got their start under Kissinger. Secord, Shackley, Thomas Clines, Robert McFarlane, Brent Scowcroft, and others were all part of the original Kissinger secret government apparatus, which drew in elements of the military and intelligence community operating under his direction through the National Security Council.

Oliver North's first major assignment at the NSC was as liaison for the Kissinger Commission on Central America. Out of this grew Project Democracy, the machinery which ran, and survived, Iran-Contra.

Further, Shackley provided the model for the Iran-Contra operations, including the use of funds derived from secret drug deals and arms trafficking to finance covert operations. Shackley knew that this was easier than asking Congress for the money. Shackley's "Third Option" was the use of surrogate warfare as a substitute for superpower conflict, creating and managing regional irregular warfare. He also wanted a special mechanism of government to centralize all counterinsurgency and counterterrorist operations; this is what the Oliver North apparatus in the Reagan administration NSC became. This apparatus, not accidentally, was under the official, direct personal supervision of Vice President George Bush.

A 'post-industrial' descent into hell

by H. Graham Lowry

The "post-industrial society" imposed on the United States is rapidly pushing more and more Americans into the abyss. The disaster is being compounded by incompetent policymakers and economic forecasters offering more of the same as the solution to the crisis.

On Sept. 17, Maryland Gov. William Donald Schaefer announced a round of devastating new budget cuts—for the *eighth* time in two years. The brunt of the \$400 million cutback will again fall on the poor, slashing nearly \$90 million in health and welfare programs for the neediest.

Schaefer wants to cut off 30,400 people from Medicaid assistance and reduce services for those remaining on the rolls. The move will "save" \$50.2 million, while condemning tens of thousands of disabled single adults to no health care at all. Another \$15 million will be cut from funds for nurses and other staff in local health departments. Eligibility requirements for those needing nursing homes will also be tightened. General assistance will be cut by 25%, to \$150 per month, while Aid to Families with Dependent Children (AFDC) will be slashed to \$359 a month for a family of three. Advocates for Maryland's poor say it is impossible to rent an apartment for that amount, so the number of homeless will rise substantially, since AFDC benefits support 220,000 Maryland residents.

California's new budget, finally adopted Sept. 2 after a two-month deadlock, cuts overall spending by 5.2% to \$57.6 billion. Gov. Pete Wilson's office says more cuts are inevitable if there is no economic recovery. Meanwhile, aid to local governments has been slashed by \$1.3 billion, and health and welfare programs by \$1.7 billion. The budget also eliminated state mandates requiring counties to provide a minimum level of health and welfare services. Even with those services, more than a million Californians were denied medical care last year because they lacked the money or health insurance to pay for it.

The victims of incompetence

State government deficits continue to mount, compounded by blundering economists who obsessively deny the depression and project prosperity just around the corner. In Maryland's case, the budget which took effect July 1 had already been cut \$513 million from last year's level, to \$12.1

billion. The current deficit—\$450 million in less than three months—is the shortfall against the state's official forecast that revenues would increase by 6%!

California's budget shortfalls have been so devastating that even the forecasters are hedging their bets. The University of California at Los Angeles Business Forecasting Project, which in June projected an upturn in California employment during 1993, issued a revision Sept. 17 predicting continuing job losses for the next year and an unemployment rate of over 11%. Budget cuts will translate into the loss of 37,000 government jobs by next summer, according to the forecast. Aerospace will lose another 30,000, bringing that sector's total decline to 110,000 over three years. The forecast's director estimates that, at current rates, California's defense sector would disappear by 1997, and its entire aerospace industry would be wiped out by the year 2003.

A grim fate has already descended on the victims of prior budget cuts. A survey released Sept. 16, of the 82,000 Michigan adults cut off from general assistance last Oct. 1, found them suffering rampant homelessness, hunger, and unemployment. A random sample of 55,000 former recipients in eight counties indicated that 20,000 of them have been evicted from their homes; another 20,000 have no regular place to stay. At least 27,000 had gone hungry for a day or longer, and more than 83% are still without jobs. The number of destitute persons will continue to rise sharply. An Eastern Michigan University study estimates that the plant shutdowns General Motors has announced in Michigan will eliminate 56,000 jobs in related manufacturing, retail, service, and government employment, on top of the 23,000 auto layoffs which will directly result from the cutbacks.

For New York City, its annual management report projected Sept. 17 that welfare rolls will explode next year to an all-time high of more than 1.1 million—an 11.5% surge in just 12 months. At that level, one in every seven New Yorkers would be living on welfare, and tens of thousands more on even less than that. The number of recipients, which stood at 810,000 in 1989, passed the million mark in July of this year for the first time since 1976. "There are some real disturbing trends in terms of a city mired in a deep depression," the compiler of the study reported.

Such are the results of the "post-industrial society." Pennsylvania reported Sept. 17 on the extent of the shift in its work force, once dominated by productive blue-collar workers. During the 1980s, the number of blue-collar operatives shrank by nearly 30%, while managerial jobs bloated up by nearly 39%. In Pittsburgh's former steel belt, the blue-collar work force was reduced during the 1980s by over 45% in Beaver County, and by more than 37% in Allegheny County. Non-productive jobs in technical fields, sales, and administrative support accounted for nearly 32% of all jobs in the state in 1990. On Sept. 16, some 670 people showed up to apply for 25 factory jobs at the Corning Glass Works in Charleroi, at \$7.10 an hour.

The lessons of Abraham Lincoln: 'We cannot escape history'

by Rochelle Ascher

Rochelle Ascher submitted the following speech to the annual conference of the International Caucus of Labor Committees and the Schiller Institute in Vienna, Virginia on Sept. 5. Her speech was delivered on her behalf by her husband John. Ascher, the first associate of Lyndon LaRouche to be convicted in the Virginia "get LaRouche" political trials, began serving her 10-year sentence on June 15. She is appealing her frameup to the U.S. Supreme Court.

There has not been in American history, until Lyndon LaRouche, a man such as Abraham Lincoln. When we look at the situation in the world today, and that in the U.S., the situation Lincoln found himself in was equally, if not more, devastating. Surrounded by traitors on all sides, with a totally bankrupt economy, he acted as no one expected him to act. The economic mobilization carried out during those four years, under conditions of brutal war in which more Americans died than in World Wars I and II combined, is unparalleled in U.S. and, possibly, world history.

When Lincoln was elected, he received *no* electoral votes in 15 states and *no* popular votes in 10. While he received 1.8 million votes, his three opponents together received 2.8 million. In the four months before his inauguration, five states seceded from the Union—the rest of the Confederacy shortly thereafter. By the time he took office, civil war was only weeks away.

The U.S. was bankrupt. For 30 years it had been the victim of British economic measures. Jackson's dismantling of the Bank of the United States, followed by Polk's Independent Treasury Act of 1846, and the free trade treason of Presidents Van Buren, Tyler, Polk, Pierce, and Buchanan, had placed the U.S. totally under the control of the Baring and Rothschild-allied New York banks of Astor and Gallatin. In 1857, the U.S. went totally bust; the banks collapsed, factories closed, business came to a standstill. Hunger and unemployment were widespread. The Treasury was empty. Congress had not been paid.

The Buchanan administration, as Anton Chaitkin has amply documented, was indistinguishable from the Supreme Council of the Scottish Rite. These freemasonic traitors had been working actively for months to disarm Northern federal arsenals while equipping the Southern rebel states. Citizens demonstrated throughout Northern cities, as tons of military

hardware were stolen and shipped south for an attack on the U.S., with the connivance of the vice president and at least three cabinet members.

Lincoln's Gethsemane

The most telling description of the situation the country faced following Lincoln's election appears in an interchange between Lincoln himself, and one of his closest friends, Judge Gillespie, in the days before the inauguration:

"... Gillespie," said he, "I would willingly take out of my life a period in years equal to the two months which intervene between now and my inauguration to take the oath of office now." "Why?" I asked. "Because every hour adds to the difficulties I am called upon to meet, and the present administration does nothing to check the tendency toward dissolution. I, who have been called to meet this awful responsibility, am compelled to remain here, doing nothing to avert it or lessen its force when it comes to me."

