

# EIR

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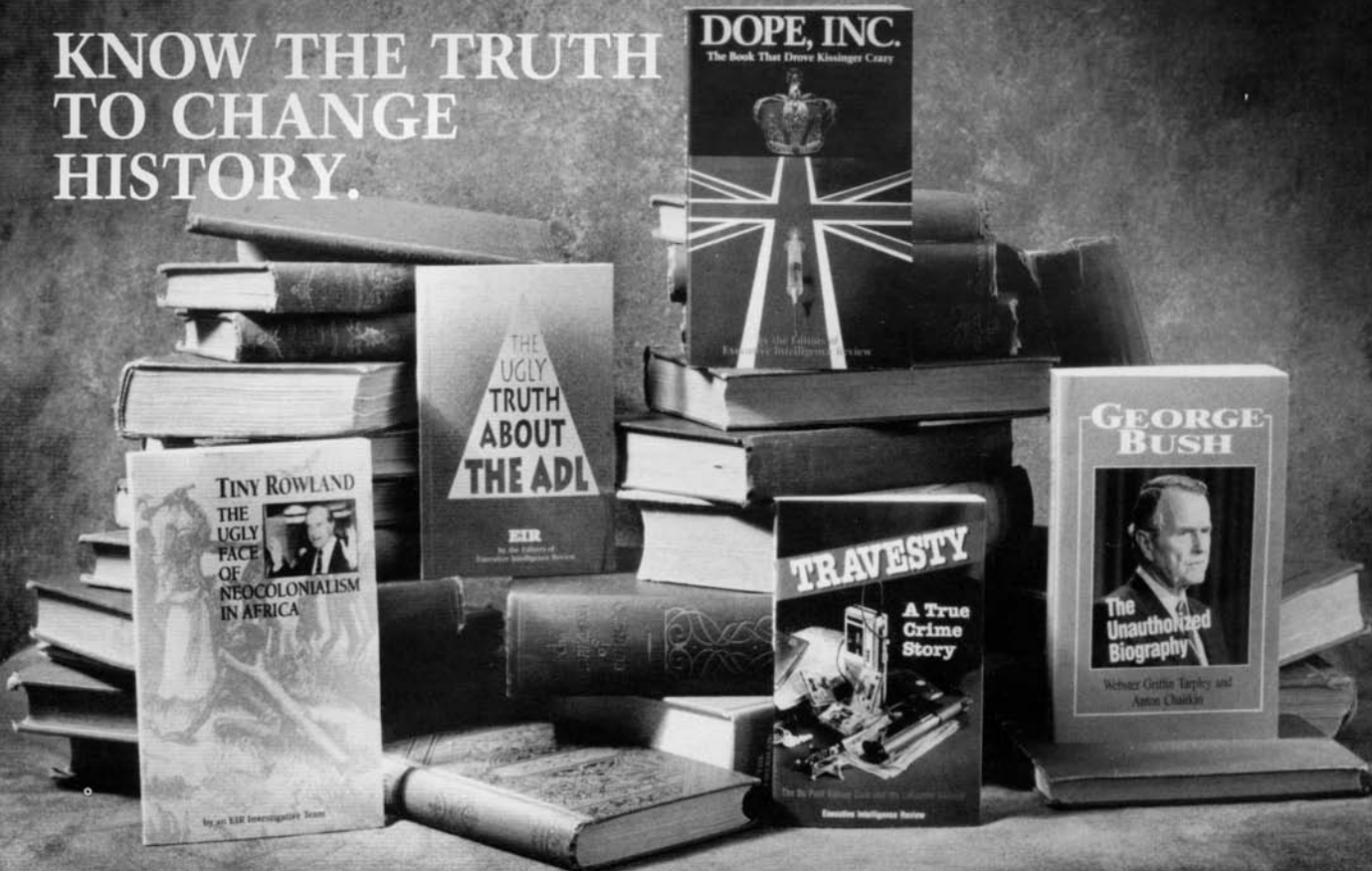
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## From the Editor

**O**ur *Feature* details the evidence that the anti-government assault by so-called Indians in the Chiapas state of southern Mexico, is just a British intelligence operation carried out with the willing complicity of the U.S. State Department and its stooges inside Mexico. It certainly has nothing to do with resistance to the North American Free Trade Agreement.

Lyndon LaRouche's associates, with *EIR* and its sister publication in Spanish, *Resumen Ejecutivo*, playing key roles, have led the serious opposition to NAFTA and other free-trade looting schemes. We have also been the most precise in exposing, for nearly two decades, the *narco-terrorist* phenomenon which is run in the Ibero-American subcontinent by the same free-traders, on the model of the British Opium Wars against China of a century ago.

As we go to press, we learn that the Mexican weekly *Siempre!* has printed a seven-page feature quoting extensively from Lyndon LaRouche and from Marivilia Carrasco, the leader of his collaborators in Mexico in the Ibero-American Solidary Movement (MSIA). So the battle lines are clearly drawn inside Mexico.

In *Strategic Studies*, an Armenian analyst and political figure, Mr. Karen Vardanian, lays out for *EIR* readers the situation in the Transcaucasus, and more broadly the pattern of expanding war which links wars from the Balkans all the way to the border with China. Readers will learn much from his shrewd comments on Russian political developments and on the large vote for Vladimir Zhirinovskiy, characterized by Lyndon LaRouche as "a Third Rome Russian populist"—"the Rush Limbaugh of Russia, owned by the same people who own the Communist Party."

The moral? Beware of populism. Wherever you find a populist movement, be it an "indigenous" concoction in the Americas, the phony "Islamic fighters" being shipped into Bosnia (or their Croatian counterparts led by Mate Boban), the Limbaugh phenomenon directing anti-liberal rage into losing causes in the United States, or the Zhirinovskiy charade in Russia, a closer look is sure to reveal the British oligarchs licking their chops. Not to mention their old cohorts in the Russian KGB, who have taken over the governments of the three Transcaucasian republics and can be expected to use the expanding wars to further the criminal drug trade, among other things.

*Nora Hamerman*

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"In today's world war, the superpowers and international organizations want to act through puppets, through indirect, so to speak, participation, through the blood of other countries and other nations. This is the main distinguishing feature of World War III, and the main danger," says Armenian analyst Karen Vardanian.

**Correction:** In our first issue of 1994, an editorial error appeared in Michael Billington's article, "The 'New Comprador' Plan for Greater China" (p. 78). The conference of overseas Chinese leaders took place in Hongkong, not Hamburg.

## Economics

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# Homelessness, hunger grow for tenth consecutive year

by Anthony K. Wikrent

For officials of U.S. cities, the heralded “jobless recovery” is turning out to be a cruel joke. The economy remains enmired in the Second Great Depression, and the ranks of hungry and homeless continue to grow. Two factors appear to be at work: First, the exhaustion of state and local budgets has blown gaping holes in the “social safety net,” through which uncounted thousands of destitute people have fallen; and, second, formerly “somewhat affluent” people and families who have been tossed aside in the tsunami of corporate restructurings that have supposedly made U.S. companies “leaner and meaner,” have exhausted their savings, and are beginning to appear as applicants for emergency food and shelter assistance.

Ten years ago, the U.S. Conference of Mayors, alarmed at a sudden surge in the number of destitute and homeless citizens needing food and housing assistance in America’s cities, organized a temporary Task Force on Hunger and Homelessness. This past December, the task force issued its tenth annual survey of the 26 cities its members preside over. In introductory remarks, St. Paul, Minnesota Mayor James Scheibel, co-chair of the task force, noted that the task force “was created to work on what we believed would be a serious but relatively short-term problem. Unfortunately for all concerned, it didn’t work out that way.”

“Again this year,” Scheibel continued, “we asked those responsible for delivering services to the hungry and the homeless to tell us what they experienced during the past year. Again this year they reported that requests for help—for both food and shelter—were greater than the year before.”

## A systemic crisis

Reflecting the systemic crisis of falling living standards of the U.S. working class, the task force survey found that 30% of the adults seeking food assistance were employed. “They simply don’t earn enough to buy food for themselves

or their families and at the same time pay for the other basic necessities of life,” Scheibel explained. Scheibel made special note of the fact that, for the first time, families with children comprised as large a percentage of those seeking housing assistance as single men (**Figure 1**).

Los Angeles registered a 35% increase in the number of requests for emergency shelter, including a staggering 50% increase in requests for shelter by families. Of the 26 cities surveyed, only Portland, Oregon saw greater increases: a 43% increase in the number of requests for shelter, including an 88% increase in requests by families. The next largest increases were by Kansas City, with a 24% increase in both overall requests, and requests by families; and Boston, which saw 28% more families requesting shelter.

While Los Angeles reported 10% more requests for food, including 15% more by families, the largest increase registered by the 26 cities in food requests, was by Santa Monica—part of the Los Angeles basin—which reported a 28% increase in food requests overall, including a 35% increase in requests by families. Portland also registered a 35% increase in the number of families seeking food.

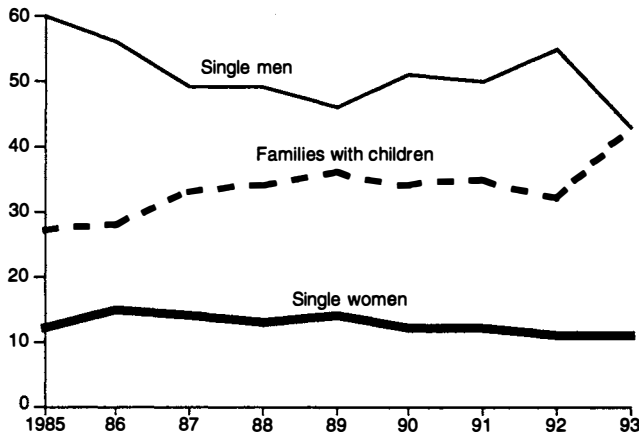
On Jan. 8, officials in Boston reported that the number of homeless families had nearly doubled in the past 12 months. Boston’s annual homeless census showed a total of 4,809 people living on the streets or in shelters, a 9% increase over 1992. But the number of homeless families—men, women, and children living together—was up by nearly 92%, the survey found. There were 38 men, 544 women, and 1,018 children living as families in emergency shelters across the city, compared to 21 men, 290 women, and 522 children at the end of 1992.

At the same time, the number of Boston homeless men and women in state detoxification and mental health programs dropped by 27% and 45%, respectively, according to the census, indicating that people were forced out onto the

FIGURE 1

## Composition of homeless population in 26 U.S. cities

(percentage of homeless population)



Source: The United States Conference of Mayors, *A Status Report on Hunger and Homelessness in America's Cities: 1993; A 26-City Survey*, December 1993.

For the first time, in 1993, families with children were as large a homeless group as single men. Cities covered by survey: Alexandria, Boston, Charleston, Chicago, Cleveland, Denver, Kansas City, Los Angeles, Louisville, Miami, Minneapolis, Nashville, New Orleans, New York City, Norfolk, Philadelphia, Phoenix, Portland, Saint Louis, Saint Paul, Salt Lake City, San Antonio, San Diego, Santa Monica, Seattle, Trenton.

streets.

Boston Mayor Thomas Menino said that the shocking statistics point to the need for more affordable housing, job training, and facilities for the homeless mentally ill. "It is time that every community in this state and nation . . . stepped forward," he said, according to a UPI report.

John Pearson, head of the Community Action Program Office of Children and Family Services for Multnomah County, Oregon, which includes Portland, said, "We tried to pinpoint exactly what the cause is. . . . We are seeing a lot of little changes, and they add up." First, Pearson said, "I think we're getting much better at knowing who's out there as homeless. We have a much better count on how many people are out there, on the streets. We have better information, more refined information."

Then, Pearson continued, a number of local and state property tax measures have had a devastating impact on budgets for social services. This comes at a particularly bad time, just when "more and more folks are getting squeezed out of jobs, or being forced to work reduced hours. So, they make less money, and they're just barely making it. You have a lot of people with less than full-time employment."

This means less income for many people, which in turn means "the stock of affordable housing is getting filled up. People have less wages, and can't afford where they were living. They're getting evicted, and looking for cheaper housing. The problem is, it's just not there."

Pearson noted that the state of Washington had disbanded its general assistance program "long ago," even before the state of Michigan made headlines early last year by shutting down its welfare program.

The biggest problems, Pearson concluded, are the lack of low-cost housing, declining wages, and loss of jobs. "That's pushed more people over the edge. The big changes relate to poverty. If we can reduce poverty, we can solve a lot of the problems."

### A new class of needy people

Arnold Garcia, senior management analyst for the Community Development Department of Los Angeles, said, "The only reason in general [for increasing requests for assistance] has been the reduction in general relief benefits for the low and moderate income population. For example, there is now a longer waiting period for families that receive assistance from Aid for Dependent Children. Before, they could apply for renewal of assistance every year. Now, they can only apply once every 24 months."

Asked about the effect of layoffs from the aerospace and defense industries, Garcia responded, "We've been seeing that happen to people around the Burbank area." Because they once worked in very highly paid jobs, these people have more of a cushion than the chronically un- and underemployed, and substance abusers, who comprised most of the homeless population in the 1980s. Garcia reported that these formerly well-paid workers are now "living in trucks and motor homes. They're having to stay [parked] on streets. So there's a problem, because a city ordinance precludes them from staying in the same area for more than 72 hours."

"Now we're starting to see a new class of needy people," Garcia continued. "At one time or another they were somewhat affluent. The most we can do with our limited resources is provide them with a brochure instructing them how and where to get clothing, or emergency food, or apply for other assistance."

The collapse of state and local budgets is of particular concern. In the Council of Mayors' report, the cities' officials estimated that, on average, they were unable to meet about one-quarter of the requests for emergency shelter. Some 21 cities reported that they were unable to meet all requests for food assistance; in those cities, 17% of the demand for emergency food assistance was estimated to have gone unmet.

The other co-chair of the task force, St. Louis Mayor Freeman Bosley, Jr., summarized the survey findings. "What is the single most important thing Washington can do to make the future a little brighter, to prevent homelessness from occurring in the first place? We posed this question to those dealing with homelessness in the survey cities. The answer from most cities . . . is create more jobs. More housing with supportive services also would help, they said, but an improved economy with additional job opportunities is clearly the key to solving the problem."

# New Malaysian banking system gives usury a good name

by Esmatullah Wahab

The Malaysian government on Jan. 3 adopted an Islamic financial system, with the launching of an Islamic interbank money market and check-clearing system. Adviser to the Bank of Negara (central bank) Nor Mohamed Yakcop, in making the announcement, noted that Malaysia was the only country to have a Muslim financial system that ran parallel to the conventional banking system practiced by the West. "The launch of an Islamic interbank money market and check-clearing system completes the setting up of the world's first full-fledged Islamic financial system in Malaysia," Datuk Yakcop is quoted.

The ironic net result of the monetary mechanisms involved in the shift, Malaysian sources and others make clear, is that it will give usury a good name. At a time when large numbers of developing countries are reeling under the usurious interest policy of the western bankers, and getting browbeaten by the International Monetary Fund-World Bank duo to accept—at a great risk to their economic and political systems—various structural reform and adjustment policies dished out by the IMF, Malaysia's decision to re-name interest as "profit-sharing" will no doubt gladden the heart of the international financial institutions belonging to the dead-end-a-dodo-bird Bretton Woods system. What the Malaysian government has actually done is to convert the bankers' interest into profit-sharing.

Ostensibly, the purpose of adopting an Islamic financial system is to present a counterpoint to conventional banking as practiced by the West. In fact, however, the Islamic financial system, as adopted by the Malaysian government, is basically an endorsement of the western banking system, if not worse.

Malaysia's innovation was prompted by the issue of interest payments, or *riba*, which are forbidden by Islamic law. The Bank of Negara adviser explained how this difficult obstacle was overcome: "The Islamic interbank money market operates on the basis of *al-mudharabah* or profit-sharing, which strictly means that the provider of funds will earn a profit from his investments instead of being paid interest."

Some Malaysian bankers cited in wire service reports said the difference between this Muslim banking practice and

the conventional banking system was "purely cosmetic."

Datuk Yakcop also pointed out that the profit earned from the money lent would be shared between the provider and borrower at a rate that could range from 70-30 to 80-20 or 90-10, depending on the loan period. In other words, instead of paying the lender interest, the borrower will now have to pay the lender a part of the genuine profit resulting from the investment of the borrowed money during the loan period. If the IMF and the World Bank, and other major western bankers, had adopted this Islamic financial system, the developing countries could perhaps have been bankrupted much faster.

While the Malaysian government has succeeded in finagling the complicated issue of *riba*, it is yet to be seen how it responds to the Islamic justice system which one of its provinces is planning to adopt. Thus far the Malaysian government has strongly opposed the Kelantan initiative. If this justice system is given the go-ahead by the sultan of Kelantan for implementation in his own province, which is now under control of the pro-Islamic PAS party, the Malaysian government may have to decide whether to cling to the conventional western justice system at the national level; change over to the Islamic justice system, which is practiced in only a few Islamic countries; or manipulate the situation in such a way that Malaysia can be both an Islamic nation and at the same time be perfectly at ease with the western nations.

## The Pakistani parallel

The thin veil with which the Malaysian government has covered itself to evade the controversy of *riba* is not original. In Pakistan, during the martial law regime of the late Gen. Mohammed Zia ul-Haq, the *riba* issue was also forded with success. General Zia, who maintained a facade as a devout Muslim, had developed an indigenous method to satisfy both the clerics and the bankers, both of whom were his solid backers. By a stroke of his pen, not unlike the imposition of the Islamic financial system in Malaysia, General Zia had decided that bank interest rates—both deposit and lending rates—would fluctuate every week in order to suggest that the bank was really making profits and not earning interest. The all-powerful general's little charade to evade *riba* made both the clerics and the bankers happy.

However, subsequent to the general's untimely death and the return of democratic government in Pakistan, this little charade has fallen apart. The Shariat Bill (Islamic law), which two earlier governments had failed to adopt, was opposed by the clerics and the bankers alike (though for different reasons). Those who did not accept General Zia's charade, but were afraid to speak out lest Islamic justice be dealt out to them, are now openly rejecting it, making it plain that if the Islamic financial system is adopted, it should be a true one and must be free of bank interest. Bankers, on the other hand, are threatening that if banks cannot earn interest, they will not remain viable, and no foreign investment or foreign credit will reach the shores of Pakistan.



# The International Monetary Fund puts Algeria up against the wall

by Muriel Mirak-Weissbach

To understand the drama being played in Algeria, imagine the scene of a thief breaking into a house, armed, who demands of the head of the family all his belongings. The man, a gun pointed at his temple, stutters that he cannot comply with the demand. Why? Because of his wife, standing behind him, also armed with a gun. The thief, making short work of the excuse, says point blank: "No problem, turn around and shoot her." Behind the woman, is the extended family, ready to act.

What should the man do?

That is the dilemma the current government in Algeria finds itself in, caught between the impossible demands being made on it by the International Monetary Fund (IMF) and the consequences, should it fulfill them, for a population which has found its political voice in the Islamist movement, led by the Islamic Salvation Front (FIS).

Algeria, once a relatively prosperous nation in the process of industrializing, has been suffering under the burden of a \$26 billion foreign debt. Servicing this debt absorbs about 80% of the country's foreign exchange earnings, roughly equal to its entire earnings from gas and oil, or \$9.5 billion a year. Furthermore, Algeria requires \$10 billion a year for imports. About \$3 billion is available in credits from France, but the remaining \$7 billion has to be found in credits which are not there. In an attempt to bridge the chronic gap, the government of Prime Minister Redha Malek has been talking to the IMF over the past few months, about possible multilateral refinancing.

Although the IMF is open to rescheduling, and to offering a \$1 billion loan, many of the creditor nations are not. According to a *Financial Times* report in December, Japan, for instance, which has \$4.5 billion in Algeria's long- and medium-term debt, made known that it would stop all credit flows and trade agreements if a multilateral rescheduling arrangement were made. Most of the debt Japan holds is not state guaranteed. A break with Japan would mean not only drying up credits, but also endangering liquid gas and condensate plants being built in Algeria by Japanese companies. France, whose loans to Algeria are a bit larger, has guarantees from its credit agency, and favors some sort of rescheduling. The other major creditor is Italy, which refinanced its \$2.7 billion loan between 1989 and 1991.

What the IMF is demanding as conditions for a little liquidity with which to survive a few months, is deadly. According to the French daily *Le Figaro* of Jan. 4, the Fund has ordered a 50% devaluation of the Algerian currency, an across-the-board subsidy cut, liberalization of trade, "real" interests rates estimated at 33%, and a balanced budget. Since there is a state monopoly on foreign trade, and major industry as well as the service sector are in public hands, this program would wipe out the state's share in industry, with obvious political repercussions among those enjoying employment and economic advantages there. The *Wall Street Journal* proposed on New Year's Eve, that the public sector be simply dismantled, and that shares be given "to the citizens, who would then be free to either hold onto them or sell them in the secondary market." The paper proposed a "debt-equity conversion in order to encourage foreign direct investment," considering that "Algerian debt trades at a significant discount in the secondary market." Finally, it said, if total privatization were not acceptable, deregulation should at least be introduced to enhance private sector competitiveness. The IMF package, concluded the *Wall Street Journal*, is the *sine qua non* of any solution.

On the social level, the IMF recipe would add another 1 million to the unemployment rolls, which already stand at 1.5 million. Only 3.5 million people out of a population of 26 million are employed. Among youth, who make up 70% of the population, unemployment stands at 30-40%. *Le Figaro* has calculated that if the active-labor force were further reduced by a million, ten citizens would be dependent on the salary of one employed person.

## Options confronting the government

The question banking circles have been scratching their heads over is, what kind of government could possibly implement such a shock therapy program? There are basically three options being floated. One is a Pinochet solution, a military dictatorship which calls itself that, and which makes known its intention to eliminate any and all opposition by whatever means. This would lead sooner or later to civil war, of uncertain outcome.

The second option involves a coalition government with some Islamist forces of the opposition, a kind of Allende

approach; the intent would be to force the opposition to shoulder the responsibility and blame for the social fallout from the IMF "reforms." This would break down in short order, and pave the way for civil war.

The third option is a Khomeini-style Islamist seizure of power, which, according to a scenario outlined by the French daily *Libération* on Dec. 20, would ensue if the powerful military were to side with the Islamists, or be divested of power through an insurrection. This scenario would trigger an exodus of foreigners, including vitally needed technicians, not to mention the political reverberations throughout other states in North Africa in a similar financial and social bind.

There is a fourth option, which has not been discussed thus far in public: a government of national unity. *Libération* mentions the idea of a unity government, following electoral reforms which would prevent any party from ruling alone; but the French newspaper proposes that such a coalition be directed to fulfill the IMF conditionalities.

The only hope for Algeria lies in a government of national unity which respects national self-interests and safeguards its sovereignty. This means that it must be founded on a commitment to liberate the country from the stranglehold of the IMF and rebuild the national economy. To understand whether such an option is viable, it is necessary to review the current political and military status of the country.