I said that the condition of which he spoke was such as had never risen before, and that it might lead to the amendment of such an obvious defect in the federal Constitution.

"It is not of myself I complain," he said, with more bitterness than I have ever heard him speak, before, or after. "But every day adds to the difficulty of the situation, and makes the outlook more gloomy. Secession is being fostered rather than repressed, and if the [secession] doctrine meets with a general acceptance in the border states, it will be a great blow to the government."

Our talk then turned upon the possibility of avoiding a war. "It is only possible," said Mr. Lincoln, "upon the consent of this government to the erection of a foreign slave government out of the present slave states. . . ."

"I see the duty revolving upon me. I have read, upon my knees, the story of Gethsemane, where the Son of God prayed in vain that the cup of bitterness might pass from him. I am in the Garden of Gethsemane now, and my cup of bitterness is full and overflowing. . . ."

I then told him that as Christ's prayer was not answered and His crucifixion had redeemed the great part of the world from paganism to Christianity, so the sacrifice demanded of him might be a great beneficence. Little did I then think how prophetic were my words to be, or what a great sacrifice he was called upon to make.

President Lincoln received news from Fort Sumter that it was threatened the very morning after his inauguration. For the next 1,503 days, he mobilized as if drinking from that cup of Gethsemane every single day.

With Lincoln invoking the full powers of the presidency, the Civil War created the emergency conditions for Lincoln and his Whig advisers to carry out the most sweeping reorganization of the economy along American System principles since the founding of this country three-quarters of a century earlier.

Today, as we look around the world, particularly at the situation in eastern Europe, Lincoln's lesson to us—the reinstatement of the American System under emergency conditions—must be understood.

The breathtaking economic development program which Lincoln designed not only saved the nation and won the war, but remained in effect long enough after his assassination for the U.S. to become the world's greatest industrial power and to remain so for years to come.

Lincoln's policies as President were a result of a 30-year fight by him for the reinstatement of the American System against British free trade. Without going through the history, suffice it here to say that he did not arrive at this out of the blue—as a young man he was a student and devout admirer of [Henry] Clay and Mathew Carey. In his first election day speech, at the age of 21, he announced his commitment to the American System: "My politics are short and sweet, like the old woman's dance. I am in favor of a national bank. I am in favor of the internal improvements system and a high tariff."

He led the fight for internal improvements for eight years in the Illinois state legislature and for a national bank and protective tariff as the national spokesman for the Whig Party during every presidential campaign and his own single term in Congress. But he was not in a position to implement these policies until under the emergency conditions of a wartime mobilization, when he was able to force them through.

Lincoln's history as an American System economist is virtually blacked out of the history books. The other problem is that no historians understand what Carey and Lincoln and we understand—that slavery and free trade belong to a *single* evil system—which had to be defeated.

Formed in response to Kansas-Nebraska, the Republican Party was anti-slavery, but many of its leaders were rabid free-traders. Carey and Lincoln knew that it was an absolute necessity to win the platform fight at the 1860 convention to

not only attack slavery, but to include a total commitment to Hamiltonian American System economics. Carey and Lincoln spent four years organizing for such a policy. Much of this agitation was initiated by the Home Protective Union of Pennsylvania, of which Carey was president. The four years of organizing paid off: Of the 17 planks adopted, 8 dealt with slavery, the rest with the political economy of the American System, including reestablishing the Bank of the United States, railroads, internal improvements, and restoration of a protective tariff.

Fighting the British-backed New York banks

So, what was it that Lincoln did that forced the British to murder him?

When Lincoln took office, Congress was out of session. The only available means Lincoln had to finance the war effort was to go to the Associated Banks of New York, run by British agents Gallatin and Astor. The government depended upon these banks for specie, and the government budget was financed through the sale of bonds to these banks. America was then mortgaged to Britain, as the U.S. debt was sold overseas to the Rothschild and Baring banking houses.

But, Carey and his circles organized an alternative, whose spirit was set forth by Lincoln in his famous Dec. 3, 1861 "Annual Address to Congress." The significance of this address cannot be overstated, as the British were well aware.

Lincoln's emergency economic measures included:

- 1) a nationally regulated private banking system, which would issue cheap credit to build industry;
- 2) the sale of long-term, low-interest bonds (5:20s) to the general public and to the nationally chartered banks;
- 3) the increase of tariffs until industry was running at full tilt;
- 4) government construction of railroads into the middle South, promoting industrialization over the Southern plantation system—what Carey called "a peace-winning program" to industrialize the South.

The national banks were intended to serve a useful purpose by being both investors in the future wealth of the U.S. through the purchase of 20-year bonds at 5% (the 5:20s) and through the issuance of long-term, low-interest loans to manufacturers, as well as by acting as a medium for the circulation of currency. Instead of selling the U.S. debt to the British, the citizens would buy the debt. The policy was identical to Hamilton's: The debt would be the basis for credit for industrial development.

James Gallatin, the New York Associated Banks, and their friends in the British government went nuts. On Dec. 28, 1861, they suspended specie payment to the government. They suspended payment of gold owed to their depositors; and stopped transferring to the government the gold which they had pledged for the purchase of government bonds. The banks of other cities immediately followed suit. They came to Washington to present their alternative to Lincoln: high-

interest bonds to be sold to the European banking syndicates; deposit of U.S. government gold in private banks for the investment use of the bankers; and a tax on basic industry to finance the war.

Lincoln showed the bankers the door, something which could be usefully repeated all over the world today.

While Lincoln fought the Eastern bankers, the Treasury issued several hundreds of millions of new greenbacks. Jay Cooke was employed to become sole agent for the 5:20 bonds. Carey's associates Colwell and Elder prepared the propaganda to sell the bonds, and were appointed to posts in the Treasury Department. Cooke sold over \$1.3 billion worth of bonds to the citizens of the U.S. between 1862 and 1865.

The original bill authorizing the sale of the 5:20 bonds contained no provision for paying the interest on the bonds in gold. If the bill as prepared by Thaddeus Stevens's House Ways and Means Committee had passed the Congress, *it would have had the effect of severing the domestic economy of the U.S. from the British early in Lincoln's administration.*

The British pound sterling at the time was the world reserve currency. But, before the bill was passed, August Belmont and James Gallatin worked out a compromise with Congress which allowed the bonds to be purchased with greenbacks, but the interest to be paid in specie.

This compromise was the first step in pegging the value of the U.S. national currency, the greenback, to gold, and allowed August Belmont and other New York merchants engaged in the export-import trade to speculate in gold through the Associated Banks and thus create fluctuations in the greenback as measured by the British gold standard.

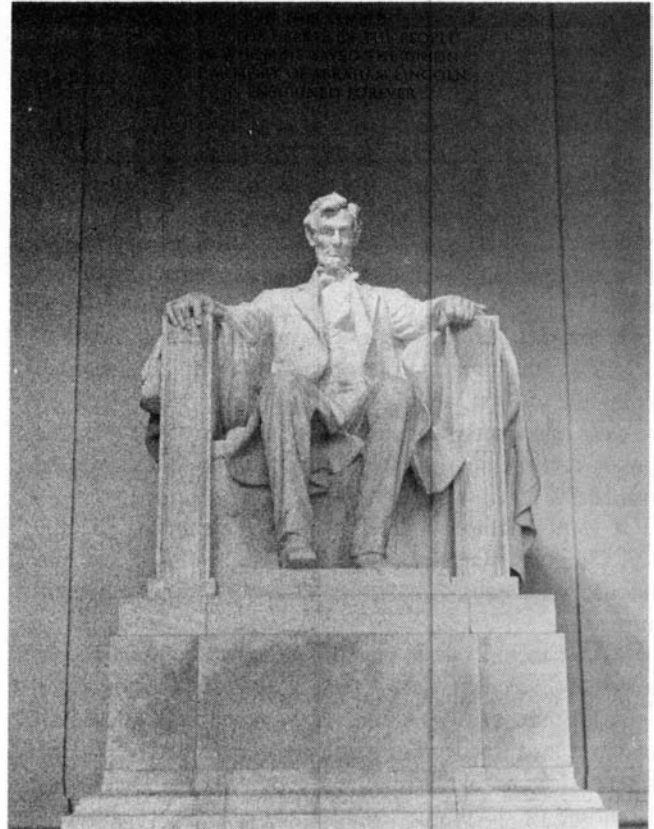
Lincoln had to bring the national banks under his control, out of the condition of anarchy and treason. Lincoln succeeded, through the enactment of two bills, the National Currency Act of February 1863, and the National Banking Act of June 1864:

Since the time of Andrew Jackson's removal of government deposits from the Bank of the United States, there was no national bank and *no national currency*, which, in effect, meant no national sovereignty. Each bank issued its own notes. In January of 1862, there were 1,496 banks in the U.S., 7,000 legitimate notes and 5,500 counterfeit notes. The specie payment on these notes was now suspended.