### **An undeclared civil war**

Algeria is already in a state of undeclared civil war, a fact which has not been acknowledged by the IMF, but which is preoccupying responsible leaders within the French establishment as well as German Chancellor Helmut Kohl. Largely due to the economic breakdown and social discontent created by the IMF prescriptions, the Islamist opposition party FIS asserted itself at the polls as the major party. In 1990, in the municipal election, it garnered 45.6%, and in the legislative elections the following year, it received over 3 million of the 5 million votes cast in the first round. At that point the government cancelled the second round, and since then, has tried to rule with an iron hand. The FIS was outlawed, and social protest was rapidly followed by the outbreak of terrorism, organized by the Armed Islamic Movement and the Armed Islamic Group. According to a Dec. 27 profile by ABC News correspondent John K. Cooley in the *International Herald Tribune*, the vanguard of the terrorists is made up of "the Arab and other Muslim veterans of the 1980-1990 *jihād*, or holy war, trained under the management of the CIA in the arts of guerrilla warfare, terrorism and sabotage to fight the Soviets in Afghanistan." An attempt to pacify the nation by bringing in Mohamed Boudiaf from exile to lead the government, ended in his assassination, attributed to the Islamists but reported to have been organized by a hostile faction within the ruling elite.

Throughout the past two years, the political strength of

the FIS has grown, instead of waning. In addition to the flocks of unemployed youth, there are increasing numbers of middle-class citizens, of all professions, who sympathize with the opposition. Thus, it is difficult, if not impossible, to imagine a solution to the crisis without taking the FIS into account.

Sectors of the government have at various times indicated willingness to negotiate with the FIS, most recently in December, but the conditions posed by both sides preclude agreement. In late January, a government committee will convoke a national conference of electoral parties, but, having excluded the FIS, it has been unable to guarantee the participation of other opposition parties, such as the Socialist Forces Front (FFS) of Ait Ahmed and the former ruling party, the National Liberation Front (FLN). Both have made known that "without the FIS, this meeting would be ridiculous," according to *Le Figaro*. The same paper reported that the Movement for Democracy in Algeria (MDA) of Ahmed Ben Bella shares the same view: "We will not go to the national conference if the FIS does not go, for that would be useless." Spokesmen of the FLN have characterized the meeting and its sponsors as illegitimate, and have called for elections immediately.

In an interview with *EIR*, Rabah Kebir, the leader of the FIS abroad, expressed his party's opposition to the IMF and indicated his willingness to enter into negotiations with other Algerian forces. During a Dec. 17 press conference in Bonn, Kebir had posed as one of the FIS conditions for talks, the establishment of a "free and independent" committee of Algerians representing the political, religious, and judicial layers of the country. He also condemned the brutal murders of foreigners, saying the FIS "was not behind such calls for murder." He stated in his interview that the anarchy was out of the control of the FIS. Clearly, any serious steps taken by the FIS to assume responsibility for overcoming the crisis must include measures to stop the violence.

Most importantly, Kebir alluded to "wise men" within the regime who, it is assumed, recognize the need to deal with the opposition in a manner conducive to stopping civil war and reestablishing national sovereignty. According to the measures introduced after the annulled elections, the High Committee of State has until the end of January to find a solution. It is to be hoped that such "wise men" will demonstrate the ability to articulate a solution respecting the sovereign interests of the nation. This means coming to terms with the economic causes behind the crisis, and with the IMF's role. It means finding the courage to buck the IMF, as the Nigerian government has begun to do.

The man being held up in his own home, with militant wife and family, must use the force of reason to disarm the thief and show him to the door, so that he may set about the most urgent task of making peace in the family, and providing a life outside of crime for his brethren. His future depends on it.

# China's plunge into 'critical year' draws parallels to crisis of 1989

by Mary Burdman

Fears about the growing tensions and economic problems in China helped cause the Hongkong stock market to plunge on Jan. 6-7, its biggest fall since the crash of 1987. The market, which had been skyrocketing for the past year, fell by another 4% on Jan. 12. Reports from Hongkong say that what is causing the most concern is the extent to which even the official mainland press, to say nothing of the "semi-official" Beijing-backed Hongkong press, is reporting the threat of instability in the period leading into the Feb. 10 New Year-Spring Festival, China's most important national holiday.

At the holiday, by tradition, all old debts must be settled and, now, hundreds of millions of people leave home to seek new jobs. At this critical time, China is in the throes of a national policy fight over whether only very rapid growth—Deng Xiaoping's "reform" policy—or more measured development based on solving China's enormous problems of lack of infrastructure and energy, can work. The debate has been public in the official Chinese press for the past year at least, but the stakes are getting ever-higher. Most remarkable is the fact that the official press is alluding openly to the economic crisis of 1988, which led to the national protests of 1989 and to the Tiananmen Square massacre. Leaders of the international Chinese dissident movement have been warning that 1994 will be a critical year for China; their views are already being borne out.

On Jan. 3, the *China Daily* reported that purchase of electronics and household appliances had grown to "ravenous proportions" because of fears of price hikes due to new taxes. In China, "the fear of inflation has repeatedly resulted in large-scale buying frenzies. . . . Still fresh in the public's memory is the shopping frenzy which broke out in 1988, when people hoarded huge quantities of daily necessities—from salt to toilet tissue—fearing price hikes were imminent. The current buying spree seems to be similarly inspired," it said.

Two days later, it was reported that "major Chinese cities are seeing a new gold rush," after it was announced that Beijing was going to end its dual currency system by phasing out the "Foreign Exchange Certificates" beginning on Dec. 29. In Beijing, gold sales were 60 times the normal rate. The currency change may have prompted the "rush," but underlying this is the fact that, as the *China Daily* reported, "Chinese people often buy gold to keep the value of their savings and avoid inflation."

## Emergency food shipments

The critical situation was building in the last weeks of 1993. On Dec. 21, the Beijing government had to impose emergency price controls on 27 basic commodities as prices shot up by 30-40% in Chinese cities in just the previous week alone. Price controls on these commodities had been lifted last May. To keep prices down, the government announced that shopkeepers who exceed the maximum prices will be punished and, according to one report in the European press, 600 officers are deployed to check prices in Beijing.

By early January, it was reported in Hongkong that emergency extra shipments of rice, wheat, and other grains were being rushed to the eight most densely populated provinces and the cities of Beijing, Shanghai, and Tianjin. The provinces are Guangdong, Guangxi, Fujian, Hainan, Zhejiang in the southeast, and Yunnan, Guizhou, and Sichuan in the southwest. The semi-official Hongkong China News Agency reported that an additional 140 freight trains will be used this month to transport 700,000 tons of grain, 100,000 tons more than originally planned; other reports say that the total will reach 4.1 million tons by March. The Beijing Internal Trade Ministry denied the report, but it is taken as credible in Hongkong.

China's farmers, who have been paid mostly with worthless paper "IOUs" for the past three years, despite urgent and repeated efforts by the central government to get local authorities to pay them in cash, were withholding grain from the market after the government announced in early December that it would raise prices 10% in 1994. The "plummeting" of production and reserves of sugar and edible oil will also cause the government to "sharply jack up" prices in 1994, said the *China Daily* on Dec. 4. Farmers' costs are "rocketing" so high that acreage in production dropped "severely" in 1993, and, despite its bumper wheat crop, China still has a grain shortage. It has had to import 500 million tons of wheat a year.

Last year, before the New Year, the government was forced to announce emergency plans to pay all debts to China's 900 million peasants. Consistent reports all year of peasant unrest and appeals in the national media to local officials to lift the burden on the peasants, give the lie to claims by Beijing that the debts had been paid. Now, it is the turn of China's teachers.

On Jan. 12, the State Education Committee announced that China's public school teachers had to be paid by the New Year. Most teachers have not been paid *at all* for the past year, and total pay owed them is \$35 million. Many have left teaching altogether, especially in the countryside, and in the cities many have gone to private schools. But whatever the Education Commission's intentions, it has no funds and no ability to force the local authorities to pay the teachers, Prof. William Jenner of Canberra National University told BBC in an interview. The fact is, the state is giving up responsibility for education in rural China. The number of children getting secondary or even primary education has gone down by *one-third* in rural China since the Deng Xiaoping reforms were first initiated, while the number of children has gone up by one-third.

## Warnings of troubles to come

In this situation, the national government is making some fast moves, but voices of caution continue to be raised. On Jan. 1, China's new tax and banking policies went into effect, without prior announcement. Within days, there were reports that Deng Xiaoping, at 89 still China's center of power, had appeared in various provinces, to demonstrate that he is still alive and to throw his weight behind the fast-track faction. Hongkong's *Wen Wei Bao*, a known mouthpiece for Beijing, announced that he had appeared on Jan. 1 in Shanghai, the place of his last appearance the year before. The *South China Morning Post* of Hongkong quoted one Chinese official saying that "the central [Communist] Party leadership is faltering and the patriarch fears that radical reforms cannot be implemented without a strong center."

## Scientist warns against ecologist 'totalitarianism'

French scientist Haroun Tazieff warned that "ecologist catastrophism" based on a "deification of the earth and nature," could bring about a new Hitlerite "totalitarianism" and foster the murder of millions of poorer, non-white peoples, in an interview in the Paris daily *Le Figaro* on Jan. 4.

Tazieff, who wrote the preface to the book, *The Holes in the Ozone Scare*, and is a leading volcanologist in France, was asked his reaction to the evaluations made by some top meteorologists, who attribute a great and alarming significance to the current bad weather in Europe. Tazieff said that the weather is indeed strange, but it is not abnormal, historically, for the weather to go through some strange patterns.

Tazieff rejected outright the suggestion "that this unruliness is witness to a more important disorder, caused by human industry": "I know nothing about it, and nobody knows anything about it," he said. "There are catastrophists, but I am not one of them. We can talk about a heating up of the climate only insofar as everything is taken into consideration rigorously, by integrating all the measurements of the planet. The majority are happy to observe the climate from France, Switzerland, or Baden-Württemberg."

### Science has no 'democratic majority'

As for the supposed majority of scientists who support such theories as the ozone hole or global warming, Tazieff

answered, "I don't know that, in science, the concept of the democratic majority has any usefulness whatsoever—it could even be a major imbecility. We know of too many new hypotheses that are criticized and fought against by a majority of scientists. Because the scientific majority is like all other corporatist majorities, it groups together the mediocre. Without mentioning that quality which the scientists share with, among others, artists—jealousy."

In this connection, Tazieff cited "the case of Professor Benveniste, and his hypothesis on the memory of water. I don't understand anything of what he is doing, I am incapable of taking a position, but that has no importance. What matters, is that they make the worst problems for a scholar of great value, who is proposing a revolutionary discovery. That is typical." Benveniste and his historic experiments with water were the subject of a witchhunting campaign led by *Nature* magazine, which used extraordinarily brutal measures to ostracize him as a fraud.

Asked about the "alarmist manner of speaking" which many environmental researchers often use, Tazieff said: "Alarmism and catastrophism serve to make some people rich, abet their drive for wealth and vanity. But I strongly fear that this is not the whole problem. In the domain of the environment, I suspect that catastrophism is only at the service of a totalitarianism of a new type, based on the new deification of the earth and of nature. I was 19 years old in 1933, and I shall recall until my last day, that the three first laws imposed by Hitler were the three first ecologist laws in the world. I fear that this movement has, as its only tendency, to separate on one side the rich, white-skinned peoples, including in this the Japanese, and on the other side the impoverished, dark-skinned people with the key point being to put millions of human beings to death."

—Mark Burdman



*Demonstrations at the United Nations in February 1992 protested Bush's meeting with Prime Minister Li Peng, the butcher of Tiananmen Square, during U.N. meetings. Leaders of the international Chinese dissident movement warn that 1994 will be a critical year for China. Li Peng himself voiced official fears of the instability that the reform drive will cause.*

However, local Shanghai authorities refused any comment on the story, AFP reported, and China is full of rumors that Deng is dying, which is one of the contributing factors to the plunge of the Hongkong stock market.

Prime Minister Li Peng gave a sober interview on Jan. 3 with the *China Daily*. While speaking of a "new era," he also said: "The better our situation, the more cautious we should be in pushing forward the reform drive. . . . Too-rapid strides in price reform would cause instability, and the recent panic buying of grain in some areas is a lesson to all of us." State control is still necessary on prices of commodities which affect the national economy and livelihood of the people, Li said, calling still-to-be-made price reforms on oil, electricity, rail tickets, and other commodities "the hardest nuts to crack."

The "Economic Blue Paper" for 1994 said that China's rate of economic growth has peaked and is expected to slow down in 1994, the *China Daily* reported Dec. 16. Economists of the State Council, the Academy of Social Sciences, and State Statistical Bureau all predicted that the Gross National Product will grow by 10% in 1994, down from 13.5% in 1993. The fall in growth is attributed to a shortage of raw materials, inadequate transport, continuous price hikes, and the government's retrenchment program implemented in July. The economists called for China to adopt a "soft landing package" to further cool down economic growth.

Farmers' incomes are expected to remain very low, and to only rise at half the rate of city dwellers. In addition, the central government's financial problems will remain as serious as in 1993, with a rapidly growing budget deficit. The foreign trade deficit is also expected to continue, but the current big gap between imports and exports is expected to close. While some economists called for allowing the central bank to carry out independent monetary policies, there was also concern that the large-scale state enterprises, one-third

of which are already bankrupt, could collapse once banks are no longer obligated to extend credit to them.

On Dec. 28, the State Statistics Bureau said that China's Gross Domestic Product growth will total 13% for 1993, and the rate will drop to 10% in 1994. After the turn of the year, Wang Changsheng, deputy director of the State Information Center's Economic Department, said growth would be slowed down to 9-10% in 1994, in a bid to end China's recent history of "boom-and-bust economics."

"China should act with caution in 1994, as it needs a stable financial market to pave the way for its bold reforms," Wang told the *China Daily* in an interview Jan. 2. *Wen Wei Bao* cited "top Chinese leaders" on Jan. 7, saying that they plan to curb excessive growth in coming years. "If reforms are not carried out well, the scale of infrastructure projects jumps and prices rise rapidly, there will be social disruption and [China] will miss an opportunity," *Wen Wei Bao* quoted an "authoritative source" as saying.

Other articles gave even more serious warnings. On Jan. 5, a front-page commentary in the official *Economic Information Daily* stated: "Without stability we do not have anything. Without a stable social environment, we will not accomplish a thing. . . . If an enterprise cannot pay its salaries or if it has to borrow money to pay salaries, this is a problem of the distribution of benefits. If it is not handled well, there will be trouble."

In the national *China Youth Daily* of Jan. 4, an article by a researcher at the Chinese Academy of Social Sciences raised the most serious question facing China: What will happen when Deng finally dies? "Of all the variables in the contemporary Chinese political structure, the least certain is the question of unity during the period of transfer of power" from Deng's generation to younger leaders, the article stated. "If the process of transferring power is mishandled, the consequences would be disastrous."

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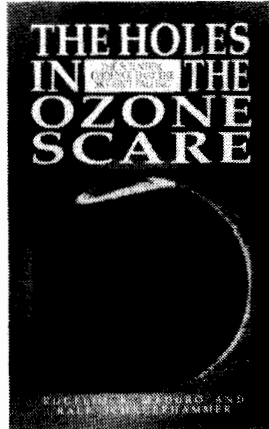
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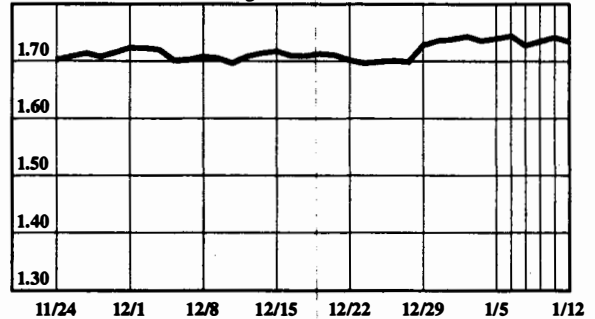
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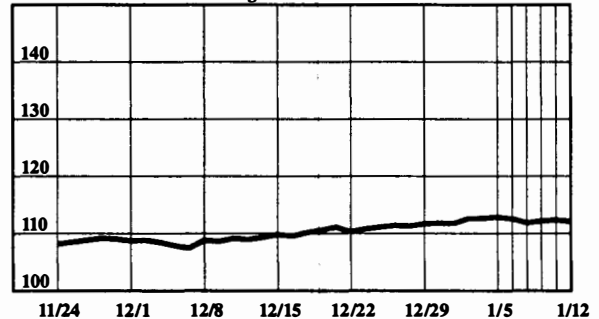
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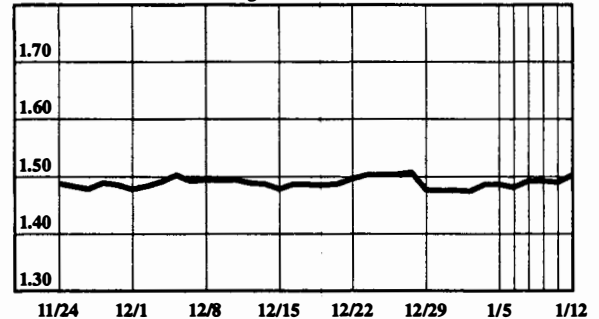
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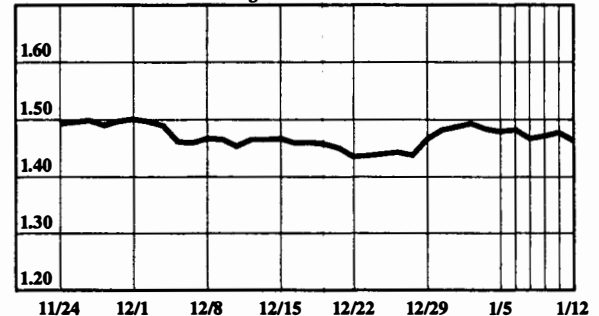
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## Farm debt moratorium required

*The Farmers Home Administration did wrong by farmers in 35% of foreclosure cases.*

**T**he Farmers Home Administration, the government lender of last resort to farmers, announced in January that 35% of the loans in foreclosure which were submitted to the agency for review under Agriculture Secretary Mike Espy's 1993 partial moratorium, were found to have errors in the foreclosure proceedings. This means that 35% of the time the agency did not go by the book in placing the loan in foreclosure. Nor did the FmHA offer the farmer all of his servicing rights under the 1987 Agricultural Credit Act, which offered various loan restructuring plans for delinquent farm loans.

Responding to the report, Food for Peace activist and South Dakota farmer Ron Wiczorek, whose own request for loan servicing has been denied, said, "A 35% overturn of these cases by the FmHA is intolerable. What about the farmers who didn't even apply for a review? Did those 1,800 farmers give up because they could no longer expect fair treatment from their government agency?"

"Contrary to what FmHA spokesmen say, these farmers are not bad managers. They are in this plight because it is actually the policy of the FmHA and USDA to put the family farmer out of business. If 35% of the cases reviewed showed mishandling by the FmHA, what about all the farmers who were put out of business prior to the moratorium? Shouldn't they expect fair treatment also?"

Espy's March 6, 1993 offer of a moratorium until loans in foreclosure were reviewed, came amid a broader fight initiated by Food for Peace for a full moratorium on farm loans pending an investigation into the practices of

mob-linked bankers, such as Minneapolis-based Carl Pohlad, who are using farm loans as speculative instruments, looting farm banks, and depriving farmers of credit.

In the fall of 1992, during the presidential election campaign, Food for Peace activists, together with civil rights leader Rev. James Bevel, had organized hearings in the Dakotas and Nebraska, where farmers testified that police-state measures were being used to enable certain financial interests, grain traders, and meat cartels to centralize control over agricultural resources and asset-strip the farm economy.

Many of these hearings were chaired by Washington State Supreme Court Justice William Goodloe (ret.), and the proceedings, known as the "Goodloe Report," were widely circulated. It concluded that "the finance industry in North and South Dakota is operating under a collusive plan to liquidate farmers by unlawful overreaching, foreclosures, and work-outs. This plan is being implemented to create a unification of land under central ownerships, forcing citizens to leave the region by the tens of thousands, leaving economic depression behind."

In South Dakota, Food for Peace activists demanded an investigation in the legislature, and 100 farmers showed up at hearings to testify in early 1993. In the midst of this furor, on March 6, 1993, at the national convention of the National Farmers Union in Sioux Falls, S.D., Espy announced a partial moratorium which affected a tiny percentage (2,500-3,000 farmers) of the farmers involved in the FmHA's direct lending

program. The moratorium did not affect loans to farmers from commercial banks, some of which are guaranteed by the FmHA, nor did it affect the nation's second largest farm lender, the Farm Credit System.

The Government Accounting Office calculates that as of September 1993, over one-third of the 225,000 direct loans of the FmHA were delinquent. Many more farmers adversely affected by weather over the last two years, including the flood of 1993, and a decade of prices of less than 50% of parity (what it costs a farmer to produce plus a reinvestable profit), will find themselves in bankruptcy over the coming year, unable to make loan repayments or finance inputs.

According to the Nov. 25 *Agri-News*, Iowa farm income is expected to drop 25% during 1994. An Iowa State University study, reported in the January 1994 *Farm Journal*, says that two-thirds of the state's farm families didn't earn enough to meet living expenses in 1993.

A moratorium is on the table again. The question is whether farmers will allow themselves to be bought off by crumbs, such as the latest Department of Agriculture gambit of providing funds for "rural development." Some farmers will be given funds to produce specialty crops for yuppie markets while people around the world starve. The alternative is presented by economist Lyndon LaRouche, to rid our thinking of free market axioms which allow food to be treated as a commodity or asset for speculators, and to engage in a political fight to enforce parity pricing and rebuild the entire economy.

Unfortunately, the opposite view was expressed by the new director of the FmHA, former Farmers Union lobbyist Mike Dunn, who said that better supervision of FmHA's lending programs was needed.

# Business Briefs

## Health

### German officials urge ban on cows from Britain

The federal public health office in Germany has called for a general import ban on British cows and beef because of the spread of bovine spongiform encephalopathy (BSE) in Great Britain. There, every week, about 700 to 750 cows become infected with this deadly disease, which affects the central nervous system.

The agent for BSE has not yet been isolated, and the disease can also be transmitted to sheep and other animals. Experts believe that infection of humans cannot be excluded.

Leading German scientists are supporting strict measures against importation, and have warned the government not to make the same mistakes, including lack of response to the threat, as it did at the beginning of the AIDS outbreak. They have called for a coordinated approach and an increase in research in order to detect the agent.

## Africa

### Nigeria jettisons IMF 'reforms'

Nigeria "effectively abandoned the market reforms of the past seven years," when Gen. Sani Abacha, the new head of government, announced on Jan. 10 that he was fixing the Nigerian currency, the naira, at 22 to the dollar, the *International Herald Tribune* reported.

Abacha announced that he had taken steps to prevent the free flow of imports in order "to create a favorable atmosphere for economic revival. . . . Government will actively monitor this decision." Under the International Monetary Fund (IMF) "structural adjustment" program introduced in Nigeria in 1986 by now-ousted General Babangida, the naira had tumbled in value, and was trading at about 48 to the dollar.

The break with the IMF and the World Bank has caused "consternation" among international financial institutions. It is "one of the

most damaging setbacks so far to a general trend toward market economics in Africa," the London *Financial Times* reported on Jan. 12. The Abacha government has "dropped even the rhetoric of transparency and financial accountability," the paper said. It reported that the new budget "gives priority to some notorious projects such as the Ajaokuta steel works, the aluminum smelter, and the new capital in Abuja."

Abacha announced in his 1994 budget speech that all foreign exchange offices would become agents of the Central Bank of Nigeria. "As such they are to henceforth sell foreign exchange at the rate prescribed by the CBN," he said. The foreign exchange offices must "therefore not sell [foreign exchange] to finance imports nor should they sell more than \$2,500 or equivalent to any customer."

Interest rates are expected to drop down to between 12 and 21%, compared with current levels of up to 60%. In response to statements that the decision puts the country "on collision course with the IMF," General Abacha said, "It is no longer enough to insist on reforms whose patterns of effects have been catalogued country after country and yet for the international community not to appreciate what are the likely outcome of changes that it advocates."

## Dope, Inc.

### Mafia has 'British connection,' says paper

The ease with which criminal money can be laundered through the financial networks of the British Commonwealth has encouraged the highest levels of the Sicilian Mafia to locate many of their operations in London, the Italian daily *Corriere della Sera* reported on Jan. 3. The recycling of dirty money has reached such "shocking dimensions," that one can now speak of a "British connection" to the Sicilian-based mafia, it said.

This exposé confirms, in significant part, the charge made in 1978 in *Dope, Inc.*, a book commissioned by Lyndon Laouche, that British "offshore" arrangements are the key to

international drug-money laundering. The paper points implicitly to the British monarchy's role in protecting money-laundering globally.

Over the past 10 years, leading mafiosi have flocked to London, as the ideal location to "wash" drug money. In London, the paper comments, "dirty money never stinks. . . . The islands of Great Britain are full of offshore firms, which have transformed the islands into authentic fiscal paradises." These "offshore" businesses have "privileged relations with the countries of the Commonwealth," and meet "no serious obstacles" in money laundering.

*Corriere* stresses that British banks notoriously "ignore the source of their clients' money." There are various "white collars above suspicion" who are selling "precious advice on financial flows" to their best clients, and the criminal outfit Cosa Nostra has learned to exploit this to its own advantage. Reliable sources report that the United Kingdom has been chosen by Italian organized crime as their "secure hiding place."

## Japan

### Government paralyzed amid economic crisis

"The Hosokawa government is paralyzed," a senior Japanese source told *EIR* recently, which is "a mere reflection of a more serious paralysis overall," including the economic crisis. The Liberal Democratic Party "has evidence it is about to make public, not only that Hosokawa's power broker, Ozawa, is tainted with taking large sums of campaign money from Sagawa Express transport firm, but that [Morihiro] Hosokawa also took from the same. It has paralyzed the government entirely. By now Hosokawa has lost most of his business backing, and the minute the LDP can reveal firm proof Hosokawa took the payoff, Hosokawa is out. I foresee at least six months of political and economic confusion."

Regarding the weak economy, the source noted, "No one now wants to buy stocks. Only by . . . ordering large public pension funds to buy more stock did the government manage any stabilization of the Nikkei before the



March 31 fiscal year end of 1993. On the side of industry, it is not sales of goods per se that is the problem. Rather, during the 1985-90 'bubble economy' years, companies invested huge sums in new capacity. As a result, now they have enormous unused capacity. Thus, the companies are not making the usual capital investment, so they don't need bank loans. Banks for their part are still sitting on a huge mountain of bad real estate debts from the excesses of the 1980s, far, far more than the bank of Japan and Ministry of Finance will admit. So, banks are very reluctant to lend to business, instead making money in money market and derivative activities.

"It is very unhealthy. . . . Since the collapse of communism in 1989, the consensus on where to head and with whom, has broken down. It is still not at all clear to us, if we try to rebuild something with the United States, whether Asia will allow a stronger Japanese presence, what will happen in Europe. . . . It all leads to the present, very dangerous paralysis."

### **Middle East**

## **Jordan and PLO sign banking agreement**

Jordan and the Palestine Liberation Organization signed an agreement on Jan. 7 on cooperation on banking and financial matters. Observers believe that the deal should clear obstacles in the path of infrastructure projects, which could begin by the end of January.

The Italian daily *Corriere della Sera* noted that the conflict between Israel and Jordan over which would sign an economic cooperation agreement with the PLO, had arisen because both wanted access to World Bank funds, estimated at \$2 billion.

Once the board of governors of the Palestinian economic council approves the priorities discussed between the PLO and World Bank, and the engineering consultants have been appointed and the designs approved for the projects, the bids can be prepared. The projects, which include municipal roads, schools, housing in the refugee camps, and solid waste treat-

ment, can then begin immediately. If no further obstacles arise, concrete evidence of progress should be visible within two months.

Under the agreement, the Jordanian Central Bank will have wide-ranging monetary responsibilities in the Occupied Territories. The Jordanian dinar will remain the legal tender, as it has been during the Israeli occupation. The deal allows for "international and Arab currencies" as well, referring to the Egyptian currency, to be circulated in Gaza, and to the dollar, which will be used, not as legal tender, but as a "means of settling accounts between the Palestinian National Authority and the projects financed by the World Bank." The agreement will also allow Jordanian banks to reopen branches in the territories.

Mohammed Z. Nashashibi, chairman of the PLO Economics and Planning Commission, said the agreement was "positive for both sides" and one which "will increase coordination between the Palestinians and Jordanians." On Jan. 8, he told *EIR* that the PLO got more than expected, referring to Jordan's acquiescing to greater PLO say in banking. The Jordanian banks will be reopened in the West Bank and Gaza only "after PLO consultation," and a "Joint Technical Committee will take care of all financial, fiscal, and monetary issues in the Occupied Territories," and not the Jordanian Central Bank alone, as Amman originally demanded.

### **International Credit**

## **Ramos vetoes cuts in Philippines debt service**

On Dec. 30, Philippines President Fidel Ramos vetoed a congressional attempt to cut back on debt service payments in the 1994 budget to service the \$33 billion foreign debt. Congress had chopped \$1.10 billion in debt payments from the budget, the biggest cut in Ramos's \$13 billion spending plan.

Congress can overturn the presidential veto through a two-thirds vote of both houses, but Ramos allies now control both the Senate and the House and a veto override is not considered likely.

## **Briefly**

● **RUSSIA'S** industrial production fell by 16% in 1993, on top of a drop of 18% in 1992, according to figures released by the state statistical committee on Dec. 30, Interfax news agency reported. And on Dec. 29, Deputy Prime Minister Yuri Yarov stated that 49.1 million Russians, about one-third of the population, live below the "minimum for survival" level.

● **INDIA** plans to seek China's help to expand its coal industry, a government statement said on Jan. 7, Reuters reported. India expressed interest in China's experience and technology in mechanized long-wall underground mining. China, the world's largest producer of coal, produced 1,140 million tons in 1992-93; India mined 238 million tons.

● **SUDAN** President Omar Hassan al-Bashir announced plans on Jan. 1 to build the al-Hamadab dam across the Nile River north of Khartoum, Reuters reported. The project "means the end of poverty" because it will meet all Sudan's agricultural and industrial needs, he said.

● **TAIWAN'S** national oil company has received government approval to explore for oil and natural gas with China in disputed fields in the East China Sea, the *United Evening News* reported on Jan. 3. "It would be too late to cooperate . . . if we wait until after the mainland awards fields we claim to a foreign firm," an unnamed Chinese Petroleum Corp. official said.

● **BRISTOL-MYERS SQUIBB**, the drug company, announced a restructuring on Jan. 4 that will eliminate 5,000 jobs worldwide out of a work force of 51,000. In the next two years, 3,500 workers will be laid off, while 1,500 will leave under "early retirement." Company stock shot up \$1.25 per share in response to the "good news."

● **JAPAN** will give Zimbabwe \$7.4 million to build roads and water reservoirs in remote rural areas, in an agreement signed on Jan. 6.

## Shining Path North narco-terror hits North America

by Cynthia R. Rush

In less than two weeks, the narco-terrorist grouping known as the Zapatista National Liberation Army (EZLN) has transformed Mexico's domestic political situation in a breathtaking and very dangerous fashion. As a result of the EZLN's military assault on six towns in the southeastern state of Chiapas on Jan. 1, and President Carlos Salinas de Gortari's capitulation to the fierce domestic and international pressures which followed, the very existence of Mexico as a sovereign nation-state is now jeopardized, with implications for the stability of the entire hemisphere, including the United States.

As we document below, the EZLN's assault in Chiapas and its claims to be acting on behalf of impoverished Mayan Indians of the region against an "authoritarian" Army and free trade economic policies, is a fraud. Rather, this *northern* version of Peru's murderous Shining Path (*Sendero Luminoso*) terrorists represents a new phase in the Anglo-American establishment's plot to dismember the sovereign states of Ibero-America, along with their most vital national institutions—the Army and the Catholic Church—and eliminate from the hemisphere all vestiges of western Christian civilization.

The destruction of the Mexican Army is a necessary objective of the Chiapas insurgency to clear the way for dividing the nation into warring ethnic enclaves not unlike those created with the aid of British intelligence in former Yugoslavia. Mexico is only the first target. Almost overnight, the surfacing of the Chiapas insurgency has activated a continent-wide terrorist and "indigenous" support apparatus whose leaders are loudly predicting similar violence in their nations. At the center of this mobilization is the São Paulo Forum, the Cuban-created umbrella group of the continent's leftist and narco-terrorist organizations.

### **British intelligence is EZLN's mother**

*EIR* warned over a decade ago of plans to bring the barbaric warfare of Peru's Pol Pot-like terrorists to Mexico. We said at the time that Quechua Indians did not



Indians in Zinacatlán, in the western area of the Chiapas highlands, among the areas being terrorized by the narco-terrorist killers.

create Peru's Shining Path; foreign anthropologists and ethnologists trained in London or at the Sorbonne in Paris did, as part of a project designed principally by British intelligence. The pawprints of Anglo-French ethnologists, who made Mexico their laboratory for such operations, are all over the Chiapas project. Earlier in this century, such French ethnologists as Paul Rivet, Jacques Soustelle, and Claude Lévi-Strauss conducted detailed profiles of Mexico's Indian populations. We show in this report that a sophisticated Shining Path-like narco-terrorist apparatus, with an "indigenous" cover, has been operating in Mexico for years. The international media's line about desperate Indians spontaneously rebelling against oppression, is a lie.

In 1847, it was the British who instigated a violent uprising of the Mayan Indians in Mexico's Yucatán Peninsula against the state's *mestizo* population, as part of their geopolitical gameplan for the entire region. Under the direction of British intelligence's Lord Palmerston and his protégé Giuseppe Mazzini, creator of the insurrectionary Young Italy and Young Europe, similar "Indian" and other wars occurred throughout Ibero-America, designed above all to balkanize the continent and smash any nascent nation-building tendencies which threatened the dominant role of free trade policies.

Today, it is the financial and political institutions demanding the continued imposition of British free trade, and the phony "democracy" which goes along with it, which organize and finance the continent's many "Indian rights" movements. These include the Inter-American Development

Bank and the World Bank, as well as the Inter-American Dialogue, a type of Trilateral Commission for Ibero-America. Parading around spokesmen such as Guatemala's terrorist leader Rigoberta Menchú Tum, their purpose is not only to destroy national sovereignty but exterminate those very Indian populations they claim to defend. Over 25,000 Peruvians have died over the last decade as a result of Shining Path's bloody warfare.

Mexico's *Siempre!* magazine was the first outside of *EIR's Resumen Ejecutivo* to counter the enormous psychological warfare and lies about the causes of the Chiapas violence by publishing an extensive interview with Marivilia Carrasco, a leader of the Ibero-American Solidarity Movement (MSIA) which shares the thinking of American statesman and *EIR* founder Lyndon H. LaRouche, Jr. The Anglo-American establishment, Carrasco stated, "uses indigenism as a weapon against nation-states. They have deliberately created an ethnic strategy. . . . London universities did the ethnic profiles of the nations which made up Yugoslavia. . . . Of course, this couldn't happen without the economic policies of the International Monetary Fund and the World Bank. The Yugoslavian situation we now see reflected in southeastern Mexico and in Central America."

Initially, the Mexican government's response to the EZLN assault in Chiapas was that "this is not an Indian uprising." Ruling out negotiations with the terrorists, government communiqués reported that 30% of the EZLN's membership, which it estimated could number in the thousands,

was Central American. While some of its members may be Indians, the government concluded, its leaders were *white* professionals, "experts in conducting acts of violence and terrorism, well educated, both Mexican and foreigners."

On Jan. 6, the Interior Ministry issued a detailed profile of the EZLN's sophisticated capabilities, including its weaponry, 15 training centers, 172 communications bases, and methodology. It also charged that priests belonging to the Catholic Church's liberation theology faction, represented in the Chiapas diocese of San Critóbal de las Casas by "red bishop" Samuel Ruiz, are a crucial element in the EZLN's organization. In his Jan. 9 homily in San Cristóbal, Ruiz referred to the Zapatistas as "our rebel brethren" who took up arms only because they had reached the limits of tolerance for "an accumulation of aggression." Ruiz's supporters likened him to the late pro-terrorist archbishop of El Salvador, Oscar Arnulfo Romero.

Almost immediately, the domestic and international human rights lobby, as well as spokesmen for the São Paulo Forum, went into high gear. Even though the Army had been ordered to respond only defensively, it was accused of indiscriminately bombing the region's Indian population and violating their human rights.

Presidential candidate Cuauhtémoc Cárdenas, whose Revolutionary Democratic Party (PRD) belongs to the São Paulo Forum, accused the Army of preparing to implement a "scorched earth" and "strategic hamlet" policy, and demanded a unilateral cease-fire and involvement of foreign human rights agencies and non-governmental organizations. In this he echoed Samuel Ruiz, who also offered to mediate in the crisis. International media echoed the hysterical attacks on the Army made by Amnesty International and Americas Watch, whose representatives traveled to the region to monitor the situation. No media covered the Defense Ministry's Jan. 11 statement refuting these accusations and explaining its strategy in the region, including the fact that it is providing protection and food and medical assistance to the population.

### **An about-face**

The Salinas government's vulnerability in the face of these pressures is that it includes within it factions linked to the very narco-terrorist insurgency which has surfaced in Chiapas. From the very beginning, individuals such as Foreign Minister Manuel Camacho Solís urged "prudence" in dealing with the crisis, and he specifically demanded that the Army be restrained from acting aggressively to defend national sovereignty. Negotiation, Camacho argued, was the only viable route. Beginning on Jan. 2, Camacho maintained constant phone contact with Samuel Ruiz.

Salinas is also hostage to international banks and Wall Street investors on whom he depends to maintain the myth that Mexico is in good economic shape. The "mini-crash" of the Mexican stock market on Jan. 10, was an additional factor in finally causing him to capitulate to those who would drive

Mexico into the same type of U.N.-brokered power-sharing arrangement with terrorists which has had such devastating consequences in El Salvador.

On Jan. 10, Salinas announced that he was sacking his interior minister, Patrocinio González Garrido, who as governor of Chiapas before joining the cabinet had taken a hard line toward the region's pro-terrorist networks. González's replacement was Jorge Carpizo, who prior to being named attorney general had run the National Human Rights Commission, from where he directed several witchhunts against the Army. In addition, Salinas named Camacho Solís as "Commissioner for Peace and Reconciliation."

The international media, Wall Street, and the U.S. State Department greeted the cabinet shakeup with approval, lauding Camacho as a "reputable" figure and noting that this meant Salinas was seeking a "political rather than a military solution." The Mexican stock market had a miraculous comeback one day after the announcement. Salinas ordered a unilateral cease-fire, in which the Army would respond only if attacked, and Camacho traveled to Chiapas, met with Ruiz, and held a press conference in which the bishop proclaimed himself the "interlocutor of the entire Mexican church, supported and accompanied by the church in an explicit and incontrovertible form."

Some of the Anglo-American establishment's more fanatical policymakers stupidly think that it doesn't matter whether nations such as Mexico sink into anarchy or civil war. They operate according to the malthusian plan to write off the Third World, erecting what amounts to physical walls, "Limes," between North and South as did the Roman Empire. This is a version of the 1975 plan devised by Rockefeller Foundation agronomist William Paddock, who recommended closing the U.S.-Mexico border to create the internal social and economic chaos that would slash Mexico's population by 30 million people.

There will be calls for precisely such steps to be taken as indigenous terrorism inevitably spills over the border from Mexico into the United States over the coming weeks and months. There have already been bombings and threats made to Mexican consulates in more than one U.S. city, and Maoist groups such as the Revolutionary Communist Party are prepared to launch terrorist actions inside the United States in defense of the EZLN. Thus, the destabilization of the United States will be the lawful outcome of Mexico's destruction.

Or, the Anglo-Americans may well decide to activate the option that U.S. think-tanks and foundations have churned out for years: the U.S. military will have to intervene into Mexico to "protect the oil fields" or U.S. citizens in the event of a Marxist terrorist insurgency. This option was publicly raised as far back as 1980 by the Institute for Policy Studies and by Henry Kissinger's Center for Strategic and International Studies, which presented scenarios of a potential U.S. military occupation of Mexico's oil fields based on a projected terrorist upsurge along the Mexican-Guatemalan border.

# LaRouche: 'This is a foreign invasion'

*Lyndon LaRouche made these comments on the Zapatista insurrection in his weekly radio interview with "EIR Talks" on Jan. 5. The interview is put up on satellite each week and is accessible to any radio station.*

This is *not* an indigenous movement. This is, together with the Guatemala insurrection, organized from *outside* Central America. Most of these movements in Central America were organized from *outside* Central America by people such as anthropologists sometimes working under the cover of missionaries. These are *intelligence officers* of foreign intelligence services in the United States and elsewhere. We have documented this operation in the four southwestern states of Mexico, including Chiapas, *for ten years*. So this is not something that came up recently in response to the North American Free Trade Agreement [NAFTA] or anything else. *That is absolute nonsense.*

The context for the occurrence of this at this time, is not so much NAFTA; the context is an operation run through people like Luigi Einaudi, the former senior plotter for the Western Hemisphere of the State Department, a man who is less well known but much more capable, for example, than a Henry Kissinger, by far. Einaudi set up an operation whose objective is to destroy the military and church institutions, that is, the Catholic Church and the military, and other nation-state apparatus, in all of the countries south of the U.S. Rio Grande border. That's policy which we've documented in *EIR* again and again and again, in great detail, right from the documents produced by the circles of Luigi Einaudi and others.

There are those in the State Department and elsewhere who are behind this. This comes together with the first major attack on the Mexican Army as an institution. Other armies have been attacked: the attempt to destroy the Peruvian Army, which is an Indian-based army; the attempt to destroy (naturally) the Argentine Army, the Brazilian military, the Venezuelan military; the Chilean military is targeted, though it's been treated more carefully than others; and now, after El Salvador, after Guatemala, finally, these fellows get around, with Luigi Einaudi's policy, to destroying the Mexican Army.

## A two-pronged attack

They have two ways they do it. They try to blame the Mexican Army—falsely—for the massacre, so called, in

Tlatelolco Square in Mexico in 1968, the so-called student shooting, which was done by snipers from the roof, who were *not* Army, and it was done *against* the Army. The snipers were shooting against the Army, as well as against the students. It was a provocation, which is a long story.

You have the simultaneous launching of [the Chiapas insurrection and] the attack on the Army on the issue of the square, where the films from that period exist which show who was doing the shooting. The São Paulo Forum movement, which is working with Cuauhtémoc Cárdenas in Mexico, accuses the Army of the massacre of 1968, which is a complete lie, and they all know it. But this is being steered from the United States, or from certain forces in the United States.

At the same time, they take a longstanding capability which has been built up on the Guatemala border in four southern states of Mexico, including Chiapas. They use in part the camps of Guatemalan refugees as one of the bases, and they use Guatemala itself as a base for organizing. The people who are doing the organizing of this Zapatista bloody sideshow are *foreign* (chiefly) anthropologists and missionaries.

These are the covers used by the foreign intelligence services, non-Mexican intelligence services, which created and are running this operation which they have built up over the past ten years, using in part the cover of the indigenous peoples' movement, which in point of fact is nothing but a foreign intelligence operation and a cover for *destroying* the nations of Central America, Peru, and so on.

The Mexican Army, which is a very small army, although a competent one, is now forced, through an attack on its borders by foreign-based, low-intensity-warfare operations against the integrity and institutions of the nation of Mexico, to act to defend its nation, just as if Cuba under Castro had sent an armed force using some U.S. recruits, say, the Weathermen, of several hundred people, into the state of Florida and was shooting up Dade County. This is a *foreign invasion*, in fact, even though it uses nationals as part of the operation. And thus the Army has to operate to defend the nation against warfare conducted covertly by a foreign nation.

Remember that Cárdenas has involved himself in the São Paulo Forum, which is run through Lula [candidate of the Workers' Party] in Brazil, which also ran the Causa R [Radical Cause] party in Venezuela, which is coordinated by the U.S. secret operations through Fidel Castro, and it is the São Paulo Forum, of which Cárdenas's movement has become a part, which is the successor to the Communist International in the attempt to destroy the Spanish- and Portuguese-speaking part of the Western Hemisphere from within, *with these kinds of low-intensity operations*. And the key, the most dangerous people involved, the most corrupt, the most evil, run under the cover of anthropologists or ethnologists, as they're called in France.

# The Shining Path apparatus in Mexico

The Peruvian narco-terrorist group Shining Path has an important support network inside Mexico. Given the freedom with which that network operates, it would appear that it has the protection of high-level government circles. There is no other explanation for the fact that a group of Mexicans, various of whom have known terrorist or pro-terrorist backgrounds, felt confident to sign their names to a paid newspaper ad backing Shining Path, and later reiterated the support.

It is public knowledge that there exist in Mexico organizations modeled on Shining Path, such as Peasant Torch (Antorcha Campesina), the Workers Party, and the Independent Proletariat Movement. Further, as the magazine *Proceso* revealed in 1992, there also exists a large number of “former” militants of communist organizations of every stripe occupying posts of varying importance in the current Mexican government.

Although the authorities have minimized the fact, Shining Path operates on Mexican territory, as was demonstrated by the attack against the Peruvian Embassy in Mexico in May 1992, during which a dead dog was hung at the entrance, Shining Path’s signature warning when they are going to assassinate someone.

In a letter in the government daily *El Nacional* on March 7, 1992, Hugo Garavito Amézaga, a Peruvian columnist living in Mexico, wrote: “Mexico has a primary role, together with other pro-Shining Path international centers—France, Belgium, and Sweden—because of its influence in Latin America and as a pathway to the United States. According to the correspondence of Abimael Guzmán, the support of the Mexican group, the José Carlos Mariátegui Cultural Center, has existed since 1984.” It is believed that, apart from propaganda and recruitment, one of the functions of the Peruvian Shining Path apparatus in Mexico is to help in laundering drug money and in trafficking in weapons.

Information suggests that Shining Path has operated in Mexico for 15 years, and that its bases of operation are located in Mexico City and in Chilpancingo, Guerrero, from which it reaches into other areas such as Oaxaca and Chiapas. In Mexico City, its operations are headed up by Serapio Mucha Yayos and Guillermo Nonalaya, and in Chilpancingo by Camilo Valqui, who is president of a human rights committee and teacher at the Guerrero Autonomous University. That university continues to be an enclave of the “former” Mexican Communist Party (PCM), which first became the

PSUM and is today part of Cuauhtémoc Cárdenas’s Party of the Democratic Revolution.

The first public warning about Shining Path in Mexico was issued by Garavito Amézaga, with his letters to *El Nacional*. On March 5, 1992, Amézaga denounced the presence of Shining Path at the International Book Fair organized by the National Autonomous University of Mexico (UNAM) and by its engineering faculty. In booth K-15 at the fair, warned Amézaga, Shining Path pamphlets and books were being sold by a Support Committee for the Peruvian People’s War, headed by Mexican Gabriela Salas, who authored the introduction to the book, *People’s War in Peru. Gonzalo’s Thought* (second edition, Mexico, 1991). Also part of the support committee are David Orozco and Eugenio Tapia. Garavito noted that the booth was tended by the American Frank Witman, a representative of the Chicago-based Liberation Distribution, linked to the Maoists of the Revolutionary Communist Party of the United States, a member of the Revolutionary International Movement.