Banks had no one in the federal government to answer to—only state banking inspectors, who were frequently bribed. The banks had little or no capitalization or reserves, and operated often solely on the connections of the bank's chairman. Banks promoting the most outrageous schemes and responsible to no one were the order of the day. The large private banking houses, like the House of Morgan, used large credit lines from Europe to add to the chaos.

Lincoln attacked the British dominated banks through the following steps:

- First of all—strict federal supervision of bank chartering, eliminating chaotic state banking practices. State char-



The Lincoln Memorial in Washington. Lincoln told Congress in his second annual address in 1862: "In giving freedom to the slave, we assure freedom to the free. . . . The way is plain, peaceful, generous and just—a way which, if followed, the world will forever applaud and God must forever bless."

tered banks fell from 1,466 to 297, while federal banks increased to over 1,600.

- Secondly—regulations were imposed covering minimum capitalization, reserve requirements, the definition of bad debts, reports on financial condition and identity of ownership and other elements of safety to depositors. Every bank director had to be an American citizen, and three-quarters of a bank's directors had to be residents of the state in which the bank did business. Interest rates were limited by state usury laws, with the maximum allowable rate set at 7%.

- The third step concerned the control of currency. There were to be two kinds of legal money: greenbacks and bank-issued notes. Government-authorized bank-issued notes were strictly regulated. Banks were required to deposit bonds with the Treasury to qualify as a circulator of notes, and strict specie and money reserves were also required.

During the war, \$450 million in greenbacks were issued. It is doubtful the war could have been won without the issuance of the greenbacks. By creating \$450 million worth of greenbacks, Lincoln increased, by increasing government credit, government spending by 300%! The revolutionary nature of the greenbacks, of putting a nation in charge of its

own currency, cannot be overstated. The Venetian system of finance was based upon limiting payment to gold, and controlling the gold supply, as was the Venetian-inspired British system.

Revolutionary improvements

The other key elements of the American System, beyond the national banking system, which Lincoln implemented were the system of protective tariffs and internal improvements.

- Protectionism: Congress passed the Morrill Tariff in early 1861, the highest protective tariff to date, then through the middle of 1864, new tariff bills, pushing rates even higher, were introduced and passed. By the end of the war, the average rate on goods subject to duty stood at 47%, compared with 18.8% at the start of the war.

- Infrastructure and internal improvements: In 1862, the U.S. Congress chartered and pledged grants of land and subsidies to finance the construction of the first transcontinental railroad.

After Lincoln's assassination, Congress continued to finance massive railroad construction. The effect of this on the nation's future was astounding. In the second half of the 19th century, the railroads, along with the steel industry, were the "science drivers" of the American economy. The technology of railroad production involved pneumatic brakes, blasting through and grading tracks on inclines through mountains, the making of durable bridges to ford rivers, and the abundant use of different grades of iron and steel. The connection of the country by rail increased traveling speed two to three times, allowing rapid development of the West. Railroad mileage went from 45,000 miles in 1865 to 167,000 in 1890. By 1900, the U.S. had over 193,000 miles, more than all of Europe combined. The number of patents issued rose from 883 in 1850 to over 14,000 in 1876.

Additionally, Lincoln proposed and saw implemented measures for a national and international network of telegraphic communications, the development of the Land Grant College system, establishing the state college system for instruction in agronomy and the mechanical arts, the creation of the National Academy of Sciences, "to investigate, examine, experiment and to report upon any subject of science or art," and the U.S. Coast Survey, which quickly became the largest employer of physical scientists in the U.S., with the largest budget ever allowed a scientific bureau connected with the government.

Lincoln also organized a new Bureau of Navigation in 1862, which totally revolutionized the U.S. Navy. He also, saw to the creation of the Department of Agriculture, whose purpose, as Lincoln stated in his famous 1859, Wisconsin State Agricultural Society speech was, "to make two blades of grass grow where one grew before." As a result, Lincoln revolutionized American agriculture. Through Lincoln's policies, wheat and corn production tripled in the three de-

cadec following the Civil War.

With such measures, and the passage of the Homestead Act opening up vast areas of the American West for settlement, and his Immigration Act, recruiting waves of new immigrants, Lincoln guaranteed development for decades to come.

Standardization and mass production were introduced for production of war matériel, starting with uniforms and coats. This was the first time clothing had ever been produced outside of cottage industries. Steel production, which essentially did not exist in the United States before Lincoln, grew by leaps and bounds. The Bureau of Labor reported in 1886 that in the previous 20 years, productivity had increased 40-80% in agricultural implements, footwear, in machines and machinery, and other areas.

The U.S. population almost tripled between 1860 and 1902: from 31 million to 92 million. Immigrants flocked to and were welcomed into the United States. Finally, the U.S. shifted from a rural to an urban society. Philadelphia became the leading industrial city in the U.S., and possibly in the world. Chicago was transformed from a small town into a major urban center in a few years.

Free trade traitors counterattack

But the British-allied Northern bankers and their congressional spokesmen forced several compromises, while the British government itself organized every possible opposition.

Frantic over the American System financial policy, the British began a massive organizing drive in the U.S. in support of free trade. John Stuart Mill and Chancellor of the Exchequer William Gladstone controlled the Cobden Clubs—Britain's worldwide agitators for free trade. These were heavily deployed into the free trade wing of the Republican Party and abolitionist movement.

There was speculation on Wall Street to depreciate the greenbacks, by Belmont and other New York merchants engaged in export-import trade.

The second compromise forced on Lincoln was his appointment of British agent and rabid free-trader Hugh McCullough as first Comptroller of the Currency, which he had to do to get enough votes to pass the National Banking Act. Lincoln appointed McCullough in March of 1865, one month before the war's end.

Lincoln and Carey were quite aware of the problem created by such compromises. Several steps were taken. First, at Lincoln's request, Thaddeus Stevens authored a bill to outlaw all sale of gold in the New York Gold Room.

Just three days before Lincoln's death, McCullough initiated an attack on Lincoln with an open letter to Carey in the *Chicago Tribune*, in which he called for a reduction of the protective tariff, an immediate return to specie (elimination of the greenback), and contraction of the currency. The article was accompanied by the following excerpt from the Lon-

don *Times*:

"He [McCullough] is what few Americans are; a sound political economist. He has studied the philosophy and theory as well as the practice. To read his letters and treatises anyone who did not know that he was American might imagine that he was an Englishman or a Scotsman, who had never embraced the delusion so prevalent on this side of the Atlantic, that as the resources of America are not half developed it is competent to American statesmen to run riot in world experiment and set as defiance the dearly bought experience of older communities. McCullough is, as far as his published opinions testify, a worthy successor of Adam Smith, Mill, Ricardo. . . ."

Lincoln responded with a brutal attack on McCullough—and was killed three days later. In fact, just before his assassination, Lincoln and Carey were making major moves to wipe out some of the most pernicious British-controlled New York banks. They had already severely restricted their speculative real estate loans by law.