One month earlier, the terrorists had given a conference in the auditorium of Section IX of the National Education Workers Union (SNTE), under the control of the National Coordinator of Education Workers (CNTE).

On Aug. 17, 1992, pro-Shining Path journalist Miguel Angel Ortega published an interview with Eugenio Tapia in the daily *El Financiero*, in which Tapia identified himself as a member of the Mexican Support Committee for the Peruvian People’s War. In the interview, Ortega gave directions on how to solicit material from Shining Path. On Aug. 27, when a group of aged Mexican leftists, several of them with terrorist backgrounds, and several political groups such as the Independent Proletarian Movement (MPI) and the Support Committee for the Peruvian People’s War, published a paid ad in the daily *La Jornada* supporting Shining Path, Ortega published a brief apology for Shining Path in *El Financiero* on the same day.

Those assuming responsibility for the Shining Path ad included Mario Omar Falcón, Fausto Trejo, and Eugenio Tapia. Falcón is a “revolutionary painter” who brought Puerto Rican terrorists into Mexico, and who in the early 1970s headed up riots which overthrew then-UNAM dean Pablo González Casanova. Fausto Trejo is a psychiatrist active in leftist circles who advised Falcón in the early 1970s. The organizations that signed include: the Support Committee for the Peruvian People’s War; the MPI; CLETA; the Revolutionary School of Popular Culture/Martyrs of ’68; Delegation D-23, Section XXXVI of SNTE, corresponding to the state of Mexico; the “Judith Reyes” Committee; the Lozano Family Committee.

## The CNTE and friends

The pro-Shining Path sentiment within the national teaching profession in Mexico is especially serious. Within the CNTE, for example, there co-exist two Maoist factions: one

radical, around Section IX of the SNTE, and a “moderate” faction headed by Teodoro Palomino, who controls Section X of the SNTE (secondary school teachers) and who also heads the Workers Party (PT), created in 1991 and considered by some to be the “Personal Party of Salinas.” The PT is one of the communist groups that evidently receives government protection. In a *La Jornada* interview on Jan. 2, 1991, Palomino spoke of the relationship between the PT and the CNTE, and said that the CNTE is “an organization of the masses, pluralist, autonomous, and independent of all parties and political organizations.” But, he admitted, he was making a concerted partisan effort to bring the largest number of teachers possible into the PT.

In the same interview, Palomino said that the origin of the PT is the Maoist movement Mass Line (Línea de Masas), founded by Adolfo Orive Alva and Alberto Anaya. Said Palomino, “The Mass Line organization has been growing since the ’60s. . . . A large number of us who make up the PT have been active in various groups under the Mass Line tendency.”

In *Proceso* (No. 827, September 1992), Patricia Dávila reported that Alejandro González Yáñez, the recently elected mayor of Durango and a PT activist, “explains that when, in 1968 the organization ‘Política Popular’ [Mass Line] was created, certain individuals in the official [PRI] party ‘helped us,’ such as Oscar Levín, today a congressman from the Federal District; Adolfo Oribe, who was in the Department of Hydraulic Resources and in the National Farmers Confederation (CNC); and Hugo Andrés Araujo, current head of the CNC. . . . Because people from ‘Política Popular’ are among the Salinas cadre, it has caused the rumor that the brothers Carlos and Raúl Salinas de Gortari are backing our movement . . . which isn’t true.”

## Peasant Torch

Peasant Torch was the first Marxist-Leninist-Maoist organization to join the PRI, and which has shown many similarities to Shining Path. Its founder, agronomist engineer Aquiles Córdoba Morán, told the daily *Unomásuno* in February 1990 that the *Antorchistas* “are the fruit of a political current that originates with the Leninist Spartacus League founded by José Revueltas” in 1960.

Peasant Torch was founded in 1974, in the southern part of Puebla state, and currently has active bases in the states of Puebla, Coahuila, Durango (area of La Laguna), Oaxaca, Veracruz, Tlaxcala, Mexico state, Morelos, and Michoacán. Córdoba says that the group is in 23 states and has “800,000 members.” Despite the many accusations against it, many of them for assassinations, Peasant Torch was accepted into the PRI in 1985, assigned to the CNC, and today is run by “former” communist Hugo Andrés Araujo.

In *El Financiero* on Feb. 9, 1990, Luis Fernando Roldán noted that the group “does not directly repress the peasant movement; rather it attacks militants from opposing groups

or leftist parties and physically eliminates them. By heading the leadership, they prevent the expansion of these groups with the clear intention of eradicating possible outbreaks of opposition to the regime. When the group sets up in a community, its first action is to foment division, and then move on to verbal and physical confrontation. Thus, it resorts to intimidation, ambush, kidnapping, surrounding the victim.”

Peasant Torch has extended its methods to the poor neighborhoods of Mexico City, and there are unpublished accounts of individuals who have witnessed its actions—in the classic style of Shining Path—in the neighborhood of Cerro de Chiquihuite, Delegación Madero, where it beat three people to death.

As to Peasant Torch’s financing, every indication points to government agencies. In the Feb. 22, 1990 issue of *El Financiero*, Roldán said, “With the appointment of Raúl Salinas de Gortari, the President’s brother, as technical secretary of Pronasol [National Solidarity Program] . . . the *Antorchistas* have undertaken more daring actions. . . . It is the ruling party which created Peasant Torch to give itself consensus and legitimacy, and it is the ruling party which can dismantle it.”

## Pronasol, and other government agencies

In a Sept. 7, 1992 article in *Proceso* entitled “Yesterday, Leftist Opponents; Today They Run Pronasol’s Programs,” journalist Carlos Acosta Córdoba provides a list of “former communists, former Maoists, former Trotskyists . . . even former guerrillas” who have been incorporated into the government apparatus, including those who hold positions in Pronasol. Among them are:

- “Adolfo Oribe. Previously: founder and head of Proletarian Line [or the Maoist Mass Line]. . . . Now: director of Pronasol, adviser to Carlos Rojas.” Acosta does not mention the fact that Oribe got his degree in economics at the University of Paris (Sorbonne), under Marxist-Maoist wife-murderer Louis Althusser, who gave Oribe the express task of founding an “Althusserian” movement in Mexico.

- “Gustavo Hiraes Morán. Previously: an activist with the Mexican Communist Youth; guerrilla leader; member of the [terrorist] 23rd of September Communist League. . . . Now: adviser to Carlos Rojas, Pronasol coordinator on questions of peasant organization . . . and columnist for . . . *El Nacional*.”

- “Pedro Uranga. Previously: leader of the Socialist Current, member of the guerrilla group that participated in the attack on the Madera military barracks . . . in 1965. Now: director of social and peasant organization of Pronasol.”

Acosta added that “in lesser positions there are not only people from the ranks of their political organizations,” but “even foreigners; the most visible, the Guatemalans and Uruguayans, show clear indications of previous experience in mass organizing.”

# The Truth Commission lies, in drive to destroy the Armed Forces

by Hugo López Ochoa

On Oct. 2, 1993, for the first time in 25 years, the leftist rite of commemorating the student massacre that occurred in 1968 in the Plaza of the Three Cultures of the Tlatelolco apartment complex in Mexico City, attracted somewhat more than the usual handful of romantic students tied to the past. About 50,000 demonstrators, led by Cuauhtémoc Cárdenas, candidate of the leftist Revolutionary Democratic Party (PRD), demanded that the events of that day, which have been known since 1968 as the "Tlatelolco Massacre," and for which the left has always blamed President Gustavo Díaz Ordaz, his Government Secretary Luis Echeverría—President of Mexico from 1970 to 1976—and the Mexican Army, be cleared up once and for all.

The demonstration was thought by some to be the launching of Cuauhtémoc Cárdenas's electoral bid for the presidency of Mexico in the Aug. 21, 1994 elections, but in reality it was part of an operation which goes far beyond mere electoral theater: It was an important element of a vast intelligence operation run from abroad and intended to cause the outbreak of civil war in Mexico, with the included objective of dismantling the nation's Armed Forces, as part of the program of the Inter-American Dialogue, the PRD and the Cuban-linked São Paulo Forum to balkanize Mexico.

## Cheering on the 'Zapatistas'

All the organizations and "intellectuals" who called the demonstration have been shamelessly running around since Jan. 1 of this year as part of the political support apparatus "in defense of the human rights" of the narco-terrorists of the Zapatista National Liberation Army (EZLN), who announced their arrival on the scene New Year's Day with their armed takeover of four towns in the state of Chiapas, on the border with Guatemala.

At the demonstration backing the EZLN were, among others, the National Coordinator of Education Workers (CNTE), founded by Teodoro Palomino, who now leads the faction of the Maoist Workers' Party, which is demanding that the Mexican Armed Forces leave Chiapas; the People's Independent Movement (MPI), tied to Peru's barbarous Shining Path narco-terrorists; the University Student Council (CEU), the student branch of Cárdenas' PRD; the National

Assembly for Human Rights; the Francisco Villa Popular Front; and the terrorist front based in Oaxaca state and tied to the EZLN, known as the Procup.

But the summons that brought all these organizations together did not come from among their own ranks—many of these organizations are nothing but propaganda facades—but from the multimillion-dollar publicity campaign that created the so-called Truth Commission to investigate the 1968 events.

## The El Salvador model

In July 1993, forty-five members of what was once the National Strike Committee (CNH) of the 1968 student movement, created the "25 Years Since '68 National Committee," which began organizing for the immediate formation of a "Truth Commission" to investigate the Tlatelolco Massacre. Formally installed on Sept. 1, the self-selected "Truth Commission" revealed that its immediate objective was the demand that the government open up the official archives of various cabinet departments covering this period, ostensibly in order to "clarify" what occurred, and to "determine who was responsible." It became clear at once, however, that this had nothing to do with any impartial effort to ascertain what happened, but was simply part of the campaign to discredit the Armed Forces, at the very moment that the Armed Forces were attempting in a thousand and one ways to alert the government to the existence of a narco-terrorist network in Chiapas.

The model for the Mexican Truth Commission is El Salvador's so-called Truth Commission, formed and run by the United Nations in 1992 to completely justify the Salvadoran guerrillas of the FMLN, and give the *coup de grace* to the Salvadoran Armed Forces.

Mexico is now heading down the same path. In its report, made public on Dec. 16, 1993, the commission charged that President Díaz Ordaz was responsible for genocide against the students. On Dec. 2, journalist Raymundo Riva Palacio described in *El Financiero*, a three-minute segment of film "that shows the Army executing a pincers movement to surround several hundred persons, in the first moments of the massacre," and that the students "at no point were able to



react to this aggression," which, he said, "contradicts the version of events maintained for decades, that the Army was responding to aggression" by the students.

However, on Dec. 23, Defense Secretary Gen. Antonio Riviello Bazán played an 8- to 10-minute film clip to a group of reporters that, according to those who saw it, clearly shows that there was a third group of participants shooting at both the students and the army. The first shot seriously wounded General Toledo, in command of the Army troops, leaving the soldiers without leadership from the first moments. The film clip also shows a sniper firing from the Chihuahua building of the Tlatelolco apartment complex. Not only that: While the opposition's version, propagated for the past 25 years, has the shooting commencing after a helicopter shot off signal flares, the film clip shown by the defense secretary clearly revealed that these flares originated from the flat roof of the building of the foreign relations secretariat, next to the apartment complex. Other segments show the soldiers aiming up, that is to say, at sharpshooters, and not horizontally, as would have been the case had they been shooting at students.

On Dec. 26, Raúl Alvarez Garín, a member of the Truth Commission, former student leader in 1968, and now a PRD federal deputy, hysterically told the press that the video shown by General Riviello Bazán was "cause for indignation" and an "insult," because "everyone knows that the Armed Forces everywhere in the world are repressive." With this mentality, could an impartial investigation of the events possibly be hoped for? In his interchange with the journalists, General Riviello Bazán referred to a list, presented by the Truth Commission, of 90 members of the Olympia Battalion, a military unit formed in 1968 to handle security for the Olympics that were held that year in Mexico City, and which has always been referred to by the left as the "third force" who, disguised as civilians, had provoked the shootout.

But to this date, "We have not seen the lists of those who burned trucks, of those who placed bombs. We have not seen the lists of those who gave money for these things. We have not seen the lists of those who wanted another system of government," he emphasized, clearly referring to the Soviet KGB and Cuban DGI intelligence operatives who were leading the students. And a few days earlier, another general had indicated that the Truth Commission list might be phony to begin with.

There is no doubt that to fully clarify what happened on that day is a very complicated matter requiring an investigation in which the Army must have the right to present its defense. In fact, General Riviello himself proposed the formation of an impartial commission to do just this. But a review of the list of those composing the "25 Years Since '68 Committee," shows that they were all student leaders or leftist intellectuals at that time, and that their present activities leave no room to doubt their partiality today.

There is not one who is not presently involved in the campaign to tie the hands of the Army in its efforts to confront the EZLN narco-terrorists.

### Who's who in the investigation

Following are the leading members of the Truth Commission, whose activities and affiliations speak for themselves:

**Mariclaire Acosta Urquidi** is a member of the Inter-American Dialogue and of the PRD. She led the Mexican Human Rights Commission, financed to the tune of \$45,000 by the National Endowment for Democracy in Washington.

**Lorenzo Meyer**, also a member of the Inter-American Dialogue, is a propagandist for Cuauhtémoc Cárdenas in the United States.

**Alonso Aguilar** is a member of the Editorial Council of *América Libre* (*Free America*), the official organ of the São Paulo Forum.

**Jorge G. Castañeda**, a founder of the Inter-American Dialogue, is involved with the Woodrow Wilson Center at Princeton University. It was a series of seminars at the center on demilitarizing Latin America that led to the creation of the Dialogue, and to the preparation of the "Bush Manual" against the armies of Latin America. Castañeda presents himself to the press as "Cuauhtémoc Cárdenas's friend," as he described himself to the *Wall Street Journal* in a Jan. 4, 1993 article. His book *Utopia Unarmed, The Latin American Left after the Cold War*, written in 1993, justifies narco-terrorism.

**José Agustín** is notorious for his impassioned defense of the use of drugs and LSD.

**Bernardo Bátiz** is a former PAN party leader who is now a member of the Democratic Forum Party, which is backing Cárdenas's presidential candidacy.

**Carlos Montemayor**, author of *War in Paradise*, supports narco-terrorism. His Jan. 2, 1994 article in *La Jornada* was perfectly in character in asserting that the intervention of the Army to dislodge the EZLN from the four towns it had taken was "a serious error."

**Miguel Angel Granados Chapa** is a disciple of renegade Benedictine priest Gregorio Lemercier, and of infamous deschooler Iván Illich, who were in turn cofounders of the Theology of Liberation heresy in Cuernavaca (Morelos state), where they headed an indoctrination center for narco-terrorists before and after 1968. President Luis Echeverría dismantled their base of operations, the Center of Information and Documentation (CIDOC). Granados Chapa was also an intimate of the "red bishop of Cuernavaca," the late Sergio Méndez Arceo.

**Froylán López Narváez** is a columnist at *Proceso* magazine, which is run by Julio Scherer, who has been heading the campaign against the Army from the beginning.

**Elena Poniatowska**, a writer and member of the International Pen Club and author of several books on the events of 1968, is a sympathizer of Cuauhtémoc Cárdenas and part of the so-called Cuernavaca mafia.

# Foreign bankers are running the 'indigenous' people's movement

by Gretchen Small

The headquarters for the radical, terrorist-linked "indigenous" movement in Ibero-America is in Washington, D.C., at the Inter-American Development Bank, the World Bank, and the Inter-American Dialogue. Although special working groups dedicated to fomenting "indigenous" divisions have been established at each of these institutions, the overlap of personnel among them makes clear they function as one unit. It is this interlocked Washington committee which centralizes the money, policy planning, and programs for action of the radical "indigenous" movement now assaulting the continent.

## Controlling the purse-strings

For some time, the World Bank has maintained an Advisory Committee on Indigenous Peoples and Poverty in Latin America, to coordinate funding programs in this area. But in late 1992, an Indigenous Peoples' Fund was established under the Inter-American Development Bank, initially in the IADB's Environment Protection Division, to centralize international funds for the "Indian" assault on sovereignty in the area. From the outset, the fund coordinated actively with the United Nations—its ratification documents were to be deposited with the U.N.—which has run the international network of radical, largely Marxist, Indian separatist organizations which have run the "indigenous people's movement" since the 1970s.

The stated purpose of the fund is to foment race-based separatist movements. Fund literature claims that "old patterns of . . . assimilation" of peoples of different ethnic backgrounds into national unity are being "cast off" in Ibero-America, in favor of the creation of "autonomous" units, with "legal recognition" of separate "land and territories," languages, cultures, etc. Thus the Guiding Principles assert that: 1) "Indigenous peoples exist as 'peoples within the National States,' and as such are entitled to rights as original inhabitants, including the preservation and defense of their lands as the basis of their physical and cultural existence"; and that: 2) "indigenous peoples have the right to control and manage their resources, institutions, identities and ways of life."

The fund's objective is to serve as a "clearinghouse" for—that is, to centralize—private and public monies being channeled into the "indigenous peoples" organizations and

projects, provided those projects meet the political criteria established by the IADB. According to the *New York Times* of Aug. 24, 1992, fund backers projected that it would pour some \$40 million behind "Latin American indigenous groups." With that kind of money, it is clear how the fund serves, as its literature claims, as the centralizing forum for "dialogue and coordination among indigenous peoples, governments within and outside the region, and international and non-governmental agencies."

Setting up the operation originally was a team of U.N., IADB, and International Labor Organization "experts" (anthropologists, economists, lawyers), coordinating with various radical "indigenous" groups, the "representative organizations" which the fund has set out to "strengthen."

One such group, which has played a leading role in the fund from the beginning, is the Lima, Peru-based COICA (Coordinadora de las Organizaciones Indigenas de la Cuenca Amazonica), founded by radical "indigenous" organizations of the five Amazon countries (Peru's Aidesep, Ecuador's Confenaie, Bolivia's CIDOB, Colombia's ONIC, and Brazil's UNI).

COICA has played a leading role internationally in seeking to end the existence of the nation-state. In 1989, COICA issued a statement called "The Indigenous Peoples' Perspective on Autonomous Development," which declared: "We do not legitimize any government at all, past, present or future, in any of the Amazonian countries, as long as they do not recognize that we are the original peoples in this land, and that justice demands a recomposition of our territories."

COICA also ran the organizing committee for the World Conference of Indigenous Peoples on Territory, Environment, and Development, held in Rio de Janeiro, Brazil from May 25-30, 1992, as a preparatory meeting to the Eco '92 summit. At its conclusion, that summit issued the so-called Kari-Oca Declaration and Indigenous Peoples Earth Charter, a violently anti-development tract which demanded that the United Nations be granted legal powers to impose sanctions against, send military missions into, and try in a special World Court the officials of any government which these groups accuse of violating "indigenous peoples' rights." Designated as "crimes" against "indigenous collective rights" are such measures as "assimilation and integration" into national life of citizens of Indian heritage, use of resources or enforce-

ment of national laws within areas delimited as Indian territories, and even the building of roads, electricity, and telephone service in "their" lands, because "the effects of such industrialization destroy the lands."

### Issuing the marching orders

In February 1993, the Inter-American Dialogue, the private Washington-based group of Western Hemisphere bankers, policymakers, and politicians which has increasingly dominated U.S. policy toward Ibero-America over the past ten years, set up a special project entitled "Ethnic Divisions and the Consolidation of Democracy in the Americas." Heading the project is staff member Donna Lee Van Cott, a specialist in "ethnic conflict" who also serves on the World Bank's Advisory Committee on Indigenous Peoples. Van Cott, who has a background in Mayan anthropology (including doing field work in Yucatán, Mexico), wrote her master's thesis for Columbia University on Peruvian racial conflicts.

Making up the advisory committee to the Ethnic Divisions project, are leaders of several "indigenous peoples" groups, the World Bank, the Inter-American Development Bank, the U.S. government-funded Inter-American Foundation, and the Organization of American States. Included in those ranks are Ann de Ruyetere, the anthropologist who coordinates the Indigenous Peoples Fund at the IADB, and Diego Iturralde, who runs the fund's operations in La Paz, Bolivia. The IADB fund and the Ethnic Divisions project coordinate their operations closely, as shown again in their cooperation in sponsoring the visit to Washington, D.C. in December 1993 of Bolivian "indigenous" leader and vice president, Víctor Hugo Cárdenas.

In its literature, the Dialogue claims that the goal of its Ethnic Divisions project is "to stimulate a debate among the peoples of the hemisphere on the relationship between governments and indigenous peoples," and that it plans to issue a report of "practical policy recommendations" on ethnic conflict at a later date.

The true goal of the project, however, extends far beyond "stimulating a debate." On Nov. 4, 1992, the *Christian Science Monitor* published an article by project director Van Cott which championed the so-called indigenous movement as a means to splinter the nation-states of Ibero-America and eradicate "the very concept of national identity and national culture." The article was dedicated to Guatemalan terrorist spokesperson Rigoberta Menchú, and attacked the Guatemalan military for carrying out counterinsurgency operations intended to separate the small terrorist forces from "the Mayas' larger political resistance."

Van Cott wrote: "In virtually every country in Latin America, indigenous cultures are challenging the legitimacy of nation-states that exercise dominion over their ancestral territory. They challenge not just the state's disposition of their lands, languages, resources, and heritage, but the very concept of national identity and national culture. . . . In



Rigoberta Menchú at IADB event in Washington, October 1993.

Bolivia and Ecuador, federations of Indian peoples have challenged the legitimacy of the Hispanicized state, demanding that their governments acknowledge the local autonomy and cultural separateness of the indigenous peoples. As these nations and others in Latin America struggle to consolidate recent democratic gains, they must also address the indigenous groups' assertion of a variety of nationalisms, an assertion that requires a more tolerant and pluralistic model of democracy."

In a *Houston Chronicle* article of July 4, 1993, Van Cott again hailed Menchú and the Campesino Unity Committee (CUC), which is a front for the terrorist Guatemalan National Revolutionary Union (UNRG), urging that Menchú and the CUC "expand the foothold they gained" in running Guatemalan politics during the June 1993 overthrow of President Jorge Serrano. Menchú's role, and the election of Víctor Cárdenas as vice president of Bolivia under President Gonzalo Sánchez de Lozada, are signs of "the emergence of Indian power" in the hemisphere, she wrote.

Van Cott captured the cynicism of this crew toward the actual interests of Ibero-America's citizens of Indian descent, when she noted that without the support of "indigenist" activist Víctor Cárdenas, the "white, millionaire mining baron" Gonzalo Sánchez de Lozada never would have been elected President of Bolivia. She neglected to report that Sánchez de Lozada is a member of the Inter-American Dialogue.

# U.S. Maoists back Shining Path terror

by Jeffrey Steinberg

When riots broke out in the Adams-Morgan section of Washington, D.C. in the summer of 1991, it was the Revolutionary Communist Party, a relatively small, militant Maoist group, that played the leading role of agents provocateurs. The international apparatus of which the RCP is a part provides support for narco-terrorists like Peru's Shining Path and the Zapatistas in Chiapas, Mexico. It also represents a significant capability for unleashing terrorism in the United States itself.

In April 1992, when South Central Los Angeles went up in flames following the acquittal of four police officers accused of beating black motorist Rodney King, it was again the RCP that staged a demonstration that triggered looting and trashing of downtown stores and offices. RCP agitators teamed up with narco-gang members from the Bloods and Crips, instigating the worst urban violence to hit America in 25 years. In cities like Seattle, San Francisco, and Atlanta, where smaller-scale rioting and looting took place, RCP provocateurs were also highly visible.