In fact, *on the day he was assassinated*, Lincoln was considering the problem of how to combat speculation by bringing the national currency (the greenbacks) up to par value without contracting the supply. He was planning to break with the British gold standard altogether. At Lincoln's request, Carey wrote a series of open letters to Speaker of the House Schuyler Colfax that were titled, "How to Defeat England without Fighting Her." Carey argued against the heteronomy with which U.S. economic policy was carried out. Carey said that Lincoln had been forced to put his signature to bills that he did not consider in the national interest.

Carey called for the creation of a national economic policy planning body under the control of the Executive branch, which Lincoln did set up shortly before his death, called the Commission on Revenue.

The corrupt Johnson administration

Lincoln's assassination constituted a virtual coup d'état. The British had succeeded in wiping out with a single bullet the hope of the world.

Lincoln's successor, Andrew Johnson, in his inaugural address, signaled a total reversal of Lincoln's economic policy. He called Lincoln's tariff "a clearly recognized outrage." He concluded his inaugural with the statement: "Free trade with all the markets of the world is the true theory of government."

Almost the entire Johnson cabinet were outright British agents or corrupted by British ideology. In late 1865, McCullough officially announced his intention of reversing the American System and all that Lincoln fought for. His policy was to rapidly contract the national currency (the greenback) and return the nation immediately to specie payments and direct taxation of productive wealth (looting) to pay off the national debt. Within the context of a policy which called for destroying the nation's industrial base to pay off foreign

debts, any positive program for reconstruction of the South was impossible.

The congressmen and senators allied with Carey launched a counterattack in defense of Lincoln's program—that action, even if rear guard at times, was responsible for the continued growth of American industry and the scientific development of the last three decades of the 19th century, which turned this nation into the most technologically advanced nation in the world.

Abraham Lincoln and Lyndon LaRouche

In conclusion, Abraham Lincoln, like Lyndon LaRouche today, demanded that leadership required for taking responsibility directly upon our shoulders.

In his Second Annual Address to Congress in 1862, he said:

Fellow citizens, *we* cannot escape history. We of this Congress, and this administration, will be remembered in spite of ourselves. No personal significance, or insignificance, can spare one or another of us. The fiery trial through which we pass, will light us down, in honor or dishonor, to the last generation. We *say* we are for the Union. The world will not forget that we say this. We know how to save the Union. The world knows we know how to save it. We *even here*—hold the power and bear the responsibility. In *giving* freedom to the *slave*, we assure freedom to the free—honorable alike in what we give and what we preserve. We shall nobly save, or meanly lose, the last, best hope of earth. Other means may succeed—this could not fail. The way is plain, peaceful, generous and just—a way which, if followed, the world will forever applaud and God must forever bless.

If we do this we shall not only have saved the Union, but we shall have so saved it, as to make, and to keep it forever worthy of the saving. We shall have so saved it, that the succeeding millions of free happy people the world over shall rise up and call us blessed, to the latest generations.

The fact that Lyndon LaRouche sits in a federal prison, while the fate of 6 billion souls depends on his freedom and the implementation of his economic policy, defines the task at hand.

If Lincoln could do it, with what he faced, so, too, can we. We must free LaRouche to bring back to this dying nation and this dying world that for which Lincoln and so many others gave their lives—so that in his words, from the battlefield at Gettysburg: "We here highly resolve that those dead shall not have died in vain—that this nation, under God, shall have a new birth of freedom,—and that government of the people, by the people, for the people, shall not perish from the earth."

Elephants & Donkeys

by Katherine R. Notley

Clinton-Gore currying green, white votes

High-level environmentalists announced the formation of "Environmentalists for Clinton/Gore" at a press conference in Washington on Sept. 22. Retiring Colorado Sen. Tim Wirth announced that, for the second time in its history, the Sierra Club was endorsing a candidate. Other speakers included Earth Day founder Gaylord Nelson and former Audubon Society chairman Russell Peterson, both of whom claimed that environmentalism was good for the economy. Corporate lawyer Cathleen Douglas Stone blamed environmental problems on so-called overpopulation, and condemned funding cuts in foreign aid for population control.

Non-whites overseas are not the only ones at the back of the Clinton-Gore bus. According to a campaign profile from Little Rock, Arkansas, in the Sept. 20 *Sunday New York Times*, "some of his strongest supporters are complaining that Mr. Clinton has decided to sacrifice black voters' support in exchange for winning back the Democrats—most of them white—who voted for Ronald Reagan and George Bush. . . . [Jesse] Jackson supporters . . . say [Clinton's] bus tours, while successful and telegenic, have attracted a sea of white faces, but very few specific appeals have been made for black votes."

The *Times* quoted Rep. Charles B. Rangel: "It appears that we are on the back burner. . . . We are on an 'as needed' basis. . . . I feel pretty damn hurt and embarrassed."

Democratic critics compare Clinton's welfare reform rhetoric to George Bush's 1988 Willie Horton issue. Clinton is trying to "send code messages to white voters. Anti-wel-

fare . . . reads anti-black," according to these critics.

The evil of two losers

According to the Argentine daily *El Cronista* Sept. 15, when Democratic presidential candidate Bill Clinton was at Pam Harriman's fundraiser, in Northern Virginia's exclusive Hunt Country last month, he met one Wenceslao Bunge, a member of the oligarchic Bunge family of Argentina. Clinton lavished praise on the economic austerity policy of that country's President Carlos Menem, saying, "Argentina is carrying out an unprecedented experience on the continent," transforming the country into a democracy. Clinton then joked—was it a joke?—that "if we win the elections, I'm going to have to apply a program like yours to get us out of the recession."

If you don't know much about what Menem's policies would mean in translation by a Clinton White House, this is what MIT economist and former World Bank employee Stanley Fisher told the Argentine daily *Página 12* about the wonders of Menem's "fiscal adjustment": "Many people say that the reforms in the East bloc need a Pinochet, but I say that maybe what they really need is a Menem, although I don't know if another one can be found. He's quite a unique personality."

Back in Washington, George Bush conveyed his sympathy on Sept. 13 for embattled Brazilian President Fernando Collor through his Economics Minister Marcilio Marques Moreira, at a White House reception for those attending the International Monetary Fund annual meeting. Collor, no slouch at implementing the IMF's austerity program, is facing possible

impeachment and criminal charges for bribery, conspiracy, and falsifying documents.

Item. George Bush has referred to Collor as "my kind of guy."

Al Gore and the Patagonian sheep

San Francisco television news reporter Brian Hackney recently put to rest the wild claim popularized in Sen. Al Gore's environmental scare book, *Earth in the Balance: Ecology in the Human Spirit*, that excessive ultraviolet light penetrating the lower atmosphere through the ozone hole was responsible for epidemic blindness among sheep in Patagonia.

Hackney, who produced a seven-minute exposé of the ozone scare for San Francisco station KGO-TV on Aug. 21, traveled to Argentina with the radical ecologist group Greenpeace to cover what it had hoped to be a major film "documentary" on the sheeps' blindness.

Hackney brought back an eyeball from one of the sheep and had it analyzed at a leading university medical center. The diagnosis was that the sheep suffered from conjunctivitis, or pink eye, a highly infectious inflammation of the membrane covering the inside of eyelids and front of the eyeball.

On learning of the report, Hackney's supervisor at KGO called Greenpeace to warn them not to go out with the story linking the sheep blindness to the ozone hole.

Nonetheless, based on unsubstantiated scare stories like these, President George Bush speeded up the timetable for phasing out CFCs—the crucial refrigerants that are blamed for causing thinning in atmospheric ozone—from 2000 to 1995.

Howard forum targets ADL

Not only is a revolt afoot in the nation's capital; but an articulate and informed leadership is taking shape.

The organized-crime connections and political dirty tricks of the Anti-Defamation League were exposed at the Schiller Club's forum on Sept. 16, at Howard University, one of the nation's most respected African-American institutions.