Later in 1992, riots broke out in the "Little Haiti" ghetto of Miami following the ouster of dictator Jean-Bertrand Aristide from power on the island. Not only did the RCP ship in operatives from Atlanta to help fuel the violence, but Aristide's personal spokeswoman, Roland Durancy, is herself an RCP leader, who joined the Maoist sect in North Carolina. To this day, Durancy is the "voice" of Aristide in the volatile and drug-infested Haitian community of southern Florida.

The RCP is also at the center of an international narco-terrorist apparatus whose most prominent component is Peru's Shining Path. On March 12, 1984, leaders of the RCP, including the group's exiled founder Robert Avakian, met at the Bertrand Russell House in London to found the Revolutionary International Movement, an amalgam of Maoist communist parties from the United States, Britain, and a number of Third World countries. Shining Path participated in the founding of RIM, and much of the group's activities have consisted of terrorist and "liberal support" efforts on behalf of the Peruvian narco-terrorists. In fact, the Jan. 9, 1994 issue of the RCP's weekly newspaper, *Revolutionary Worker*, features two pages of news on Shining Path, including a report on an October 1993 delegation to Lima of a front group called the International Emergency Committee to Defend the

Life of Abimael Guzmán, the jailed leader of Shining Path. The news coverage also included a gloating account of a series of car bomb attacks by Shining Path against the main police headquarters in Lima and a funeral home run by the Peruvian Air Force and Navy—in celebration of the 100th anniversary of the birth of Mao Zedong.

## Brainwashers and social engineers

The RCP, formerly called the Revolutionary Union (RU), was a late-1960s outgrowth of the terrorist RYM II wing of the Students for a Democratic Society (SDS) in the United States. Among the group's founders was William Hinton, a State Department socialist who spent years in China with the American Friends Service Committee (AFSC), as a propagandist for Maoism and the Cultural Revolution. Hinton's book *Fanshen*, his eyewitness account of the mass exterminations of the Cultural Revolution, was "must reading" for 1960s student radicals.

The core group of RU founders was composed for the most part of trained social engineers, including anthropologists and one former Air Force intelligence officer, trained at NATO facilities in Italy.

In 1974, *EIR's* predecessor news service unveiled the role of the RU in recruiting and brainwashing terrorists for the Black Liberation Army and the FALN Puerto Rican terrorist group in New York City. RU's Dr. Steven Levin, a psychiatrist, ran the drug detoxification program at Lincoln Hospital in the South Bronx, New York, and ran Maoist indoctrination sessions on drug addicts and criminals, turning them into "revolutionaries." They were then dispatched to carry out killings of police, armed robberies, and kidnappings.

More recently, law enforcement investigators have unearthed links between RCP leaders and prison-based drug gangs that deploy gangs like the Bloods and the Crips.

## Fujimori calls for action

The RIM international apparatus's support for groups like Shining Path has not escaped the attention of at least one government. On Sept. 17, 1992, Peru's President Alberto Fujimori issued a memorandum calling upon the governments of the United States, Europe, and Ibero-America to join with him in rooting out the international support apparatus for the Shining Path butchers. Fujimori's memo named 49 people and 39 organizations involved directly in the international narco-terrorist offensive. Having just succeeded in capturing Shining Path leader Guzmán and several other top members, Fujimori called upon these other governments to take similar actions to shut down and prosecute the Shining Path apparatus in their own countries—e.g., the RCP-RIM.

So far, no such actions have been undertaken by any of the host countries. As a result, the recent events in Chiapas, which could have been preempted, were not. Similar capabilities exist for similar terrorism to take place in other countries, including the United States.

# The plot to annihilate the nations of Ibero-America

by Dennis Small

*EIR Ibero-American Editor Dennis Small gave this speech at a conference of the Schiller Institute and the Civil Rights Movement-Solidarity, held in Kiedrich, Germany on Dec. 12, 1993.*

At the end of July of 1990, less than a year after the fall of the Berlin Wall, John Reed, the president of the world's largest bank, Citibank, visited Brazil, the most indebted nation of the developing sector. His purpose was to pressure and threaten that country to more rapidly destroy its economy and loot its population in order to pay its gigantic foreign debt, which at that time totalled \$118 billion. The way in which Reed issued his threats is of immediate interest to our subject matter today. Speaking to the Brazilian magazine *Veja*, Reed warned Brazil of its future if it didn't knuckle under to the bankers' demands:

"If we look at the map of the world economy, you will see that there are countries that have disappeared. Where did Burma end up? The fact is that, after the war, Burma disappeared, poof. It was a rich country, like Brazil. Peru and Bolivia will disappear. The Soviet Union had better watch out, because it might disappear."

These remarks of Reed's should not be dismissed as a mere political forecast, or a banker's typical exaggeration. They must be understood for what they are: policy. They are a statement of intent for the 1990s by the Anglo-American financial establishment, of their intent to annihilate entire nations and peoples, to redraw the map of the world at their whim, in a desperate effort to keep their bankrupt financial system afloat and to maintain their malthusian world order.

Nor is it accidental that Reed mentioned the nations of Ibero-America and the former Soviet Union in the same breath. The bankers have the same fate in store for both regions, to wit: a) the elimination of national sovereignty; and b) the forced imposition of a malthusian economic order of unbridled looting.

Defeating this oligarchical gameplan also requires a combined, coordinated approach, but, obviously, in a contrary direction. Lyndon LaRouche strongly restated the outlines of such a strategy in an October 1986 essay entitled "Conditions in Which Moscow Would Accept Reagan's SDI Offer": "The keystone of any durable agreement to peaceful relations between the U.S.A. and the U.S.S.R. is a fundamental change

in both U.S. and Soviet relations toward Central and South America," LaRouche explained. The reason is that "the ability of the United States, Canada, western Europe, and Japan to develop an effective strategic depth for the long haul, depends upon a radically changed relationship between the OECD and developing nations generally. 'Latin America' is the keystone for such a change in strategic policy." This is so because "the Hispanic republics of the Americas, most emphatically, have a distinct Roman Catholic culture derived from the evolution of the Italian-speaking heritage. It is this cultural heritage which makes these republics, as a group, of such decisive strategic importance today."

Hence, LaRouche concluded, "What the world might become during the twenty-first century, will be decided by our policy toward these Hispanic republics today." He then reaffirmed what he himself calls the "LaRouche Doctrine," consisting of three essential points:

- 1) "All nations of the world are absolutely sovereign;
- 2) "All states have the obligation and right to pursue technological progress and the right to reasonable access to credit and trade arrangements; and
- 3) "All nations should assist one another in maintaining their respective sovereignties and in fruitful pursuit of technological progress."

Today, however, a diametrically opposite policy is in effect. The nations of Ibero-America—of Central and South America—are under deadly assault by the Anglo-American establishment: Their sovereignty, their very existence as independent nation-states, is on the line. In fact, it is safe to assert that there is a "Plot to Annihilate the Armed Forces and the Nations of Ibero-America"—so much so, that *EIR* has just published a Spanish-language book with that exact title, which will also be published in English in early 1994.

But just as there is an enemy plot, there is also an upsurge of nationalist resistance to it across Ibero-America. This resistance is quickly reaching proportions similar to that in eastern Europe in the 1989-91 period, although its characteristics are of course different in many ways. In a number of Ibero-American countries, for example, the civil-military resistance movement is already engaged in irregular warfare against an armed narco-terrorist insurrection. But, as in eastern Europe, the key to its prospects for victory is the fact that many of the principal military and civilian leaders of the

nationalist movement are friends and allies of the LaRouche movement.

Much can be said about the institution of the nation-state and its history to explain why the Anglo-Americans are out to destroy it. But for purposes of our discussion today, I want to focus on three of its central features, without which no nation can long endure, and each of which, for that very reason, is under full-scale assault by the oligarchy.

**1) A national currency.** A country that does not have its own currency does not control its own credit system, nor therefore, its own economy. It has no sovereignty. The attack on this front goes under the heading of “free trade.”

**2) National armed forces.** A country without its own military, cannot defend its national existence when faced with the ultimate test. It has no sovereignty. The assault here goes by the name of “promoting democracy.”

**3) An underlying concept of man as *imago viva Dei*.** This view of man is indissolubly linked with the development of the nation-state as its natural and highest form of social expression. As Lyndon LaRouche has repeatedly insisted, the “sovereign power of individual creative reason” finds its most appropriate medium of development in the “perfectly sovereign nation-state republic,” whose “sovereignty is to be subordinated to nothing but the universal role of natural law.”

This third point is the locus of the most fundamental of all the assaults on the sovereignty of the nations of Ibero-America. It is today expressed in the form of a vast, subversive attack on the Christian, specifically Catholic, cultural matrix which is the basis of the progress of civilization in Ibero-America, and an effort to replace it with a return to bestial, pre-Columbian, pre-Christian indigenism, of the sort associated with Aztec human sacrifice rituals, or the modern variant of the same outlook found in the pagan Nobel Peace Prize-winner Rigoberta Menchú, or the horrific Shining Path terrorists of Peru. This cultural warfare goes by the name of the “Black Legend,” about which more later.

Let us now take up each of these three features in turn.

### ‘Free trade’: dollarization and loss of sovereignty

I’m sure you all read about the recent approval by the U.S. Congress of the North American Free Trade Agreement (NAFTA) among the United States, Mexico and Canada, which Wall Street has hailed as the model economic agreement for the entire world for millennia to come. When Wall Street starts talking like that, hold on to your wallet!

Wall Street and the City of London’s problem is simple: Its name is financial derivatives. Derivatives are actually properly studied not by economists, but by oncologists, since they are the most mind-boggling display of financial cancer imaginable. Based on flat zero in physical economic terms, these instruments have grown from a total of about \$1 trillion in 1986, to over \$12 trillion in 1992. This amounts to an annualized growth rate over six years, of more than 50% per

FIGURE 1  
The nations of Ibero-America today



year—which is enough to make any self-respecting cancer tumor drool with envy! There is nothing in any area of the world economy which is growing at that rate, except for drugs, which have been growing at a mere 25% per year over the same period of time.

How does the banking crowd intend to keep this cancerous speculative bubble alive?

Let’s look at it from the angle of Ibero-America’s foreign debt (**Figure 2**). In 1980, the total foreign debt of Ibero-America stood at \$257 billion. Over the course of the next 12 years, in which IMF liberal economic policies were imposed on the nations of Ibero-America, they were forced to pay out \$409 billion in cumulative interest payments alone, which is much more than the original debt owed. Yet, at the end of this 12-year period, Ibero-America owed \$513 billion, double what they owed in 1980. Or to summarize, they owed \$257; they paid \$409; and they ended up owing \$513 billion.  $257 - 409 = 513$ . That’s what I call “bankers’ arithmetic.” Quite a business!

Or take the equivalent picture for the nation of Mexico (**Figure 3**). Mexico’s official foreign debt in 1980 was \$57 billion. They paid \$124 billion over the next 13 years, and ended up owing \$121 billion, or 2½ times what they originally owed.  $57 - 124 = 121$ . Again, bankers’ arithmetic.

But these are just numbers. How was all this debt paid in reality over the 1980s? By gouging it out of the flesh and blood of the Mexican people. By driving the already misera-

FIGURE 2

**Ibero-America: Interest payments and total debt**

(\$ billions)

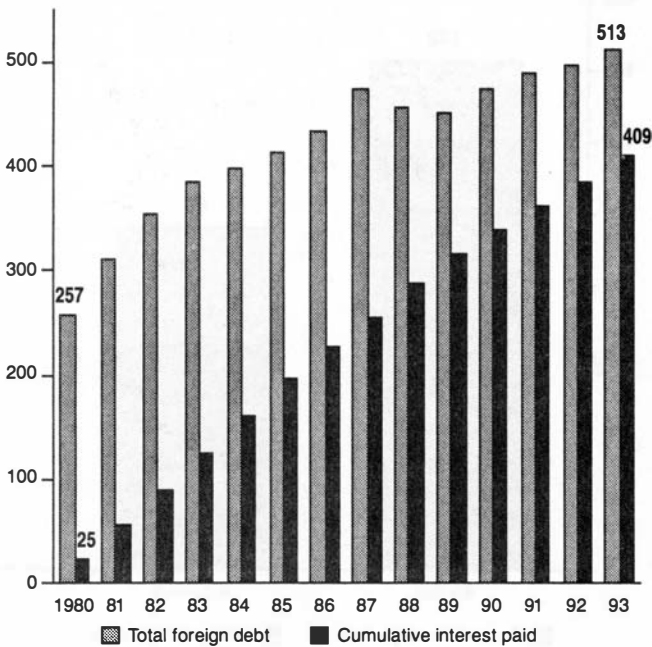
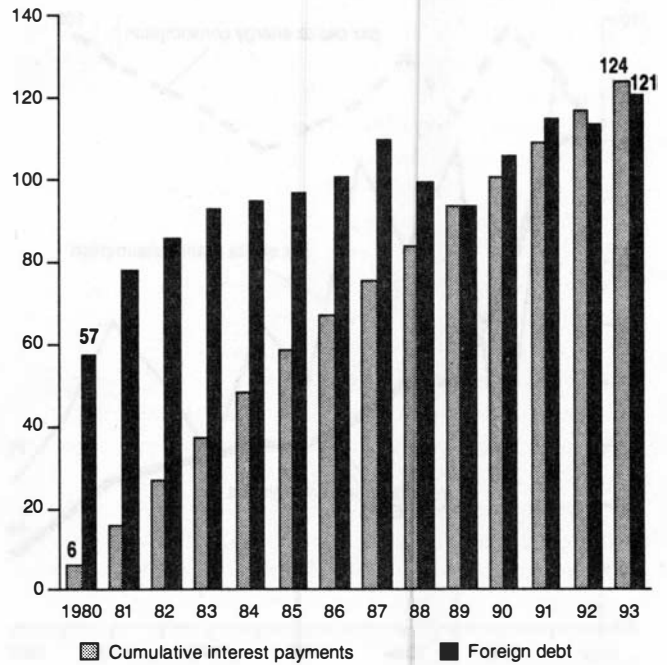


FIGURE 3

**Mexico: Interest payments and total debt**

(\$ billions)



ble standard of living through the floor, to the point where over 40% of Mexico's 80 million population today live in extreme poverty; by provoking real unemployment rates of over 50%; by asset-stripping the Mexican economy to the bone, cutting real investment levels by half; by handing what remained of the economy over to foreign financial interests under the so-called "privatization" program of the Harvard-graduate President of Mexico, Carlos Salinas de Gortari.

The effects of this on three critical parameters of Mexico's physical economy are shown in **Figure 4**. First, grain consumption per capita has plummeted from an index level of 100 in 1982, down to 72 in 1992—a 28% collapse from what I can assure you were already totally inadequate levels of 1980. Second, employment in manufacturing, as a percentage of the Economically Active Population, dropped from an index level of 100 in 1980 to a pathetic 66 in 1992—a one-third reduction. And third, energy consumption per capita, which should rise in any healthy economy, has pretty much stagnated for the past decade.

An economy with this physical economic profile, is an economy that cannot long keep its own population alive.

But as bad as this picture of the 1980s is, it is nothing compared to what is under way already for the 1990s. The bankers' strategy for this decade is overtly genocidal, and it revolves around the recently approved NAFTA accord.

NAFTA stands for the North American Free Trade Agreement, which is a complete misnomer, because the ac-

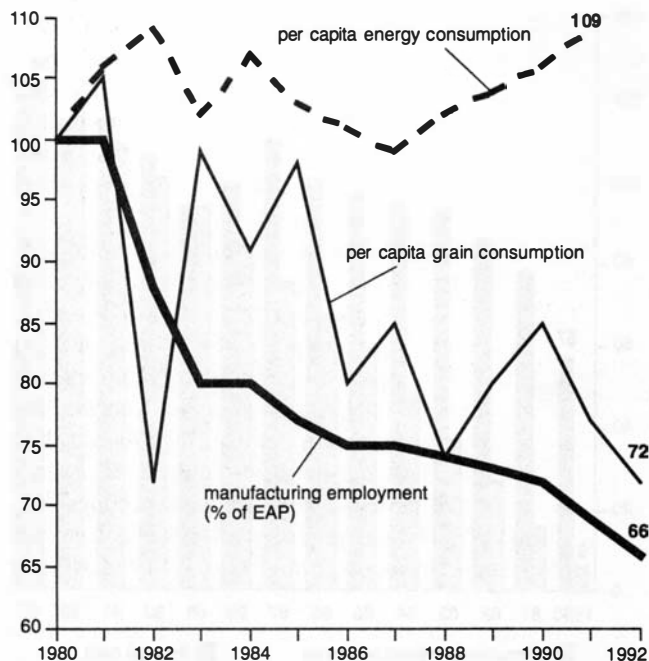
cord has very little to do with free trade. Rather, NAFTA's most essential feature is the part that was negotiated secretly, and which establishes a single, integrated financial system among the U.S., Mexico, and Canada—but outside the control of any of the governments in question. Mexico, in particular, has been transformed into little more than the 13th regional branch of the U.S. Federal Reserve System, in which all its essential economic and monetary policy decisions are now to be taken by the private banking clique which runs the Fed. So much for Mexican—or U.S.—sovereignty.

In addition to this loss of sovereignty, there is a second key feature of the NAFTA secret protocols: dollarization. What this boils down to is a series of technical tricks to vastly increase the real foreign indebtedness of Mexico, and other countries of Ibero-America, in order to expand the volume of loot that can be extracted from them. The more you owe, the more you can be forced to pay.

Mexico's official foreign debt (**Figure 5**), as we noted earlier, is currently estimated at \$121 billion, \$85 billion of it public sector debt, \$36 billion of it private. But there are at least another \$21 billion in Mexican treasury bills, or Cetes, which are currently held by foreigners, mainly by Wall Street banks. Although these T-bills are denominated in Mexican pesos, they are mainly extremely short-term notes, and since the peso is freely convertible into the dollar, those Cetes are in fact payable in dollars on a moment's notice—i.e., they are in fact part of Mexico's real foreign obligations.

FIGURE 4  
**Mexico: Physical economy parameters**

(Index: 1980=100)



So it is safe to say that Mexico actually owes at least \$142 billion abroad.

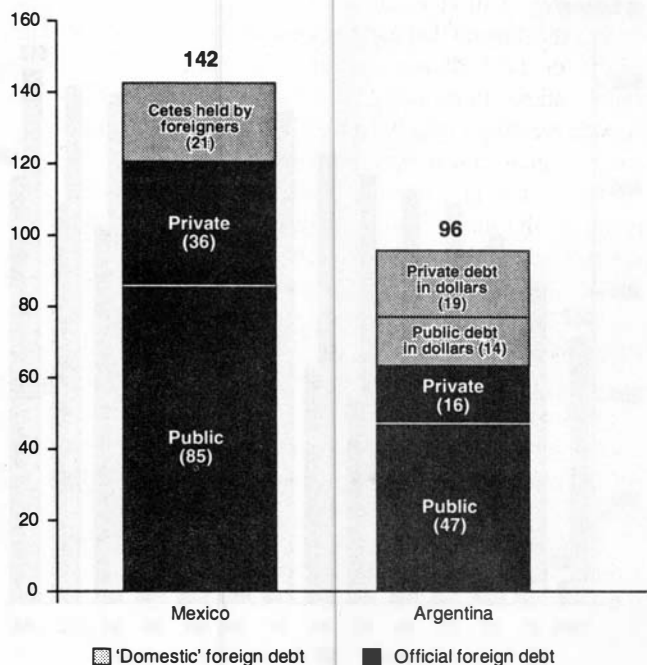
In Argentina, the bankers have pulled the same stunt, only inside out. In that country, the official foreign debt is \$63 billion. But since the dollar was made legal tender in parallel with the Argentine peso, a giant bubble of dollar-denominated internal debt has also been generated. The government itself has issued \$14 billion in internal bonds, payable in dollars, while the private sector has another \$19 billion in dollar-denominated debts, principally high-interest rate credit cards. So Argentina has another \$33 billion in dollar obligations, bringing up its total real foreign debt to about \$96 billion.

Argentina has gone one step beyond making the dollar a second national currency. They have passed legislation which prohibits their central bank from printing their own national currency or otherwise creating domestic credit, unless that new issuance is matched, one-for-one, by an equivalent amount of dollars on deposit in their central bank. In other words, they have given up their right to control their own money supply and credit. They too have given up their sovereignty.

Under these circumstances, one might ask why even bother to have a central bank? That is exactly the argument made by quack economist and drug legalization proponent Milton Friedman, who believes that all central banks in Ibero-America should be disbanded, and that the countries

FIGURE 5  
**Real foreign debt, 1993**

(\$ billions)



should just go ahead and join the British-designed U.S. Federal Reserve System.

The next step down this path takes you to the situation existing in Panama. That country's national currency is called the balboa. But if someone gives you one balboa, what you actually get is a U.S. dollar bill. There is no national legal tender in Panama, other than the U.S. dollar. The country has lost its sovereignty. You will notice that Panama also does not have its own armed forces; that, too, is supplied by the United States. On both of these counts, Panama is the perfect bankers' model, which they intend to make the future of every nation of Ibero-America shortly, with the nations of central and eastern Europe following close behind.

If we analyze the real foreign debt of all of Ibero-America as we have with Mexico and Argentina, it is safe to conclude that the continent's real foreign debt is not the officially reported \$513 billion, bad as that is, but probably something closer to \$625 billion, about 20% higher.

How in the name of heaven will the countries of Ibero-America be able to pay these debts? By wiping out their populations; and by disappearing as sovereign nation-states.

Mexico, again, is exemplary. The banks intend to collect on that country so violently, that they are now demanding that one-third to one-half of the nation's agricultural producers be bankrupted and driven off the land with their families. That's 9 to 10 million people, in a nation of 80 million. Where are these victims of NAFTA to go? To Mexico's teeming cities,



where there is already 50% unemployment? Not likely. Across the border to the U.S.? Not if the establishment has its way.

The oligarchy's plan is to construct hundreds of kilometers of steel wall along the U.S.-Mexico border, using discarded sheet metal that had been used to build runways in the desert for the Gulf war against Iraq, and let the Mexicans simply starve to death inside their own borders. They are already erecting a new Berlin Wall; they intend to turn Mexico into a giant concentration camp.

Ladies and gentlemen: The "Limes" project is not some nightmarish futuristic proposal of a few psychotic authors; it is the policy of the Anglo-American establishment, and it is already operational against Mexico.

Nor is this a new idea for the establishment. Back in 1975, Rockefeller agronomist and top depopulation lobby fanatic William Paddock stated: "We're going to clamp the U.S.-Mexican border down. Then watch them scream! Mexico cannot support its present population of 58 million on a stable basis. The population will have to be cut to 30 million people."

That is a call to murder nearly 30 million Mexicans! Lyndon LaRouche warned the world about this Paddock Plan, in his first nationally televised address in the United States, delivered on Nov. 1, 1976. Don't you wish the world had listened to him back then?

### **'Democracy': dismantling the military**

Let us now take up the second of our three points: the plot to dismantle the Ibero-American military.

There are two principal institutions in Ibero-America that are standing in the way of the establishment's assault on the nation-state: the Catholic Church, and the armed forces, or "the cross and the sword," as they are often referred to.

The western financial elite has been explicit in its demand for the destruction of the military. In a full-page advertisement taken out in the *New York Times* earlier this year, Paul Soros, partner and brother of the infamous speculator George Soros, stated brazenly: "When you can be sure that the military influence in the government is really firmly finished, the value of any investment goes up 30, 40, even 50%. In Latin America, whenever the army, as an institution, is part of the country's power structure, all investments are discounted."

The establishment project to wipe out the military was launched in earnest in 1982. That year, the debtor nations of Ibero-America, led by Mexico, almost brought the world financial elite to their knees by threatening to declare a debt moratorium and break with the policies of the International Monetary Fund (IMF). The strategy for how to do this was designed by Lyndon LaRouche, in his famous "Operation Juárez" policy proposal for Ibero-American integration, which was studied closely in every Ibero-American capital. And the establishment never forgot it.

In October 1982, they established the Inter-American

Dialogue to counter LaRouche's influence. Its founding members included the likes of Robert McNamara, Cyrus Vance, and McGeorge Bundy. And if you've ever wondered why the Clinton administration's policy towards Ibero-America is such a disaster, it is useful to know that no less than four members of his cabinet are members of the Dialogue, including Warren Christopher at the State Department. The head of the Latin America desk at the National Security Council, Richard Feinberg, was also president of the Dialogue until he took his current post earlier this year. His specific contribution to the Dialogue was to set up a task force called "Redefining Sovereignty."

Then, in 1986, the establishment hired a group of U.S. and Ibero-American deconstructionists—open followers of the psychotic Theodor Adorno and Michel Foucault—to design an all-out assault against the institution of the military in the region. They set them up at American University in Washington; they bankrolled them with money from the State Department's U.S. Information Service; they loaned them experts like Luigi Einaudi; and they had the U.S. Army's Southern Command supply logistics for their meetings.

The heavy artillery they produced is a 1990 book entitled *The Military and Democracy; the Future of Civil-Military Relations in Latin America*, which we at *EIR* named the "Bush Manual," and which quickly became known as such among its intended victims in Ibero-America. It reveals the real reason why the establishment has proclaimed the Ibero-American military to be "Public Enemy #1."

The problem, the Bush Manual authors complain, is that the military still believe that they have a national mission to defend the values of "the Christian West: honor, dignity, loyalty, and to guard and guarantee the development process." They label such an outlook "messianic, fundamentalist, authoritarian, ethical-religious, and patriarchal," and denounce it for premising itself (horror of horrors), on "a historical period predating the Enlightenment." In the final analysis, military men foolishly view history as a "battle between good and evil." All of these views, the State Department-financed study complains, were "disseminated throughout the rest of the subcontinent through numerous technical missions, the most notorious of which was the presence of Argentine Col. Mohamed Alí Seineldín in Panama between 1986 and 1988." Seineldín, by the way, is one of LaRouche's strongest supporters and collaborators in Ibero-America.

The Bush Manual goes on to call for the military to be "closed down," because of their belief in the Christian tradition: "They do not accept the idea that they are members of an organization that can be created, changed, and even 'closed down.' Adherence to forms of thought derived from the Christian tradition is a constant among the armed forces of Latin America."

And on the subject of the nation-state, the Bush Manual authors are contemptuous: "The legitimacy of the armed forc-

es as a political action is founded on the nation. They exist because of and for the nation. It is to that mythical entity—the nation—that they owe ‘subordination and obedience.’ ”

A “mythical entity”! The nation-state, the highest form of social organization known to mankind, is described by these criminals as a “mythical entity.” Does any doubt remain as to what Citibank’s John Reed really meant when he warned that entire nations will disappear?

The Anglo-American establishment has developed a number of political and economic strategies to achieve their goals of annihilating the armed forces and the nations of Ibero-America.

**Strategy #1: human rights.** A gigantic media barrage has been unleashed accusing the military of violating “human rights” by their very existence. The Peruvian Armed Forces are a particular target of this campaign: They are under constant international attack for supposedly violating the human rights of the bloodthirsty Shining Path terrorists.

**Strategy #2: democracy.** Any civilian or military force in Ibero-America which rejects the establishment’s economic or political agenda is denounced for opposing “democracy.” This is then used to justify supranational intervention into their internal affairs, supposedly to “defend democracy” and establish what is euphemistically called “limited sovereignty.”

For example, when the Haitian Armed Forces in September 1991 overthrew President Jean-Bertrand Aristide, an avowed Marxist and terrorist who was engaging in necklacing his opponents—chopping off their arms, placing a tire with gasoline over their head, and then burning them alive—the military were denounced internationally for violating “democracy.” Then an economic embargo was imposed to starve the nation into submission, and an actual international armed invasion remains a live possibility.

The State Department and the Inter-American Dialogue have marshalled the services of communists and narco-terrorists to impose their version of “democracy” across the continent. A collection of narco-terrorist parties called the São Paulo Forum, which was founded in 1990 by the Cuban Communist Party, are coming up for election between now and the end of 1994. All of them are being actively supported by the State Department, including:

*December 1993:* Venezuela’s Andrés Velásquez of the Causa R party.

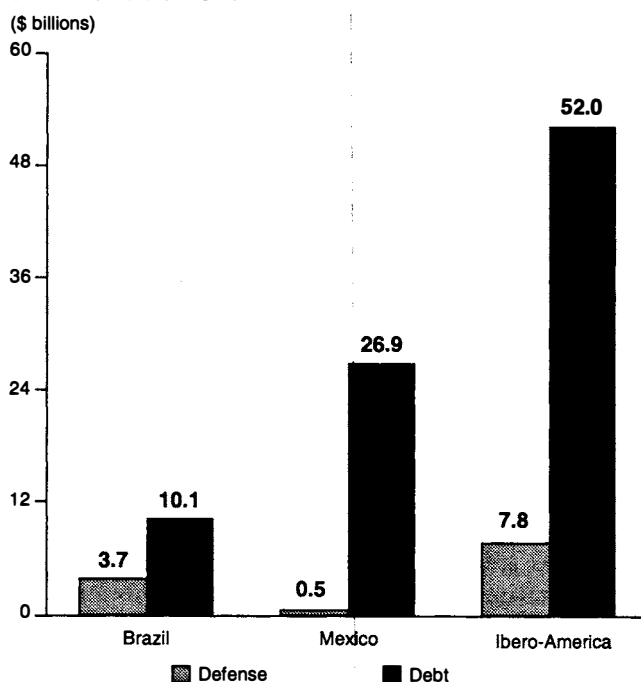
*March 1994:* Colombia’s Antonio Navarro Wolf of the M-19.

*August 1994:* Mexico’s Cuauhtémoc Cárdenas of the PRD.

*October 1994:* Brazil’s Lula of the PT or Workers Party.

**Strategy #3: reform the OAS.** The establishment wants to transform the Organization of American States into a supranational body empowered to intervene—including militarily—into the internal affairs of its member states. The idea here is to make the OAS into a junior version of the U.N.

FIGURE 6  
**National expenditures for defense and debt service**



Security Council, complete with their own brand of “blue helmets.”

**Strategy #4: Cut the military budgets.** Robert McNamara has played a leading role on this front. In September 1991, he gave a speech to the IMF in which he blamed the Third World’s poverty on their supposedly exorbitant, skyrocketing military budgets.

This is a lie. The fact is that in Ibero-America, less than 1% of GNP goes to the military; about 2% is spent on health; and a whopping 6% is spent on debt service. Furthermore, even these meager defense expenditures have been falling over the last decade, in many cases by as much as 40 or 50%. And in any event, the biggest budget-buster in Ibero-America is its debt service payments—a topic which McNamara doesn’t even deign to mention (see **Figure 6**).

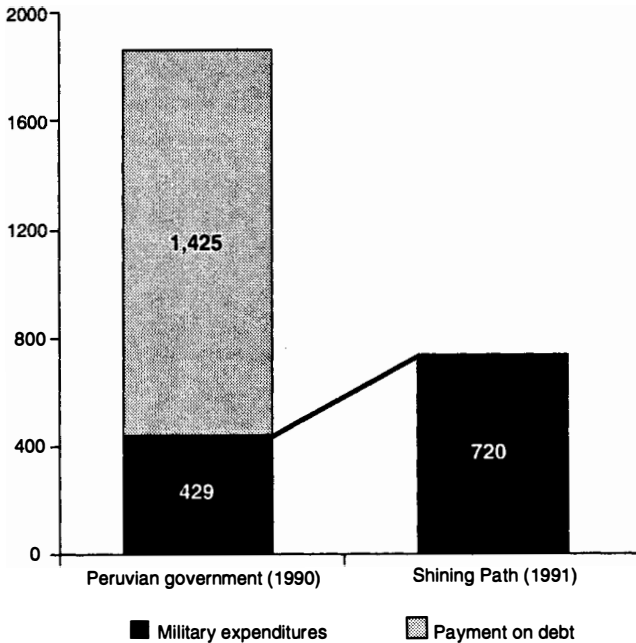
Brazil, for example, spends three times as much on annual debt service as it does on the military; Mexico spends 50 times as much; and for Ibero-America as a whole, \$52 billion is spent yearly on the debt, as compared to less than \$8 billion on defense.

The case of Peru is perhaps the most scandalous (**Figure 7**). The government military budget was a pathetic \$429 million in 1990, compared to \$1.425 billion spent on debt service to the banks. This was done despite the fact that the nation is at war with the Shining Path terrorists, who have annual resources from the drug trade totalling about \$720 million, according to some estimates. This is 68% more mon-

FIGURE 7

**Peru: Government and Shining Path military expenditures**

(\$ millions)



ey than the national Armed Forces have at their disposal!

Not surprisingly, it has been Ibero-America's military nationalists who have been leading the battle against the Anglo-American establishment over the past few years. Many of them have a close working relationship with the LaRouche movement, as is also the case with civilian groupings sharing this outlook. In 1992, a tremendous wave of resistance to IMF policies and to the Bush Manual exploded:

- in February 1992 in Venezuela, there was an attempted military coup against the corrupt, IMF-run Pérez government;
- in April 1992 in Peru, President Fujimori rightly shut down the pro-terrorist Congress and Supreme Court, and launched an all-out offensive against Shining Path, with spectacular success;
- in October in Brazil, President Collor was impeached for his corruption and support of the IMF; and
- in November in Venezuela, there was a second coup attempt against Pérez, which failed. But in May 1993, the efforts paid off, when Pérez was impeached and finally driven out of office.

**The Black Legend: war on 'imago viva Dei'**

The historical roots of the oligarchy's commitment to dismantle the Ibero-American military go back to a centuries-old project of cultural warfare known as the "Black Legend," which is our third and final theme today. The Black Legend is the Brit-

ish-spread lie that Spanish culture is by definition authoritarian, autocratic, and dictatorial because of the dominance of the Catholic Church and the military, and that progress and growth will continue to elude the Hispanic nations until they get rid of these institutions, and implant in their stead "pluralist democracy," Enlightenment pragmatism, Adam Smith's "invisible hand," and bestial indigenous religions.

The U.S. State Department has promoted this view as explicit government policy: "The pervasiveness of hierarchical structures with deep historic and cultural roots has created ingrained authoritarian habits. The religious and military institutions—the cross and the sword' of the Spanish conquest and key pillars of traditional order ever since—must yield to new values and organizational diversity."

What are the "new values" being promoted by the State Department and their establishment patrons? There is no better summary of the profoundly anti-Christian world view being espoused, than the following shocking statement issued in 1981 by the International Indian Treaty Council, on whose board of directors sat at the time Guatemala's Rigoberta Menchú: "European faith—including the new faith in science—equals a belief that man is God. American Indians know this to be totally absurd. Humans are the weakest of all creatures. Humans are only able to survive through the exercise of rationality, since they lack the abilities of other creatures to gain food through use of fang and claw. But rationality is a curse since it causes humans to forget the natural order of things in ways other creatures do not. A wolf never forgets his/her place in the natural order. Europeans almost always do."

The simplicity of this call is stunning. In it, we are explicitly urged to reject the "European" Christian concept of *imago viva Dei*, of man in the living image of God based on his power of reason, and choose instead the overt bestiality of pagan Aztec fundamentalism. And let us not forget that in 1992 the establishment gave Menchú the Nobel Peace Prize to underscore their commitment to this policy. And they did it on the eve of the October 1992 celebrations of the 500th anniversary of the discovery and evangelization of the Americas—as a deliberate declaration of war against everything that Christianity stands for in the New World.

But is it really possible that Menchú's call will be heeded by Ibero-Americans? Will we see a return to a period of Aztec ritual sacrifices? Will the Shining Path barbarians be victorious in Peru?

Do not lightly dismiss the destructive influence of the Black Legend. Across Ibero-America, for decades, the population has been bombarded with these messages: If it is Spanish, it is authoritarian; if it is Catholic, it's irrational and inquisitional; if it has to do with Spain's conquest of the New World, it was genocide against the Indians; if it's not Anglo-Saxon, it is inferior.

Just how corrosive and psychologically destructive this Black Legend is on the Hispanic mind is perhaps hard for

many Europeans to fathom. I can only compare it to the terrible damage done by the lie of “German collective guilt” in the postwar period. Like German collective guilt, the anti-Spanish Black Legend is to be found everywhere, but it is always intangible and invisible. It is like a poisonous fog.

And as with the case of so-called German collective guilt, our association’s unique responsibility is to shatter these crippling myths, if their sovereign nation-states are to survive.

The entire edifice of the Black Legend rests on a handful of central historical lies. First and foremost, is the argument that the Spanish conquest of the New World committed a mass genocide against the native Indian populations, such as the Aztecs and the Incas. The second, is that the Spanish destroyed the valuable Indian cultures that they encountered, replacing them with nothing but slavery, misery, and destruction.

Let us briefly study these assertions. In so doing, I will make use of valuable original research by a number of my colleagues in Ibero-America, in particular Carlos Cota in Mexico and Sara Madueño in Peru.

No one knows for sure how many Indians were living in Mexico when the Spanish arrived, but the standard Black Legend account asserts that there were 25 million, and that the conquistadors killed 90%, or 23 million of them. They left only 2 million alive—or so the story goes.

The only problem with that account, is that there could not have been 25 million Aztecs and other Indians living in the area in question in Central Mexico at the time of Hernán Cortes’s arrival. Such numbers would have meant a population density in the area in question of Central Mexico of over 115 inhabitants per square kilometer—nearly three times the population density of 40 that that very same region had in 1985! And yet, the primitive agricultural and other technologies employed by the Aztecs—for example, they didn’t even have the wheel—could at best have supported a population density in the range of 20 people per square kilometer. So simple physical economic calculations prove that the Mexican population found by the Spaniards could not possibly have exceeded about 4.3 million. The other 18.7 million Indians supposedly “butchered” by the Spanish never existed—outside of the feverish imagination of British historians.

What did happen in reality? Many historians report that the Mexican population had dropped to 2 million by the mid-1500s. But Alexander von Humboldt, an assiduous student of population and economics in the New World, reports that Mexico’s population in 1570 was actually about 3.5 million. So it is safe to conclude that somewhere between 1 and 2 million Indians, out of a population of about 4.3 million at the time of the conquest, died in the first 50-60 years of the sixteenth century. Why?

For two principal reasons. First, the majority of those who died, died as a result of their contact with the new diseases that the Spaniards brought with them to the New World, such as measles. Secondly, the Aztec empire had imposed on its subject population a level of cultural and

FIGURE 8  
City-building during the evangelization of Ibero-America



economic pestilence which was *already* destroying its potential population density. Human sacrifice was a central feature of society, reaching levels of thousands per year. Cannibalism was rampant. The most common occupation was warfare. It is safe to conclude that the Aztecs were well on the way to self-extinction, and if anything, the arrival of the Spanish saved them—from themselves.

What did the Spaniards bring to the New World? A new concept of man, *imago viva Dei*, expressed, above all, in a monumental city-building enterprise of Renaissance proportions (Figure 8).

The first city built in the New World by Christopher Columbus was called La Navidad, and it was constructed on the basis of a plan drawn up by Leonardo da Vinci. In 1494, Santo Domingo was founded. In 1511, Santiago de Cuba. In 1524, Mexico City. In 1535, Lima. In 1536, Buenos Aires. And so on and so forth.

By 1573, after about 80 years of evangelization, the Spanish had already built 230 new cities. That’s a rate of almost 3 cities per year. Just consider the enormous human and natural resources that had to be mobilized to carry out this task. By 1630, a total of 330 new cities had been built. And by 1810, the time of the wars of independence from Spain began, over 600 cities had been built.

And who populated these new cities? Not principally European immigrants, who totalled only about 2,500 per year to the entire continent during this 80-year period up to



*Schiller Institute demonstration in Bogotá, Colombia, April 1985, against the IMF's austerity demands.*

1573. Rather, they were inhabited by a growing population of mixed-race Indian-Spanish people, the so-called *mestizos*, a population whose growth exploded, particularly from the early 1600s on. Thus, a backward, pagan population was progressively evangelized and incorporated into modern science, technology, and Renaissance culture, as New World colonial architecture clearly attests.

It is this *mestizo* feature of the Spanish evangelization that drives the British wild to this day, because above all, it proved that all men, regardless of race, are in the living image of God. The battle over this concept of man surfaced repeatedly in both Spain and Spanish America during the colonial period. For example, on the question of slavery, as early as 1494, Queen Isabel of Spain had issued edicts proclaiming that the Indians of the New World could not be enslaved, as they were also children of God and therefore had souls. Many in Spain opposed this outlook, however, and a fierce battle ensued over the next 50 years.

This crucial issue was definitively settled, at least from the standpoint of law, in King Charles V's "New Laws of the Indies" of 1542, which proclaimed: "We hereby order that henceforth, for no reason will any Indian be made a slave." In 1551, the viceroy of Mexico, Luis de Velasco, issued an edict actually freeing the 150,000 slaves in Mexico. Thus did Hispanic America receive its Emancipation Proclamation—300 years before Lincoln's in the United States.

And what about education?

In 1534, the first higher education institute for Indians was set up in Mexico City. In 1548, Mexico City saw its first school for girls—the same happened in Boston only in 1825. South America's first university, the University of San Marcos, was established in Lima in 1551—Harvard wasn't founded until 100 years later. Bishop Zumárraga brought the first printing press to Mexico in 1539—the first one in North America didn't arrive in Boston until 1639.

After visiting Mexico in 1803, Alexander von Humboldt wrote: "There is no city in the New Continent, not even in the United States, that can boast such great and solid scientific establishments as those of the capital of Mexico."

Mexico today is, of course, a far cry from what von Humboldt found 190 years ago. It leads the world not in science, but in being one of the first intended victims of the oligarchy's criminal "Limes" project, as Mexico's new "Berlin Wall" attests. But the fault lies not with the Spanish evangelization—as imperfect and flawed as it certainly was—but with British-sponsored economic and cultural policies that have been imposed on Mexico and all of Ibero-America ever since. It is such policies of "free trade," "democracy," and the "Black Legend" that now must be put to their final rest.

It is for us to succeed in completing the Renaissance efforts begun by the earlier evangelizers.

## A world at war, from the Balkans to Tajikistan

An interview with Karen Vardanian

*Karen Vardanian, a member of Presidium of the Union for Constitutional Rights (Armenia), was interviewed for EIR on Dec. 23, 1993 by Konstantin George and Muriel Mirak-Weissbach. His answers were translated from Russian.*

**EIR:** Everyone in the West is talking about the results of the Russian elections of Dec. 12. What is your general evaluation of the Russian election results? In this context, could you comment on what you expect from post-election Russian policy toward Armenia and both the Transcaucasus and North Caucasus?

**Vardanian:** First, I would like to talk about the external conditions which accompanied the election. It must be said that direct and clear pressure on Russia by U.S. and international organizations was very much in evidence. This was confirmed by [U.S. Vice President Albert] Gore's visit in Russia after the election and his statement about the International Monetary Fund, his criticism concerning the IMF.

I think that all the necessary preconditions to destroy the Russian economy have been already created, therefore pressure on Russia from the U.S. and international organizations will not be so overt. This pressure will be directed through certain channels, and it will not be so visible from the outside.

As for Zhirinovskiy, his victory as the main result or the main, so to speak, indicator of the election, does not mean that the policy will necessarily change, since Zhirinovskiy was elected with the help of the government, with the help of the people who now rule the Russian state. The television and radio coverage is quite revealing; they were advertising Zhirinovskiy as much as possible before the election, and this goes not only for Russian but also for western media. It is also indicative that Russian radio and television are essentially in the hands of the Yeltsin and Gaidar group, and that this very

radio, television, and press were talking and writing about the fact that Gaidar used American taxpayers' money for his advertising, which means that he could use funds sent from the U.S. to help reforms in Russia, to prepare television commercials for his party. This was a sort of self-discreditation. I do not mean Gaidar, of course, but the forces which stand behind him.

They showed that Gaidar had dirty money—some of it was government money, since many high officials were participating in his party and kindred parties—while in the case of Zhirinovskiy not a word was said about whether his money was clean or dirty. That automatically told people that Zhirinovskiy's and his party's money was clean. This is very important.

Secondly, Zhirinovskiy's image. One has to give him credit: He is a very good performer, and an experienced KGB officer; he has been playing his role very well. He plays the role of an easily recognizable Russian guy with a very tough attitude to life. This is a very recognizable image for an ordinary voter, the easily recognizable features of a simple Russian man.

Besides everything else, the last 70 years in the Soviet Union, and especially the last five years, were marked by self-humiliation, denigration of one's own dignity in Russia and the former Soviet republics, in relation to the West. This is why the necessity to resist, and defend national dignity, appeared. Before the election, Yeltsin stopped the parties which were running on a nationalistic platform and thinking about the Russian state in principle, such as Ilya Konstantinov's party and others, but he allowed the Communists to participate in the elections. All sorts of propaganda was directed against the Communists, but for some reason it was nationalist parties which were banned. As a result, a voter who participated in the election did not have a choice. He



*In 1992, these displaced Croatians, returning to Lipik, West Slavonia, stare in disbelief at their destroyed homes. "I think that after the recent recognition of Macedonia, the war in former Yugoslavia will get a new push."*

was against Gaidar, he was against the Communists since he knew who the Communists were, so he had no other choice, especially since Zhirinovskiy was running on nationalistic slogans—although he has nothing to do with the national strength or national aspirations of Russia; this you can easily see. Voters do not understand the ins and outs, so as a result they voted for Zhirinovskiy.

What can be said about a change of policy? I am sure that Russia does not make its internal and foreign policy from one day to the next. In any case, the forces which shape Russian policies do this a few years beforehand, sometimes ten years in advance. So I do not think that something will change in political terms—the strategy, the goals; their goals will not change, although it is difficult to discern them exactly. The election showed that the tactics will change. Zhirinovskiy will be used as a pretext for changes in policy, but these will be, of course, tactical changes. For one thing, Zhirinovskiy will help the government to extract as much money as possible from the West. And apparently western countries are also interested in this, at least people in governments or governments. Since it would be difficult for German, French, British, or American governments not to know what mechanisms are functioning in Russia and yet they continue to help, it may be assumed that these funds are somehow divided and part of them stay in the West or are transferred to the West. Because in Russia everything is being looted; that is now clear to everyone. Somebody is making big money on this.

Of course, the outward regulation of policies will change, in the direction of direct Russian participation in local wars most probably, and Zhirinovskiy will help in this very much. Although it is difficult to say what the internal political situation in Russia will look like, how high Zhirinovskiy will go in the near future.

What changes will occur in the policy toward the Transcaucasus, and accordingly also in the North Caucasus? It seems that the situation in the Transcaucasus is changing significantly. The wars in and around this region are spreading, and their influence on the world is increasing, and it looks as if in some time, maybe within a year, Russia will participate more directly in politics in the Transcaucasus. The emergence of Zhirinovskiy is also a lever for changing the mentality both in Russia and in the West with respect to Russia—how much may Russia be allowed to do, so to speak?