The forum was held one day after primary elections on Sept. 15, in which the pro-ADL liberal media were put on notice that a revolt is afoot. Former Mayor Marion Barry won a smashing 69% victory in his race for City Council from Ward 8. Barry was dumped by his onetime backers at the *Washington Post*, set up and convicted on drug charges two years ago, when his political machine got in the way of bankers' austerity plans.

The ADL has been a scalding local topic for months. Recently, Mayor Sharon Kelly honored Dr. Abdul Alim Muhammad for his leadership in fighting drugs in housing projects and caring for AIDS victims in his clinic. Black residents of the capital were outraged when the ADL demanded that Kelly instead denounce the Nation of Islam leader as an "anti-Semite."

At the Sept. 16 forum, over 175 people, among them students from Howard, Virginia Union College, Nation of Islam members, an NBC-TV affiliate camera crew, and a reporter for *Washington Jewish Weekly*, learned of the common freemasonic origins of the ADL and the Ku Klux Klan. Lawrence Freeman, Schiller Institute regional coordinator, introduced the panel as launching an ecumenical fight for human rights.

Historian Tony Chaitkin emphasized that the main figures who would be spoken about were practicing Satan

worshippers—among them cult-master Arthur Balfour, British author of the declaration giving Palestine away as a home for the Jews; the organizers of the slave trade, and of the drug trade; and Albert Pike, master of Scottish Rite freemasonry and founder of the KKK. Chaitkin is spearheading a campaign to remove a statue of Pike which is obscenely maintained at public expense in the capital.

Dr. Muhammad, a pioneer anti-AIDS physician, representing the Nation of Islam, likened the enemy oligarchy to the recently discovered forest fungus: a single, acres-wide, mostly subterranean organism, rather than a lot of separate evil entities. He quoted St. Paul, that we struggle against principalities, powers, and wickedness in high places, and the Koran's exhortation to good people of all creeds to pursue righteousness.

He thanked the imprisoned Lyndon LaRouche for the exposé *Dope, Inc.*, which opened his eyes to the coordinated international dope trade. He praised LaRouche's fight against AIDS—before the disease appeared—since LaRouche forecast that such a pandemic must occur because of the International Monetary Fund's looting of the Third World.

The ADL wants to lynch the black people. They're for you only if you're a pagan, an ignorant person, but not if you are truly a Jew or a Christian or a Muslim, he said.

Rev. James Bevel, veteran civil rights leader and the vice presidential running mate of Lyndon LaRouche, said war is the application of principles, sufficient to bring about justice, attain and maintain freedom, and

bring peace. If you are attacked so that your freedom and existence are threatened, and you do not declare war on those who attack you, nature itself enslaves you.

Bevel said that communists, satanists, homosexuals, and racists got together to take prayer out of the schools. He said that due process has been taken out of the courts, and plea bargaining has replaced it. Under our Declaration of Independence and Constitution, life is a human right, not a privilege, he said.

He called on the students to declare war against the murder and enslavement of black people and the destruction of the nation, and to join him in the march against the death penalty. The capital city, which has a very high murder rate, is being pressed by Congress to introduce the death penalty.

A member of the audience asked if the Old Testament and the Koran do not sanction capital punishment. Dr. Muhammad replied that they do endorse the death penalty for certain offenses, but that the application of such a penalty must be reserved for righteous judges, operating under righteous rules in a truly righteous government, which does not now exist.

Another questioned whether, when decrying the "pagans" and calling for the restoration of school prayer, it was meant to bring in simply western monotheism and exclude traditional African religion as pagan. Bevel described prayer in terms of man's essential knowledge of himself as a created soul under God; you must be as serious about yourself as the Creator is about you. Dr. Muhammad said if you, who were created in God's image, yet look at a rock, or an other inanimate object, or a snake, or some drug, and fear or crave or think of these things as having effective power, more than you (God's image), then you are a pagan.

Ethics investigation against Gonzalez rebuffed

The House rejected in a vote of 216-150 on Sept. 18, a resolution by Rep. Larry Combest (R-Tex.) to launch an ethics committee investigation of Rep. Henry B. Gonzalez (D-Tex.), chairman of the House Banking Committee, for allegedly revealing classified information about the Bush administration's pre-war dealings with Iraq.

Gonzalez has been consistently harassed by the Department of Justice because of his probing of the Bush administration pre-war relationship with Iraq, and his efforts to obtain material relating to that issue have been continually sabotaged.

The House vote was split along party lines. Gonzalez characterized the resolution as simply another effort by the administration to intimidate him. A similar move in August by House Minority Leader Robert Michel (R-Ill.) was also defeated.

Court reverses Senate impeachment of judge

In a ruling on Sept. 17, a federal judge reversed the 1989 Senate conviction of Judge Alcee L. Hastings on charges of corruption, arguing that Hastings was tried improperly by a Senate committee instead of by the full Senate. "The Constitution states explicitly," reads U.S. District Judge Stanley Sporkin's ruling, "that an impeachment shall be tried by the Senate. This court holds that a trial by the Senate means by the full Senate and not by a committee of the Senate."

Hastings, Florida's first black judge, was acquitted of bribery and conspiracy charges in a 1983 criminal trial. Nevertheless, the Senate Judi-

ciary Committee determined to take up impeachment proceedings against Hastings, which led to his removal from the bench. The decision by Sporkin is the first instance in which a Senate conviction has been overturned by a federal judge.

The Sporkin judgment does not restore Hastings to the bench, but instead orders a new trial, this time before the full Senate. The Hastings case will undoubtedly come before the U.S. Supreme Court. Hastings is presently in an Oct. 1 Democratic primary runoff for Florida's 23rd Congressional District against state Rep. Lois Frankel. The senators responsible for the Hastings impeachment insist that they gave him a fair trial and intend to fight the reversal of their decision, the chamber's attorney told reporters on Sept. 18.

Death penalty referendum likely on D.C. ballot

The District of Columbia in all probability will include a referendum on the ballot on whether to introduce the death penalty when voters go to the polls in November. The measure is included in the D.C. Appropriations bill, which will be taken up by House and Senate conference committee negotiators before Congress adjourns.

The measure was a counter-proposal by Sen. Brock Adams (D-Wash.) to blunt a measure offered by Sen. Richard Shelby (D-Ala.). Shelby wanted to mandate the death penalty for the District, whereas the Adams proposal would put it to a vote. The referendum would allow juries to impose death sentences on anyone convicted of murder in the District. In cases where juries determine that capital punishment is too severe a punish-

ment, they could sentence a murderer to life imprisonment without parole.

The measure has yet to be voted on by the House, but observers believe that in the present climate, the measure will likely pass. District politicians predict that any referendum will be very close. Despite the high murder rate, there is significant opposition to the death penalty in the predominantly black city.

Suspension of nuclear testing voted by Senate

The Senate voted 55-40 on Sept. 18 to approve a nine-month nuclear testing moratorium, and a total ban by 1996. The move was the more radical of two proposals submitted during the course of the debate.

The moratorium proposal was co-sponsored by Senate Majority Leader George Mitchell (D-Me.) and Sen. Mark Hatfield (R-Ore.). The proposal was immediately endorsed by Democratic presidential candidate Bill Clinton as he was making a campaign appearance at the Sandia National Laboratories in Albuquerque, New Mexico. President Bush has promised to veto the measure.

The Senate vote fell far short of the two-thirds majority needed to override a veto, but the issue will likely become more prominent in the presidential campaign.

Solarz, Atkins lose their primaries

In surprise upsets, Reps. Steve Solarz (D-N.Y.) and Chester Atkins (D-Mass.) were defeated in primary elections on Sept. 15.

Solarz, a senior member of the

House Foreign Affairs Committee, had his Brooklyn district carved up six ways in reapportionment and, as a result, he attempted a run in an Hispanic district against four Hispanic candidates. In spite of a crash-course in Spanish, Solarz was trounced by Nydia M. Velasquez.

Solarz was a leading member of the pro-Israel faction in the Congress and served as the Democratic pointman for the administration when President Bush was trying to rally support for his Persian Gulf war. Solarz also racked up 743 overdrafts at the House Bank.

A number of incumbents facing tight races, however, did succeed in getting their party's nomination for the November elections. Rep. Gerry Sikorski (D-Minn.), with 700 bad checks, succeeded in defeating Hennepin County Commissioner Tad Jude.

In Massachusetts, Rep. Joseph Early (D) also a victim of the check-bouncing scandal, Rep. Gerry Studds (D), and Rep. Nicholas Mavroules (D), who is facing federal extortion and racketeering charges, all won their primaries.

In Oklahoma, Democrat Mike Synar succeeded in beating back a challenger for his seat.

Funding for Supercollider restored in committee

In an amazing about-face after an overwhelming House vote to cancel the planned Superconducting Supercollider, House and Senate conferees on Sept. 15 earmarked \$517 million for the Supercollider. The funding is part of a \$22 billion energy and water development appropriations package that will now be returned to the House

and the Senate for final approval.

Conferees split the difference between the \$550 million approved in August by the Senate and the \$483.7 million allocated by the House Appropriations Committee before the House voted to ditch the project. The figure falls \$133.3 million short of the funding sought by the Bush administration, but is significantly higher than the amount needed to keep construction work on track.

NAFTA agreement still a political pawn

Testifying before the House Ways and Means Committee on Sept. 17, House Majority Leader Richard Gephardt (D-Mo.) continued to express "doubts" about the North American Free Trade Agreement (NAFTA) treaty, recently signed between Mexico and the United States. While reiterating his belief that "a well-negotiated NAFTA can be a force for growth and good in this hemisphere," Gephardt called the treaty as presently negotiated a "second-rate agreement."

Gephardt said that there were serious problems with the treaty's environmental clauses and that it lacked needed worker adjustment clauses to compensate American workers laid off by the transfer of jobs to Mexico.

House Majority Whip David Bonior (D-Mich.), also testifying before the House Ways and Means Committee, called the treaty "a sellout of American workers for generations to come." Bonior notes how factories had already moved south of the border in order to avoid much stricter U.S. environmental regulations. Bonior said that this shift would lead to a reduction of the wages of those U.S. workers still employed. "We can't let jobs become our number-one export." Bonior

or encouraged his colleagues to reject the NAFTA treaty.

Similar election year skepticism has been shown by Senate Democrats, who have been avid supporters of the treaty, but who balked when it was clear that the treaty was under heavy fire from the trade union movement. Criticism of the treaty's environmental "flaws," also give the Democrats an opportunity to court the environmentalists without endangering their labor constituency.

Bill would kill 'Thornburgh Doctrine'

In response to the outrage of Mexico over the U.S. Supreme Court decision upholding the so-called Thornburgh Doctrine, under which a Mexican citizen was kidnaped on Mexican soil and brought illegally to the United States to stand trial, Sens. Daniel Moynihan (D-N.Y.) and Paul Simon (D-Ill.) introduced on Sept. 18 an amendment to the Foreign Assistance Act which, without outrightly abrogating the Thornburgh Doctrine, could effectively emasculate it.

The legislation explicitly prohibits any officer, agent, or employee of the U.S. government from "authorizing, carrying out, or assisting, directly or indirectly, the abduction of any person within the territory of any foreign state exercising effective sovereignty over such territory without the express consent of that state." All very clear-cut.

However, the amendment also states that any person brought to the United States in violation of that stipulation "shall not be prosecuted by the U.S. government if the state in which such abduction occurred objects." If there is such an objection, the person "shall promptly be returned to the state in which the abduction occurred."

National News

Texas moves to step up executions

Texas had executions scheduled for Sept. 21, 22, and 24, until the U.S. Supreme Court granted a stay of Warren Bridge's execution, set for Sept. 21. The grounds of the stay are not yet known. On Sept. 22, James Demouchette, age 37, was killed by lethal injection. The Supreme Court refused a stay 7-2, with Justices Stevens and Blackmun dissenting.

The Sept. 24 execution of Mexican national Ricardo Guerra by lethal injection was stayed by Texas's highest court on Sept. 22. Guerra's case has become a *cause célèbre* in Mexico, and President Carlos Salinas de Gortari appealed earlier this year to Gov. Ann Richards to grant clemency. Guerra maintains he is innocent of killing a policeman in 1982.

Texas is the leader in U.S. executions. Ten death row inmates have been executed there already this year.

In Pennsylvania, Democratic Gov. Robert Casey signed a death warrant on Sept. 22 for convicted murderer Lawrence Christy, who is scheduled to be executed during the week of Nov. 16.

In Virginia, Lyndon LaRouche's vice-presidential running mate, Rev. James Bevel, has launched a campaign to oppose the death penalty to begin on Sept. 27, with a 110-mile march from Richmond to the U.S. Supreme Court, ending in a rally Oct. 7. The Supreme Court will be deciding in the *Herrera* case, whether an innocent man convicted of a capital crime can be executed.

Iran-Contra probes ends, Bush role unanswered

Iran-Contra Independent Counsel Lawrence Walsh announced Sept. 17 that he is ending his investigation of the Iran-Contra scandal without any further indictments. The investigation began nearly six years ago; officially it has cost \$32.5 million, although total costs are at least twice that. There remain three trials, including one of former Defense

Secretary Caspar Weinberger. Although George Bush should be breathing a little easier now, he can't keep his name out of the Iran-Contra news.

The *New York Times*, front page, wrote on Sept. 18: "But the Walsh investigation, like several congressional inquiries and a presidential review, did not answer the most tantalizing political question at the heart of the Iran-Contra affair: whether President Reagan and Vice President George Bush were aggressive participants, or bystanders. . . ."

The next day, the *Times*'s lead editorial said: "What did George Bush know about the Iran-Contra affair and when did he know it? . . . The answers turn out to be: a lot, and early. . . ."

"His security adviser, Donald Gregg, was supposed to be Vice President Bush's eyes and ears worldwide. He claimed to have learned of White House involvement in the Contra resupply program in August 1986 but didn't tell his boss until the rest of the world knew. Far from disciplining Mr. Gregg, when Mr. Bush became President he made him an ambassador."

A Reuters wire on the ending of Walsh's investigation, noted that the scandal "still bothers President George Bush, who dislikes questions about the role he played as then vice president. He denies he knew about the arms sales, although recent notes provided the court have both Weinberger and former Secretary of State George Shultz puzzled by Bush's claims of ignorance."

Iraqgate fall guy withdraws guilty plea

In a surprise development in the Atlanta federal case involving illegal loans to Iraq by the Banca Nazionale del Lavoro (BNL), the bank's Atlanta manager Christopher Drogoul withdrew his guilty plea and asked for a trial instead. Drogoul's move on Sept. 17 was triggered by a federal investigator's testimony that the Central Intelligence Agency operated a front company which used BNL to finance sales of equipment and machinery to Iraq. Federal prosecutors have maintained that U.S. intelligence agencies had no knowledge of the loans made to Iraq by

BNL's Atlanta branch.

Drogoul withdrew his plea during hearings at which he was supposed to be sentenced. Federal Judge Marvin Shoob is expected to decide in late September whether to reduce Drogoul's sentence or order a trial.

At the hearings, Drogoul's attorney Bobby Lee Cooke characterized the Bush administration's efforts to "suppress the truth" in the case as "the mother of all cover-ups," according to the London *Financial Times*. Cooke promised to provide evidence in court to explain how the U.S. government "from the very onset has tried to suppress the truth and mislead the court." He said that the position of the U.S. Department of Justice in the case "denies all logic and Socratic reasoning and, most importantly, is not the truth."

Cooke said he would now be introducing evidence to show that officials for the National Security Agency made regular visits to Drogoul in Atlanta, and were briefed on the BNL loans to Iraq, and that senior White House and State Department officials interfered in the BNL case by telephoning prosecutors in Atlanta.

On Sept. 16, Cooke introduced a memo from the Federal Reserve which described how then-Attorney General Richard Thornburgh personally intervened to scrub an investigation into BNL activities in Turkey, and similar memos which scrapped investigations in Rome, Italy, where BNL is based.