**EIR:** In an exchange of views with participants from Russia, Ukraine, Armenia, and Georgia, hosted by *EIR* recently, you developed in a very coherent way the grave danger that the present war in former Yugoslavia and the wars in the Caucasus could in the future merge into one vast regional conflict embracing all the Balkan states, Turkey, the Caucasus, and Iran, and also involve directly or indirectly the superpowers, putting the world on the verge of a Third World War. Could you elaborate that for our readers?

**Vardanian:** I would like to draw an analogy with the First and Second World Wars. In both wars, the basic problems were connected with key points which had to be controlled. Today, in my mind, the most important points are the Balkans and the Transcaucasus. We see that war is going on in both those regions, and there is also an intensifying war in Tajikistan. It would be desirable, therefore, to investigate the connection among those wars. Both of these wars are of great interest to Turkey. Accordingly, Turkey has concentrated its troops in those two directions: in the direction of the Balkans in its European part, and in the direction of the Transcaucasus.

At present, war is being waged in Kurdistan and in the western part of Armenia, the part which underwent the genocide and which has been a part of Turkey since the Russian-Turkish Treaty was signed on March 16, 1921. So there is a war going on there, and it is interesting that the mass media are not very much concerned with this war, and do not cover it too much, not to any extent commensurate with the scale of the war. In reality, this war is a very serious war; hundreds of thousands of people are involved. This is going on very close to the Transcaucasus.

As far as the Balkans are concerned, Greece is the only barrier separating Turkey from the theater of war. I think that Greece will in some way get involved in these conflicts during the next year; at first this may be with diplomacy, but it seems that Greece will not be able to avoid direct participation. What makes me think this way? I think we all remember that after Croatia was recognized by the western countries, the war in the Balkans greatly intensified. I think that after the recent recognition of Macedonia, the war in former Yugoslavia will get a new push. Macedonia is the element which directly connects Greece to the Balkan war.

Thus, from the Balkans to the Caucasus we have all the countries involved in one way or another in the Balkan or Transcaucasus conflicts. Of course, we should not forget about Syria and Iraq, about the Cyprus problem or about the Russian-Ukrainian division of the [Black Sea] fleet. In my opinion, the problem with dividing the fleet is connected to the possible use of this fleet, in the event of the wars in those two regions expanding, as well as the Turkish front.

There is a process of expanding war under way. If we trace these wars back two or three years, we can see how, gradually, they have become connected to each other.

Furthermore, let's look at Iran, which has big problems with Azerbaijan—I am talking about so-called southern Azerbaijan, which is part of northern Iran, where you have 20 million ethnic Turks (Azerbaijanis). This represents one more dangerous element which could destroy Iran from within, and Iran is one of the stablest countries in the Middle East. U.S. policy toward this region provides the basis to say that the policy of exploding Iran from within will continue. For example, a few months ago, U.S. and British forces wanted to transport natural gas from Kazakhstan through Azerbaijan; they wanted to separate a part of Armenia—including Sisian and other regions—and connect it with Nakhichevan, and through Nakhichevan reach Turkey and the Mediterranean Sea. After this, however, Armenian forces took over four regions south of Karabakh and established a 200 km border with Iran, which created an obstacle to the American and British oil transport plans.

I think that the United States has switched to the second scenario for the region, and will continue efforts to destroy Iran from within. The first plan—connecting Azerbaijan and Turkey—was for encirclement of Iran. Since that did not work out, I think now the plan will be to blow it up from the inside.

We all know the situation in Afghanistan and the related Tajikistan situation, and the war going on there. According to official data, Russia is covering 70% of Tajikistan's expenditures and 57% of Armenia's. If we ask why, the answer is obvious. Russia is maintaining its influence in those regions by understanding (or planning) that soon the situation there may get really hot.

We see a huge region starting from the Balkans and ending on China's borders, which is involved in war—a war with tanks, aviation, with all weapons systems except nuclear and chemical means of mass destruction—although many of the surrounding countries have that option as well. Does this mean we can talk about the onset of World War III? I think it does, because the conditions for World War III, or at least for its onset, are different from World War I and II, when direct military or political actions by the superpowers played a role.

Now the situation has changed, and the mentality. The propaganda machines of the Soviet Union and the United States, as well as Europe, have changed direction. For the few last decades, there has been a campaign for non-interference, meaning that borders are inviolable and cannot be changed, and so forth. The superpowers should be held chiefly responsible for this campaign, since they have run it, and now they do not want to participate directly in any military actions. This is very important and changes the whole environment. In today's world war, the superpowers and international organizations want to act through puppets, through indirect, so to speak, participation, through the blood of other countries and other nations. This is the main distinguishing feature of World War III, and the main danger.

Why is this a danger? Because a puppet country is influenced by several forces. Besides the external war, those small countries face also a dangerous situation from within, they are being destroyed from within, the economy collapses. The people of those countries lose control over the situation, for all intents and purposes, and it also gets out of any control by the international community. I mean normal people in the international community.

Therefore, I think we can say today that World War III has started, although the question of how to stop it has not been answered yet by any of the approaches existing today.

**EIR:** Let us return to the Russian elections. An interview with Vladimir Zhirinovskiy was published by the London *Times* on Dec. 21. Zhirinovskiy emphasized that Russia needs good relations with Turkey and with Afghanistan. He did not mention Iran, which of course lies between Turkey and Afghanistan. Was he hinting at some important side to Russian foreign policy that's not public? To be specific, how do you, and how does Russia in your opinion assess the prospects of today's adversary relationship between Turkey and Iran? Is Russia interested in stability or exploiting problems between Turkey and Iran?



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## Theater of war stretches from Balkans to the Chinese border



**Vardanian:** Do we have to take seriously Zhirinovskiy's statement concerning Turkey and Afghanistan? And why does he always forget about Iran, the biggest country in this region, and a country that has one of the oldest traditions of statehood in the world? What is the meaning of this? I think that Russia and Iran continue the line they drew as the basis for their relations when they signed the treaty in the 19th century. To this day, they basically have been trying not to pressure each other and not to interfere in each other's affairs. We can talk about a certain sort of neutrality pact between Russia and Iran during the last 150 years.

Why is this forgotten, in regard to the question of whether Russia will try to worsen relations between Turkey and Iran? Perhaps Russia will be interested in stability in Iran. I think that it is unlikely that Russia will destabilize Iran; it seems that the Turkish-Kurdish war serves Iranian interests and everything seems to indicate that Russia and Iran together will use all possibilities for transferring Kurds and weapons and so forth, through Iran to Turkey.

The possibility of a destabilization of Iran still exists, although it has become much smaller since the Armenian takeover of the Fizuli, Agdam, and Jebrail regions [of Azerbaijan]. The danger has diminished because of that, but it also does not have a real chance of becoming a serious problem right now, if only because Azerbaijanis do not have appropriate structures in Iran, which has a great tradition of governing a multinational state.

**EIR:** Looking ahead into 1994, what do you see as the prospects for Armenia and the other nations of the Transcaucasus—Azerbaijan and Georgia? Is the recent brutal condemnation of Armenia by [Russian Foreign Minister] Kozyrev a

signal that Russia is working out with America, through Turkey, a new push in favor of Azerbaijan? Is the recent renewal of Azerbaijani attacks on Karabakh, which began on Dec. 18, another sign in this direction?

**Vardanian:** Concerning prospects for the Transcaucasus, I think that there has not been any fundamental change in Russian policy toward Armenia recently. Kozyrev's *démarche* was connected mainly with the Russian elections, I think; he wanted to show that he is a pro-Russian and anti-American leader. He found himself a target—the Armenian government, which in comparison with other states of the former U.S.S.R. is probably the most pro-American. Thus it was, in my opinion, a pre-election *démarche*.

Will the policy toward Armenia change in the near future? I think that military activities are intensifying on the Karabakh front, of course, but fundamental changes are doubtful. Such changes may be introduced next spring or into the summer, when the Karabakh front will have stabilized after these actions. As a result, it seems that the front will move in the direction of Nakhichevan and Turkey, in which neighborhood military activities are going on now, and it seems some conflicts will be provoked on the Armenian-Nakhichevan and Armenian-Turkish borders.

Why is Georgia being destroyed? It seems to me that the main reason for this is the fact that Russia wants to have full and absolute control over the railroad going through Georgia to Armenia.

Why is Azerbaijan being destroyed and its territory divided? I think that the main reason for this is an effort to restrain Azerbaijan as a political factor in the ongoing war.

**EIR:** Azerbaijan President Heidar Aliyev is now in Paris,

## The Transcaucasus



on a state visit to France. He is asking for large French investments in oil, etc., in Azerbaijan. He also made a declaration that Karabakh is "an integral part" of Azerbaijan, and could have a "special status," but only within Azerbaijan. How do you assess the Aliyev visit to France? How do you assess French, and in general western policy toward Azerbaijan, toward Armenia?

**Vardanian:** The visit of the Azerbaijani President, Heidar Aliyev, to Paris is, of course, very important, since Paris is one of the main centers shaping policy for the Transcaucasus. His project for French investments in oil will have, I think, the same result as in [former Azerbaijani President] Elcibey's negotiations for British investments.

As for the fact that he declared Karabakh an integral part of Azerbaijan and said it might receive a special status within Azerbaijan—I think that "this train has already left the station." The propaganda ballyhoo around the impossibility of changing borders, the Helsinki Act, etc., really does not affect the Transcaucasus since it was signed with postwar Europe in mind, although even in postwar Europe we have seen changes of borders in the case of German reunification and the situation in the Balkans.

So, I think that Aliyev's statements were meant more for a domestic audience in Azerbaijan than for the outside world, since today nobody in the rest of the world thinks that Karabakh is a part of Azerbaijan, everybody considers it to be part of Armenia, where Armenia runs its own policy. Aliyev is repeating the policy of the CSCE [Conference on Security and Cooperation in Europe] and its approach to the Karabakh

problem, which was defeated with the takeover of the Fizuli, Jebrazil, and Agdam regions by the Armenians.

Will the CSCE also continue in this spirit? The immediate future will show, since it would seem that it would have to change its policy fundamentally. What is our attitude toward France as one of the centers of world policy? I think that present and also past events prove that countries that wanted to run policy in certain regions very rarely worked constructively; basically they aimed at destruction and control by means of destruction. I think, in this area, France does not differ from Russia, Great Britain, the U.S., Germany, in its *approach* to politics—I do not mean concrete actions, but the approach. Although at first glance, it seems that France has the most positive attitude in Europe, I do not think there is any real long-term basis for this. Maybe there is some short-term basis.

**EIR:** Armenia and Karabakh have been victims of a war that has lasted for five years and shows no signs of stopping, and equally important, victims of a blockade imposed by Azerbaijan and Turkey. Wars and blockades produce terrible human tragedies. Unfortunately the scale of the tragedy in Armenia and Karabakh is not well known in the West. Could you please detail the suffering of the Armenian people, which was especially terrible last winter, and we can assume this winter as well?

**Vardanian:** The consequences of the war in the Transcaucasus and the conditions in Armenia are as follows. After the beginning of the Karabakh movement in early 1988, we received the first group of refugees from Sumgait, where pogroms against Armenians had started, and also from other regions of Azerbaijan. By the end of 1988, all Armenian inhabitants were expelled from the regions which were historically part of Karabakh—not from the Nagorno-Karabakh Autonomous Oblast itself, but from these other settlements.

At the end of 1988 we had already a few hundred thousand refugees. In 1988, a strong earthquake affected one-third of Armenia. It killed thousands of people and left about 600,000 homeless. After this, the flood of refugees from Azerbaijan continued until there was not a single Armenian left in Azerbaijan. We accepted about 500,000 refugees from Azerbaijan.

I was talking about how the great powers have conducted a policy aimed at destroying the Armenian economy. I would like to mention the IMF's plans for the destruction of the Armenian economy. Those plans have basically already succeeded, and today only 5% of Armenia's industrial capacity is operational.

Today, we have hyperinflation, the banking system is destroyed, and we have a very low standard of living, with a minimum wage of about 50¢. During the winter it is about 7°C [44°F] indoors, and that is only in the better apartments, those which have some heat.

We also have very high unemployment, in reality about 80%. Not to mention the families of those who were killed,



*In June 1991, Schiller Institute representatives Anno Hellenbroich and Michael Vitt visited Armenia, and spoke to refugees who had been forcibly expelled from their villages in Azerbaijan, which were historically part of Karabakh.*

children left without parents, war refugees, etc.

These are, in short, the results of the war. I would say that the economic problems of the war are not the most dangerous, because in principle it would be possible, although difficult, to rebuild the economy, but the psychological results are very alarming and dangerous, because people have developed a feeling of hopelessness; they do not see a solution, and do not know what to do.

This reduces them to passive waiting and non-resistance, as a result of which, those who want to continue the destruction in Armenia have an easier job.

**EIR:** In a previous question we referred to Heidar Aliyev. He was the former Communist boss of Azerbaijan and in June returned to power in a coup. What forces were behind that coup? Does the past career of Aliyev in the Soviet KGB still have an importance today?

**Vardanian:** Heidar Aliyev is one of the most dangerous figures in the former Soviet Union today. What does he represent? Well, what could a KGB general represent, a man who ran security in such a region as the Transcaucasus? He is a well-trained person, cunning and smart; a man who has wide connections in Russian political circles, and as a result those circles have a great influence on him. They are members of the same team, despite the fact that he is formally a head of state.

Already during the Soviet era, Heidar Aliyev was running operations in which the former Soviet Union was used as a transit point in drug trafficking. Also he controlled the drug market and was one of the leaders of the drug mafia in U.S.S.R. I think that he has not ceased to be one at the present time.

As for his attitude toward other countries and his connections, I do not think there will be fundamental changes in

Azerbaijan's policy, as there were none during the past five years. Apparently, this situation is similar to the case of Shevardnadze. When Russia decided that Gamsakhurdia was not adequately carrying out the task of destroying Georgia, Shevardnadze was brought to power.

Today, when [ex-President] Elcibey did not destroy Azerbaijan well enough, Heidar Aliyev was brought to power. Apparently, Moscow has serious tasks in Azerbaijan, if they use a KGB general in such a small place.

**EIR:** When one looks at the Caucasus one notices that in two of the three newly independent nations, Georgia and Azerbaijan, their Presidents are the same men, Shevardnadze and Aliyev, who ruled them for Moscow during the Soviet period. It is clear that the Soviet-era *nomenklatura* is still in power. Is the same true for Armenia? If not, what if any are the similarities between the Armenian situation and the situations in Azerbaijan and Georgia? Who exactly is President Levon Ter-Petrosian?

**Vardanian:** I think we see the same kind of situation in Armenia as I described in the connection of Shevardnadze, who is also a former KGB general, and Aliyev with Russian politics. Who is Armenian President Levon Ter-Petrosian? It is no secret that his father was an agent of the NKVD and one of the founders of the communist parties in Lebanon and Syria. This already says a lot. He was a well-known figure in the NKVD, and he was involved in important tasks. Ter-Petrosian also had other connections to the *nomenklatura*—his brother was a member of the Central Committee of the Communist Party of Armenia, and headed one of the biggest enterprises of the military complex in Armenia, which he has destroyed.

The question is not only Ter-Petrosian, but also the people who surround him. Most of them went through special

training while studying in Moscow and had connections to the KGB. So did he. They received special training, which they eventually used in their leadership positions in Armenia.

Of course, the *nomenklatura* is still in power, and it would be difficult to suppose that it would be otherwise. The old structures of power are in the process of being dismantled, and new structures are appearing. Connections to the international mafia are becoming closer, as are ties with international organizations. The IMF's policy, for example, makes it possible for the *nomenklatura* to legalize and transfer its capital to the West, and to exploit strategic resources very cheaply, while destroying the economy.

**EIR:** Could you give us a "map" of the political parties, forces, and their platforms inside Armenia? There is also a large Armenian diaspora, with heavy concentrations in France and the U.S.A. What is the present role of the Armenian diaspora in Armenian politics?

**Vardanian:** The political map of Armenia is not very diverse. You could say that 80% of parties and 80% of political fights center around the issue of who will stand at the helm of a puppet state and accordingly of who will be the best puppet.

The government party, the party which is in power, is called the Armenian National Movement, but in principle it has nothing to do with being a national movement, and has probably set a record in the *Guinness Book of Records* for producing so many corrupt politicians in such a short time. For brazenness and openness of corruption, this party has no equal in the world; at least, you rarely read about such things in the world press.

What can be said about the politics of the Armenian National Movement? It does not have a program and it is oriented to maximizing pressure; whoever pressures Armenia the most, it will be on the side of that force. This is the key to its invulnerability and the answer to the question of why it is difficult to dislodge. This is because, for any force, it represents the best puppet.

The Armenian Revolutionary Federation, the second strongest party, came in from abroad, where it had been the main executor of nationalistic ideas. One has to say that this party has a great potential, but, evidently, so far it has not been able to use this inherent potential adequately. It seems that a bad understanding of political processes is the reason for this. I think that, eventually, and soon, this party will start to act in a more radical and responsible fashion, which is the only way political life in Armenia could be changed significantly.

The Liberal Democratic Party also returned from exile. In political terms it is difficult to say what line it is promoting. It is a rather amorphous party, but it has significant power and support in business circles.

One must also point out in this political arena the communist party—the Democratic Party, which consists mainly of

former Armenian Communists who have preserved their outlook on matters. They say openly they want Armenia to be a part of Russia, they say openly that Armenia should do what Russia tells it to do. This political world view is coherent with that of the government, since the government does exactly what Russia says to do, even as the country is being destroyed. In this sense, it is difficult to see any difference between the communists and the government.

There are a few small parties, among which is our party, the Union for Constitutional Rights. Another is the Republican Party, which essentially has the same program. They are the only parties pressuring the government to implement the decisions of Dec. 1 concerning reunification of Karabakh and Armenia. They aim at building a unified state structure on the territory of Armenia reunified with Karabakh.

The main problem here is that outside forces want to exert influence separately on Armenia and on the Karabakh part of Armenia, to use them against each other and for various other purposes. This helps to destroy Armenia's unity, statehood, the psychological motivation of the population, and so forth.

**EIR:** We mentioned before that Armenia has been and remains a victim of war and blockade, a victim of aggression. Aggression almost always involves the intention, among others, to redraw the regional map at the expense of the victim. So far, Armenia has been able to prevent this by its successful military counter-offensives. However, in our view, the danger remains. To be specific, in one such scenario, the West, using Turkish strategic planners as mouthpieces, has proposed an "exchange of territories and populations." In this "model," Armenia would receive Karabakh, but in "exchange" would surrender to Azerbaijan the strip of Armenian territory bordering Iran, which of course would complete the international isolation of Armenia. Have you heard of such plans?

**Vardanian:** Plans to settle the Karabakh problem and the problem of the war between Armenia and Azerbaijan by trading territory and population are a propaganda trick which has been used since 1988 by certain forces in Moscow and in western countries. They have a very concrete political purpose.

What does the exchange of territories mean? That was first revealed on Dec. 6, 1988 when Starovoitova, Sakharov, Bonner, Batkin, and other so-called "democrats" visited Armenia. They came with the task defined by one of the institutes of the Central Committee of the Soviet Communist Party to discuss a possible exchange of territory, with the leaders of the Transcaucasus republics. For example, Armenia would give to Azerbaijan the Sisian and other southern regions, which means the southern part of Armenia, giving Azerbaijan a direct connection with Nakhichevan; Armenia would receive in return Karabakh, and a part of the Gadрут and Lachin regions. Additionally they wanted Armenia to



*Left to right: Levon Ter-Petrosian, the President of Armenia; Eduard Shevardnadze, the President of Georgia; Heidar Aliyev, the President of Azerbaijan. It is clear that the Soviet-era nomenklatura is still in power in the Caucasus.*

give away part of Vardenik and Krasnoselsk regions, so that Azerbaijan would have access to Lake Sevan. Such plans have been discussed, also in the press, since Dec. 6, 1988, one day before the earthquake.

It was understood already then that such plans would lead to the isolation of Armenia and its complete blockade, although those who supported the plan were officially considered to be on the side of Armenia; in reality, those plans would work against Armenia. Today, other reasons for this policy have become clear. If we look at the plan to build an oil pipeline from Kazakhstan through the Caspian Sea and Azerbaijan, we will see that today the part of Armenia which they wanted to exchange is an obstacle to building such a pipeline.

Today I think it is doubtful that we could go back to this, since regions south of Karabakh have already been taken over, which makes those plans for territorial exchange impossible. This, I think, belongs to the past and there is no basis for implementation of such a plan. From the present perspective, those plans and policies allow us to understand what the direction of policy was in the Transcaucasus.

**EIR:** To date, western policy toward Armenia has been miserable. Looking ahead into 1994, do you see any signs that this could change? Which western political leaders or figures, including Lyndon LaRouche, in your view offer the best hope for Armenia? Could you give a country-by-country

assessment concerning the four big western powers: America, Britain, France, Germany?

**Vardanian:** What can be said about the possible changes in western policies toward Armenia? I think the policy of both the West and the East, i.e., Russia, toward Armenia will not change in strategic terms. It is doubtful that the West would change its mentality in such a short time, although this mentality condemns its policy to failure.

What leaders most of all helped Armenia at that time? Among foreign political figures, I think that the activities of the Schiller Institute, headed by Lyndon LaRouche, helped a lot to understand the IMF policy for destroying nation-states, including Armenia, as well as the mechanisms of this destruction and how to resist it. I think that Mr. LaRouche's work most corresponded to the aspirations of the Armenian people to build a nation-state. I mean the internal structure of a state, the role of infrastructure, the currency system, and so forth.

It is difficult for me to name any concrete western leaders who provide any psychological, ideological, or material support for Armenia. I basically do not see such figures today.

Which are the strongest western countries? I think that for the shaping of a policy toward Russia and the former Soviet republics, France, Great Britain, the U.S., and Germany are the most influential. I think that, at present, German policy toward the former Soviet Union as well as the Balkans is the weakest, the least resolute.

## Britain, U.N. threaten Bosnia with starvation

by Katharine Kanter

At the time of writing, all-important talks in Bonn between Croatian President Franjo Tudjman and Bosnian President Alija Izetbegovic continue to be sabotaged by the savage bombardment which began on Jan. 8. Sarajevo, the capital of Bosnia-Herzegovina, lies under the heaviest shelling since the Serbian war of aggression began; the airport, thanks to the usual U.N.-Serbian coordination at critical moments for Serbian interests, is yet again closed down.

Meanwhile, on Dec. 16, according to the Bosnian news agency TWRA, Bosnian Foreign Minister Irfan Ljubijankic sent a letter to his British counterpart, Douglas Hurd, informing the latter's government that Bosnia had decided to withdraw its suit for "complicity to commit genocide" against Great Britain, whereas, on Dec. 6, 1993, the suit was to have been presented in the International Court of Justice at The Hague by Prof. Francis Boyle of Illinois University. This decision, which was taken under the most brutal pressures, has unfortunately deprived the Bosnian leadership of their most effective weapon against those who want to see the nation destroyed.