Investigative judge sets Demjanjuk hearing dates

Judge Thomas Wiseman, who was appointed as Special Master in August by the U.S. Sixth Circuit Court of Appeals to gather evidence on possible Justice Department misconduct in its extradition case against John Demjanjuk, has scheduled four days of evidentiary hearings, which will take place in federal court in Nashville, Tenn., on Oct. 15 and 16 and Nov. 12 and 13.

Two attorneys for the Justice Department's Office of Special Investigations, Parker and Moscovitz, have already been subpoenaed for the October hearings, and OSI director Allan Ryan will be one of the

Briefly

witnesses called in November.

In addition to the calendar of hearings, Judge Wiseman also set a deadline of Oct. 2 for the production of documents that are not contested by either side. After the initial round of discovery and hearings, Judge Wiseman will ask both the OSI and the attorneys for Demjanjuk to submit any additional witness and document recommendations.

The OSI sought to have retired Cleveland auto worker Demjanjuk deported to Israel to stand trial as Treblinka concentration camp guard "Ivan the Terrible." When Demjanjuk appealed his death sentence in Israel, his attorneys produced evidence that both the U.S. Justice Department and Israeli prosecutors knew he was innocent, and knew what "Ivan's" real name was.

Bush taps ambassadors for Balkan states

President George Bush announced his nominees to become ambassadors to Bosnia-Herzegovina, Croatia, and Slovenia on Sept. 17, completing the establishment of full diplomatic relations with the former Yugoslav republics.

For Bosnia-Herzegovina, Bush named 44-year-old Victor Jackovich, a career foreign service officer who is now executive assistant to the counsellor of the U.S. Information Agency. He nominated Mara M. Leticia, 37, to the embassy in Croatia. Leticia is a founder of the Croatian American Association and a lawyer for the Leticia Corp. in Rochester, Michigan. E. Allen Wendt, 56, a career foreign service officer and formerly senior representative for strategic technology policy at the State Department, was nominated as ambassador to Slovenia.

Calif. bishops blast euthanasia proposition

The Catholic bishops of California are asking parishioners to contribute to the campaign to defeat the euthanasia legislation on the Nov. 3 ballot, Proposition 161. A letter, which is to be read at Mass, has been sent

by the California Catholic Conference to all 1,070 parishes in the state. The euthanasia initiative, the letter says, "not only contradicts traditional Catholic morality, but also attacks the principles underlying our system of government and threatens the lives of the poor and powerless in our state. . . . The issue of allowing doctors actively to take the lives of people has been pushed into the public policy arena by proponents of the initiative, and this must be addressed and debated."

The Sept. 18 *Los Angeles Times* quoted Jack Nicholls, campaign director for the pro-"mercy killing" Californians Against Human Suffering, attacking the bishops and the Catholic Church: "There would not be a campaign against Proposition 161 of any significance if the Catholic hierarchy were not leading the charge. . . . Parishioners are going to have to be badgered and intimidated and pushed around if they are going to be forced to vote against 161."

Ecologists take hit in property rights case

Nevada ranchers Wayne and Jean Hage are suing the federal government for compensation, claiming the U.S. Forest Service confiscated water and grazing rights belonging to their ranch by means of regulation.

A cast of mostly environmentalist characters sought to inject itself into the case as the government's co-defendants: Nevada Attorney General "Frankie Sue" Del Papa, the Nevada Wildlife Federation, the Sierra Club, the National Wildlife Federation, and the Natural Resources Defense Council. Del Papa, a board member for the Trust for Public Lands, hired a National Wildlife Federation attorney to represent the state, whose brief argued that cattle grazing is a public nuisance!

U.S. Claims Court Chief Judge Loren A. Smith ruled Sept. 14 against the attempted intervention by Del Papa and her powerful friends. Lawyers for the Hages say this ruling "is a setback to environmental groups who seek to remove ranchers from federal lands . . . it likely will prevent future environmentalist intervention in other property rights cases."

● **INCUMBENT** Rep. Ted Weiss won the Democratic primary in New York last month, in spite of the fact that he had died a few days earlier. His only opponent was backed by the radical counterculture New Alliance Party, forcing an embarrassed Democratic Party to campaign heavily for the deceased.

● **TED KOPPEL** was put on the spot by a member of the Nation of Islam, who intervened into Koppel's carefully scripted live broadcast, "Town Meeting on the Elections," on Sept. 16. The member spoke out against the slanders against Minister Louis Farrakhan, especially the charge that he is anti-Semitic, and announced that Farrakhan would be addressing 72,000 people in Atlanta on Oct. 18, and would suggest who to back for President.

● **OHIO** was ordered by the state court of appeals to process the petitions of independent presidential candidate Lyndon LaRouche on Sept. 18, and qualified the required number of signatures on Sept. 22. In a related development, New York State informed the campaign on Sept. 11 that it was ruling its more than 35,000 signatures "null and void" because of a "filing technicality."

● **ALBERT PIKE**'s statue in Washington, D.C. was the target of a demonstration on Sept. 17, following presidential candidate Lyndon LaRouche's demand that the statue of the Ku Klux Klan founder be removed. The statue of Pike, a Confederate general, is maintained by the Department of Labor.

● **THE VIRGINIA PILOT** carried an editorial on Sept. 15 headlined "Bush Should Take a Page from Alexander Hamilton," which termed the proposals in first treasury secretary's 1791 "Report on Manufactures," "common sense" and counterposes "economic growth" which "comes largely from improved productivity which is gained through technological advances" to the burgeoning of fast-food restaurants and minimum wage jobs.

Editorial

Soviet justice from American courts

As you read this, *EIR* Far East expert Michael Billington will have begun to serve a 77-year sentence in a Virginia prison.

The circumstances of his case are so extraordinary that they should open the eyes of many Americans to the bitter fact that American and KGB justice have become virtually indistinguishable. The peoples of the former Soviet Union have unequivocally rejected the tyranny under which they were forced to live in that barbaric regime; a majority of the U.S. population has yet to make its voice heard in protest against this judicial barbarism.

How can it be that Billington received a 77-year sentence for an alleged securities fraud involving \$56,590? Such a white-collar crime in any nonpolitical case would at most call for a six-month to three-year sentence, as occurred in the case of junk bond king Michael Milliken, who stole billions. Had Billington been an armed robber, he would have received nothing like this more-than-life sentence.

The Commonwealth of Virginia allows jury sentencing and has yet to enact appropriate guidelines which would restrict jury excesses. The judge, the Virginia Appeals Court, and the State Supreme Court all refused to reduce the sentence.

The Billington case is stranger still. Michael Billington chose to argue his case before a jury, despite indications that he could not get a fair trial in the state of Virginia. This decision was opposed by his lawyer, Brian Gettings, who took the extraordinary step of trying to have Billington declared mentally incompetent by the court, for having requested trial by jury—a fundamental legal right of all Americans. As a result, Billington was forced to undergo a psychiatric examination about his political associations with Lyndon LaRouche, on the grounds that he was a member of a LaRouche “cult.”

Michael Billington was ruled sane by the court, but Judge Clifford Weckstein would not allow Billington to replace Gettings as his lawyer, despite the fact that Gettings refused to argue before the court on Bill-

ington's behalf, but in fact collaborated with the prosecution to induce the jury to find Billington guilty.

During this whole period, and in fact for 100 days, Billington was held in solitary confinement and refused telephone access to paralegal assistance and even his own wife. The aim was to break his will and force him to confess his guilt and to testify against his former associates, in particular LaRouche.

Another legal outrage is the fact that the Virginia state trial placed Billington in double jeopardy, because he had already been tried and convicted in a federal court for precisely the same transactions deemed in Virginia to be a securities fraud. In point of fact, Billington had raised money in the form of loans, to finance the presidential campaign of LaRouche, and other political activities. These loans were classified as securities, under a Virginia law which was passed *after* the date when the transactions took place, and in fact after the indictment of Billington for the supposed crime.

He had been convicted in federal court along with LaRouche, on the same evidence and with the same witnesses, only this time the issue raised was the fact that the loans were not repaid in a timely fashion. For this “crime,” Billington has already served three years in a federal prison.

Michael Billington is an exceptional human being. In his youth he served in the Peace Corps, and throughout his life he has served the same ideals which inspired him then. He has recently made the statement that he would far rather be free—in prison—than a slave outside by perjuring himself. He is a brave man, and he is a fierce opponent of all forms of tyranny; but he is more than that.

Michael Billington has been an inspiration to all of us who have worked with him here at *EIR*, because he has a truly joyous personality. His spirit will not be dimmed by the brutality of present American justice, but we will miss his presence. We ask all of you, our readers, to join with us in working to free Billington and every other victim of a U.S. justice system which is corrupt and barbaric.

SEE LAROCHE ON CABLE TV

ALASKA

- ANCHORAGE—
Anchorage Community TV
Ch. 46
The LaRouche Connection
Wednesdays—9 p.m.

CALIFORNIA

- MOUNTAIN VIEW—
MVCTV Ch. 30
The Lessons of Versailles
Thurs., Oct. 15—9 p.m.
- SACRAMENTO—
Access Sacramento Ch. 18
LaRouche's Motion for Freedom
Wed., Oct. 7—10 p.m.

DISTRICT OF COLUMBIA

- WASHINGTON—
DCTV Ch. 34
The LaRouche Connection
Sundays—12 noon

MARYLAND

- MONTGOMERY COUNTY—
MCTV Ch. 49
The LaRouche Connection
Thursdays—2:30 p.m.
Saturdays—10:30 p.m.

- WESTMINSTER—
Carroll Community TV Ch. 55
The LaRouche Connection
Tuesdays—3 p.m.
Thursdays—9 p.m.

MICHIGAN

- TAYLOR—
MacLean-Hunter Ch. 3
The LaRouche Connection
Tuesdays—7:30 p.m.

MINNESOTA

- MINNEAPOLIS—
Paragon Ch. 32
EIR World News
Wednesdays—6:30 p.m.
Sundays—9 p.m.

NEW YORK

- BUFFALO—
BCAM Ch. 32
The LaRouche Connection
Tuesdays—6 p.m.
- DANSVILLE—
Cooney Cable Ch. 6
The LaRouche Connection
Wednesdays—afternoon
Fridays—afternoon

- MANHATTAN—
Manhattan Cable Ch. 17D
The LaRouche Connection
Fridays—6 a.m.
- ROCHESTER—
Greater Rochester Ch. 12
The LaRouche Connection
Thursdays—7 p.m.
Greater Rochester Ch. 19
The LaRouche Connection
Sundays—11 a.m.
Mondays—7 p.m.

TEXAS

- HOUSTON—
Public Access Channel
The LaRouche Connection
Mondays—5 p.m.
Who Owns Your Congressman?
Fri., Oct. 2—7 p.m.
Tues., Oct. 6—11 p.m.
Wed., Oct. 7—3 p.m.
Thurs., Oct. 8—3 p.m.

VIRGINIA

- ARLINGTON—
ACT Ch. 33
The LaRouche Connection
Sundays—1 p.m.
Mondays—6:30 p.m.
Wednesdays—12 noon

- CHESAPEAKE—
ACC Ch. 40
The LaRouche Connection
Thursdays—8 p.m.
- CHESTERFIELD COUNTY—
Storer Ch. 6
The Schiller Institute Show
Tuesdays—9 a.m.
- FAIRFAX COUNTY—
Media General Ch. 10
Wednesdays—6:30 p.m.
Fridays—2 p.m.
Sundays—6 p.m.
- LEESBURG—
MultiVision Ch. 6
The LaRouche Connection
Mondays—7 p.m.
- RICHMOND & HENRICO COUNTY—
Continental Cable Ch. 31
The Schiller Institute Show
Thursdays—6:30 p.m.

WASHINGTON

- SEATTLE—
Seattle Public Access Ch. 29
The LaRouche Connection
Sundays—1 p.m.

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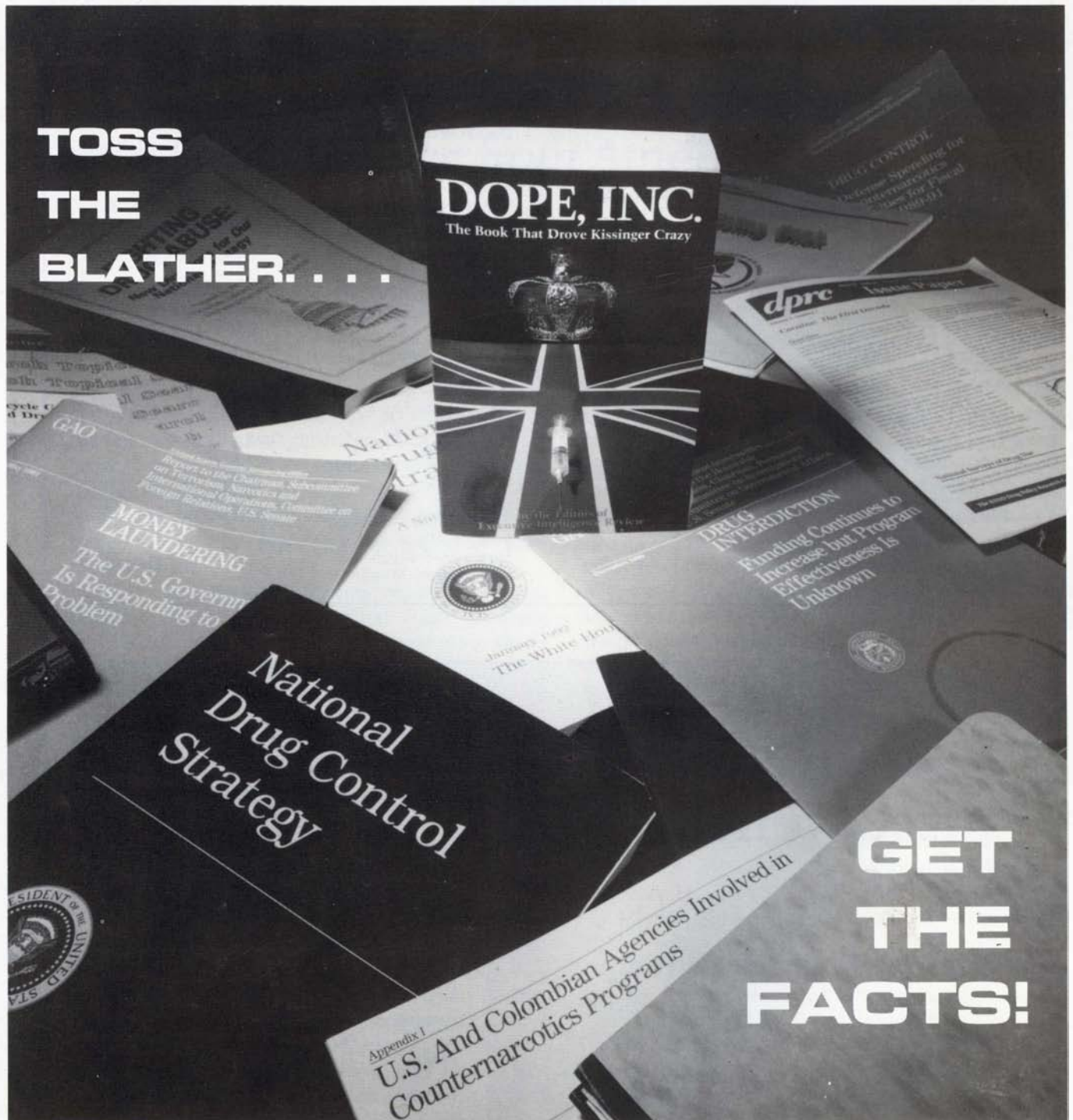
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