As though on cue, friends and allies of the British in Europe began to sling mud at Bosnian officials known to oppose British policy. On Dec. 27, Faris Nanic, editor of the Bosnian paper *Liljan*, was arrested in Zagreb and held for 24 hours. It was he who, on Dec. 12, at the Schiller Institute conference in Kiedrich, Germany, had issued a joint statement with Croatian journalist Srecko Jurdana, calling for a Croatian-Bosnian alliance against Great Britain and Serbia. At almost precisely the same time, the Danish papers *Politikken* and *Berlingske Tidende* attacked Prof. Lamija Tanovic, a nuclear physicist teaching at the University of Copenhagen, for allegedly inciting trouble among the Bosnian refugees in the Danish camps, in particular, by demanding suitable education for the Bosnian children. But, on Dec. 26, the truth came out: Prof. Eric Siesby, head of the Danish Helsinki

Committee, wrote to *Politikken* to protest that the press campaign against her coincided oddly with the moment Professor Tanovic began to raise funds to pay for Professor Boyle's travel to the court at The Hague.

In a press conference in Washington on Jan. 6, Rep. Frank McCloskey (D-Ind.) said: "I talked to [Bosnian Vice President Dr. Ejup] Ganic and Izetbegovic. . . . But Lord Owen apparently got them into a room and convinced them otherwise. . . . They should polish up those papers and get them back into action. The Bosnian government should not take out the big guns and then withdraw."

### Food blackmail

The background was food blackmail, no less. In the words of London *Financial Times* U.N. correspondent Michael Littlejohns on Dec. 21, 1993: "A strong inducement not to proceed with the case was Great Britain's pledge to ensure the delivery of humanitarian aid." Translated from Newspeak, this means, "We have 20,000 heavily armed Un-profor troops in your country. We control your food supply, and you have no weapons. If you want to eat, drop the suit now."

Lord Owen himself said this openly to the press on Jan. 4: "Food aid is being channeled to fighters on all three sides. . . . We are changing the balance of the war and in a way *keeping it going*, but we can *justify keeping it going as long as there is a real chance that the political and military leaders are taking the peace process seriously*" (emphasis added). Translated, again, from Newspeak, this means that the British and French troops, who control, as Vice President Ganic said recently in Königswinter, Germany, "who lives and who dies in Bosnia," are making sure the Serbians and Mate Boban's ethnic Croatian militia (HVO) are resupplied until such time as the Bosnian government collapses and signs the tripartition "agreement" presented to it as an ultimatum at

Geneva in July 1993.

Let us now look at what is happening on the ground. Following the murder of a Danish U.N. driver on Oct. 23, 1993, which the U.N. promptly claimed was a Bosnian action, *U.N. convoys into Bosnia were halted for four weeks*. It now transpires, according to Danish press reports, that the murderers were probably mercenaries in the employ of Boban's HVO. But, no matter, the convoys stopped. In order to eat, the Bosnian population was dependent upon private organizations for the entire month of November. *EIR* has attempted, over the last fortnight, to find out precisely what the situation is now on the ground. As the private organizations understandably fear to go into Bosnia without protection from U.N. troops, they are most reluctant to speak to the press about what the U.N. is really up to in Bosnia, lest they get shot up on their next round.

Simply put, as Lyndon LaRouche did in a recent *EIR* interview, the British are in a hurry to get a continental war going, before the United States breaks with British policy in Europe; for the British, Albert Gore's visit to Moscow to denounce the International Monetary Fund (IMF) is the writing on the wall. If the British can only keep their troops in Bosnia till March or April, where they operate as the Yugoslavian Army's elite units, the Serbians will have mopped up Bosnia, and can then move on to Kosova and Macedonia. At that point, a pan-Balkan war leading into a continental war, becomes unstoppable.

Hence, the British invasion of Bosnia.

### **British deployments in Bosnia-Hercegovina**

What we are really dealing with in Bosnia is an invasion and encirclement of that unhappy nation by the Entente Cordiale powers, while the United States stands by and whistles, or, in the words of U.S. Chairman of the Joint Chiefs of Staff Gen. John Shalikashvili in early January, "There is no military solution for Bosnia." Perhaps a throwaway line buried in the midst of a spread on NATO in the *Frankfurter Allgemeine Zeitung* that same week may shed a little light on the American high command's "ho-hum" attitude to genocide in Bosnia. According to the paper, the real base for NATO's U.S. contingent is not the official NATO HQ in Brussels, but "an undistinguished brick house in Grosvenor Square, London, out of which is now run the U.S. Command Center. . . . As a U.S. officer told us: 'London is fundamental for all our operations.' "

Forget all that twaddle in the London *Daily Telegraph* about mujaheddin streaming in the thousands over the borders to succor their Muslim brothers. You cannot get into, or out of, Bosnia without running the gauntlet of British or allied troops. There are now approaching 30,000 Unprofor troops on the territory of former Yugoslavia, two-thirds of them, i.e., over 20,000 men, in Bosnia, nearly all the rest defending Serbian conquests in Croatia. Whereas there are no U.N. battalions sealing off Serbia's long border with Hungary, Romania, and Bulgaria, over which Serbia receives,

unceasingly, fresh supplies.

### **Northern Ireland model**

On the territory of Bosnia, the most important grouping is the ancient British regiment known as the Coldstream Guards. These are no choirboys. The regiment is perhaps the most qualified elite unit in Europe, and is personal guard to the British monarch; it issues from Monck's Regiment of Foot, i.e., Cromwell's New Model Army, and has had unbroken combat experience, most recently in such pleasure spots as Northern Island, the Malvinas, Cyprus, and Iraq. Lt. Gen. Sir Michael Rose, also of the Coldstream Guards, has just been appointed to replace Lt. Gen. Francis Briquetment as head of the Unprofor in Bosnia; he is described by the Italian daily *Corriere della Sera* as "an expert in guerrilla warfare." His biography includes SAS commander 1979-82, and service in Aden, Cyprus, and Northern Ireland.

In the latter province, the role of the SAS in inciting Catholic-Protestant hatred by "taking out" selected targets on both sides, until such time as the conflict became satisfactorily self-moving, has been the subject of much discussion in continental Europe; the presence of SAS and elite British military units at the *outset* of the Ulster troubles, and their presence at the *outset* of Croatian-Muslim strife in central Bosnia gives food for thought.

Why a British expert in guerrilla warfare? The Serbian mode of operation in Bosnia is definitely not guerrilla warfare; in fact, for the first time, a U.N. commander based in Belgrade, the Norwegian Jantora Strandas, stated baldly on Jan. 7 that regular Yugoslavian Army units are routinely deployed in Bosnia. "Just stand in Zvornik and watch the Yugoslav Army cross over," he said. It is the Bosnians, isolated, cut off, and dispersed into scattered militia detachments all over the terrain of their own country, whose mode of warfare is increasingly that of a resistance, of partisan, guerrilla warfare. That is why General Rose is now being sent out there: The *Bosnians* are considered the enemy.

Do not underestimate the British soldiery in Bosnia because they are few (2,500) in number. The British military has, over the last 200 years, developed extraordinary skills in controlling vast areas with a few dozen or hundred crack troops, as the example of the SAS in World War II shows. The British control the only access route to central Bosnia and to Sarajevo, in which immediate area they get a little help from those great humanists, the French Foreign Legion, and 6,000 or so other French choirboys.

The only passable roads now into central Bosnia, notably the so-called Diamond Road, were cut last year by the British Army's engineers; they know these roads like the back of their hand, and they have their troops all over them. According to private aid agencies consulted, the British battalion will let only 25 trucks a day down the road from Gornji Vakuf through Vitez, another major base for the British forces, whereas at least 55 trucks a day could probably pass. That route is critical to resupply Tuzla, center of Bosnian

industrial production and capital of the largest province remaining in Bosnian hands, not only with food for over a million people, but with raw materials for its factories.

How bad the supply situation in British-occupied Bosnia has become, is shown by a few lines which quietly appeared in the London *Times* in early January. The United States will be *doubling* air drops to the so-called "Muslim enclaves" immediately, because, said the *Times*, the "U.N.-brokered agreements for free passage of relief" have failed. Again translated from Newspeak, this means that Unprofor are sticking their rifles in the snow and smiling as the Boban militiamen and the Serbians plunder the convoys.

Here are some of the facts concerning Sarajevo, supplied to *Scotland on Sunday* by their correspondent in Bosnia, Paul Harris: a bundle of firewood costs \$31, one candle \$12.50, whereas a doctor earns \$1.25 a month. The U.N. High Commissioner for Refugees has just cut the food ration in Sarajevo by *two-thirds*, from 600 grams to 200 grams of food a day—with 20,000 heavily armed U.N. troops controlling every supply road into Bosnia, and NATO patrolling every millimeter of Bosnian airspace! Incidentally, military sources confirmed to *EIR* on Jan. 7 that *Serbian* personnel have been invited by the U.N. to vet every relief package airlifted into Bosnia from the military airport at Frankfurt am Main, under the U.N. program "Provide Promise."

## The Croatian debacle

It is quite extraordinary how the British have managed to deflect the world's rage against themselves onto Croatia, unprincipled as be the government of Tudjman. As Owen rumbled on the BBC on Jan. 5, calling for sanctions against Croatia as tough as those against Serbia, U.S. Ambassador to the U.N. Madeleine Albright flew into Zagreb to denounce, not the British, but the Croatians for war crimes in Bosnia. It cannot be excluded that economic sanctions, or even "allied" military actions, will soon be carried out against Croatia.

Should that occur, many of the 800,000 refugees now in Croatia would attempt, in order to avoid starvation, to flee into western Europe, provoking absolute chaos in neighboring states, while hideous disorders and degenerate social movements will erupt within Croatia itself. Such is, doubtless, British policy.

Diplomatic sources have recently remarked to *EIR* how much they admire, if that is the word, the ferocious energy, the resolve, the bitter determination of British officers and diplomats in their race to get their continental war off the ground. These same sources felt that were the Clinton administration to deploy one-tenth of that energy to break with Great Britain and conduct a principled foreign policy, the war in Bosnia could be stopped within 48 hours.

## A flawed approach

The Schiller Institute, founded by Helga Zepp-LaRouche, points out a number of serious flaws in the final communiqué of the "Conference of International Parliamentarians and other Citizens against Genocide in Bosnia-Herzegovina," which met in Königswinter near Bonn, Germany on Dec. 1-2 (see *EIR*, Dec. 17, 1993).

1) The communiqué calls for international trade sanctions against Croatia. This is not the policy of the Schiller Institute, whose spokesmen at Königswinter called for trade sanctions against Great Britain, and for breaking off diplomatic relations with Great Britain until such time as it ceases and desists from its support for Serbia. Were sanctions imposed upon Croatia, its territory in Krajina and Slavonia now occupied by Serbia would be lost forever. Economic sanctions only intend to starve the already suffering population of Croatia and provoke rage against Europe, a rage which could then be manipulated for destabilizing efforts.

2) The communiqué calls for air strikes only to ensure that relief convoys get through. The Schiller Institute has

called and does call for air strikes now, against Serbian supply lines, military depots, and airbases, in order to stop Serbia from further prosecuting the war.

3) The communiqué appears to accept the permanent existence of U.N. "safe areas" and "protectorates" inside Bosnia. The Schiller Institute rejects this notion of "Indian reservations" for Bosnia. The only lawful borders for Bosnia are those as of the day it declared independence in 1992.

4) The communiqué does not, despite demands by the Schiller Institute, refer in any way to the special criminal responsibility of Great Britain, nor to the suit which the government of Bosnia was bringing against that nation in The Hague for complicity in genocide.

5) The communiqué calls for replacing Lord David Owen and Thorvald Stoltenberg with "impartial" mediators at Geneva. The Schiller Institute does not support the Geneva talks, the sole aim of which is to force the Bosnians to sign a tripartition agreement.

The Schiller Institute holds the view that the only way to stop the war in Bosnia, is a) to bring about a strategic rupture between the United States and Europe, on one side, and Great Britain on the other, and b) for Croatia and Bosnia to ally against their common enemies.



## Bosnian Muslim nails fake British 'Muslims'

*On Jan. 5, a Bosnian Muslim source who has been closely following the situation in central Bosnia spoke to EIR from Zagreb, Croatia.*

**EIR:** As you remember, there were articles in the Croatian media, in particular *Danas* magazine, saying that the role of the U.N.—i.e., the British Special Forces deployed as U.N. troops there—needed to be investigated. They were talking about the famous Cheshire brigade—normally deployed in Northern Ireland—trained in guerrilla, counter-guerrilla, and psychological warfare, and provocation operations. Even [Bosnia-Herzegovina] Vice President Ejup Ganic, in a recent meeting in Petersberg near Bonn said on Dec. 2: “These fundamentalists—they could be counted on the fingers of my hands, but suddenly they begin to pop up; they don’t speak the Bosnian language well, but they do speak good English.”

**A:** As far as I know there is no fundamentalist danger; the point is, however, that the Bosnian Army is advancing. Central Bosnia is very soon to be controlled by the Bosnian Army. The Croatian media, and as well some media in Europe have been constantly repeating that there is a fundamentalist danger within the Bosnian Army circles, but we don’t know exactly how many fighters from all over the Islamic world have come to Bosnia to fight as mujaheddin.

We do know that there are perhaps several hundred of them—200, 300 at most—which have been formally submitted to the Bosnian Army, III Corps command. But only formally. In reality they are taking orders from others. That’s the first thing.

The second thing is: There are clues that the so-called Muslim brigades have been financed by Saudi capital, and that some of the platoons and companies of this Muslim brigade *have* committed some of the crimes which have been proclaimed as Muslim crimes.

**EIR:** These are people who formed their brigade before joining the official army.

**A:** Originally these brigades were formed in Bosnia without any input from the central government. They were formed

by local elements who allegedly have committed their lives to Islam. So these would be the fundamentalists. The reality is different. For example, when the city of Vares was liberated by the Bosnian Army—these guys were filmed, videotaped, drinking alcohol. This was two months ago.

**EIR:** It’s not a good sign of Islamic faith—to drink alcohol?

**A:** Yes. Of course. These guys are definitely not devout Muslim fundamentalists. The problem is that some of the platoons of this brigade; some of even the companies of this brigade—it seems—have committed some crimes in some villages. There are clues. The problem is: What we know is that these brigades are being financed by Saudi capital. And it is not controlled—as far as we know—either by the Bosnian government or by the Bosnian Army. Even though it is formally under the III Corps of the Bosnian Army command.

**EIR:** And of course there could be reason for embarrassment for the central government to admit that these people are not under control.

**A:** That’s right.

**EIR:** And what about the analysis from some of the Croatian papers that some of these so-called fundamentalists have been, in reality, trained and “invented” by the British.

**A:** It seems as though a lot of so-called volunteers who are coming both to Croatia and Bosnia—to volunteer both for the Croatian Army and the Bosnian Army—didn’t come there to promote truth and democracy for their respective peoples but to be there to spoil things, to muddy the waters.

The problem is that what the Croatian press has noted in central Bosnia is that some of the leaders of the massacres—the military leaders of the Croatian units which have committed massacres in the Bosnian villages, the Muslim villages—were actually British. These were “former” British officers who came as volunteers to fight for the Croatian people, during the period when Croatian extremist Mate Boban began his chauvinist drive against the Muslim population. These brigades committed crimes against the Muslims in central Bosnia. . . . The second thing is that there is a similar process which has been going on in the Bosnian Army. So some of the former British soldiers—special forces soldiers and officers—have offered their good services to the Bosnian Army, allegedly embracing Islam and giving their good services to train the Bosnian Army. We have some clues that some of these units were led by those people, claiming that they are fighting for the Muslims and Islam and blah-blah, but still committing crimes against the Croats in central Bosnia.

**EIR:** Rumors are circulating that some of these people now have ultra-orthodox Islamic names. Their original names were British. . . .

**A:** For example, there is a gentleman who was a colonel or

captain in the British Special Forces, his name is David Owen, no relation to the so-called mediator. At least for what I know. Two years ago David Owen suddenly converted to Islam and he became . . . Sheik Dawud.

**EIR:** What is he doing now: Is he in the army?

**A:** As far as we know, he has offered some of his very good services to the Bosnian Army. We don't know where he is right now, but for sure he has been operating there. Apparently, some of the officials of the Bosnian Army didn't believe him; but I think he has found his way to go there. Honest, competent military people, both Croatian and Bosnian, are in the best situation to identify these provocations. For the politicians it's more difficult.

**EIR:** The solution to this would be, basically, for the best people in Croatia and Bosnia to get together and denounce this manipulation.

**A:** That's right.

**EIR:** Do you see any possibility of this?

**A:** There are some clues that we might do it; Haris Silajdzic, the prime minister of Bosnia, has stated recently—I don't know exactly when—that the problem is that these so-called Muslim brothers, allegedly mujahideen, who have come to fight for Bosnian freedom, and have been warmly welcomed, did not play their role in that regard, but on the contrary.

He made the remarks when he was asked: What about these mujaheddin? He said: The problem is that we were not cautious enough. People came and we have accepted any kind of help. But it appears that all of a sudden, they didn't do what they have committed to.

As far as the Croatian side is concerned—I think the military would be much closer to this conclusion than the government. They know better; these idiots in the government, they don't know anything.

**EIR:** Do you think the military could do something about this?

**A:** I think that there is some kind of a positive mood within the military to solve this problem in a proper manner. Meaning that there are some generals who are very, very disappointed with developments; they would like very much to see a shift in policy. How strong they are, that has to be discussed with them. . . . There is a push to establish peace between Bosnians and Croats. But there is one war that is visible and another war behind the scenes. Every time anything positive happens to reduce the Bosnia-Croatia hostilities, then it always follows that there is a massacre. Something happens, somewhere. And then there are the British, to film it, to show it to the world. Every time! If they are not there someone else is there—like a Canadian battalion. And then they simply call the British battalion to help them. And the artificial war between the victims continues. . . .

## Pakistan-India talks hold a ray of hope

by Ramtanu Maitra

The outcome of the recently concluded seventh round of talks at the foreign secretary level between India and Pakistan, held in Islamabad Jan. 1-3 to normalize bilateral relations, has turned into an enigma. While some senior Pakistani leaders, almost all Pakistani media, and the western press were quick to dismiss it as a failure, what has emerged in subsequent days suggests otherwise. Although the talks did not achieve a breakthrough in any of the disputes that plague the two countries' relations, there is reason to believe that the talks will continue, and therein hides a ray of hope.

There is, perhaps, no definite measuring stick to evaluate such talks, which bring to the fore more than four decades of hostilities and built-in suspicions, fostered further by three wars over the possession of Kashmir. At the same time, it is almost amusing to watch the swiftness with which some labeled the talks irrelevant, the responsibility for which lies squarely on Pakistan Foreign Secretary M. Shahryar Khan, who is second in the ministry after Foreign Minister Sardar Assef Ahmed Ali. The day the Indian delegation left the Pakistani capital, Islamabad, he told newsmen that the next round of talks was dependent on an improvement in the situation in Kashmir to Pakistan's satisfaction.

Subsequently, the former prime minister of Pakistan and leader of the opposition, Nawaz Sharif, who has been accused of channeling funds to the Kashmiri militants involved in violence in the Indian-held part of the Kashmir Valley during his reign, called for cutting off any further talks with India. While visiting Uzbekistan, Pakistan Foreign Minister Sardar Assef Ahmed Ali said that unless the Kashmir dispute is solved peacefully on the terms of international law and the U.N. resolution, "there is always a danger of a fourth war in South Asia." He warned, "This time around, the concern of the world, the concern of South Asian countries is that if a war takes place in South Asia, it might become a nuclear war."

### The contradictions

From such bluster one could easily interpret the talks as a failure. However, on Jan. 6, Pakistan President and a senior member of the ruling Pakistan Democratic Party (PDP) Farooq Leghari said in Karachi that the Islamabad talks set in motion the process of a "peaceful" resolution of the Kashmir dispute and that the bilateral talks must continue in order to find "a just and right solution to this issue."

President Leghari's statement came three days after Foreign Secretary Shahryar Khan had put "conditionalities" on the next round of talks. However, the Indian delegation, upon its return to Delhi, made clear that they were as much surprised by Foreign Secretary Shahryar Khan's statement as the subsequent campaign to denounce the talks as a failure. Indian Foreign Secretary J. N. Dixit told Indian newsmen that he did not get this impression from the Pakistani side. On the contrary, when Dixit had suggested a four-month time frame for the next meeting, it was Shahryar Khan who was categorical that the momentum generated by the talks must be kept up.

The political gamesmanship exhibited by the Pakistani foreign secretary and foreign minister indicates that there is a concerted effort, mostly carried out by Washington and Moscow, of late, to convince all that India and Pakistan are incapable of resolving their disputes and are headed toward a nuclear war. Nawaz Sharif, on the other hand, is busy trying to extract some political mileage by espousing the most rabid anti-India statements.

### Why the gamesmanship?

The seventh round of talks assumed a great deal of significance because of the unending violence in the Kashmir Valley, which is part of the Indian-held part of Jammu and Kashmir, and the growing internationalization of the Kashmir issue by the Clinton administration. There were indications earlier that Washington, and even the U.N., had offered to mediate privately on Kashmir. But China's categorical statement that the Kashmir issue must be resolved bilaterally by India and Pakistan, and the agreement to hold the seventh round of talks, perhaps, made Washington change its mind.

However, it would be naive to believe that Washington has given up its objectives on Kashmir. Its concern is centered around two objectives. First, the threat of a nuclear war between India and Pakistan has been drummed up, with support from the Pakistani foreign minister, to generate worldwide opinion to force both India and Pakistan to give up their nuclear weapons programs and sign the nuclear Non-Proliferation Treaty (NPT), a highly biased document that favors the nuclear weapons states, before 1995 when it expires. Signing the NPT, besides abandoning nuclear weapons for defensive use, means that both countries would have to kowtow to a regime which will seriously impede any attempt to develop nuclear power for commercial use.

The second objective of Washington, which is often stated off the record, is to make Kashmir an independent nation. While Washington believes that neither India nor Pakistan can keep Kashmir within its territory because of the growing support among the Kashmiris for an independent nation, China believes that the purpose of making Kashmir an independent nation is to get a foothold in the subcontinent from which anti-China activities could be run through Tibet and Xingjiang. Recent activities of Washington in the newly

formed Central Asian republics suggest that it is increasingly meddling in the region.

### The nuclear threat

Assertions that a nuclear war is about to break out between India and Pakistan is a relatively new campaign. On July 28, 1993, CIA head James Woolsey, in testimony before a congressional committee, had warned that the arms race between India and Pakistan poses perhaps the most probable prospect for future use of weapons of mass destruction, including nuclear weapons. Other CIA reports have also been cited to indicate that the two countries were preparing for a nuclear war, and *New York Times* scribbler Seymour Hersh has said that the two nations were on the verge of a nuclear war. President Clinton, during his speech at the U.N., said that as the world marvels "at this era's promise of new peace, we must also recognize that serious threats remain. Bloody ethnic, religious, and civil wars rage, from Angola to the Caucasus to Kashmir." This is the first time that any U.S. President had mentioned the dispute in Kashmir as a "bloody ethnic, religious, and civil war."

While Washington's pressure on India and Pakistan over Kashmir centers around the threat of nuclear war and violations of human rights, there are clear indications that the State Department is busy giving it a different shape. Once it is "established" that India and Pakistan, livid with hatred toward each other and ready to usher in a nuclear conflagration, are incapable of resolving the Kashmir issue since both claim ownership, the next step is to fortify those forces which support the cause of an independent Kashmir. The third way is the only way, has become the watchword of the State Department.

Many seminars on the Kashmir dispute are now sponsored by U.S. think-tanks, and coordination between "independent Kashmir" support groups from London and Washington has recently been put in place. Also, Robin Raphel, assistant secretary of state for South Asia and a "friend of Bill" from the London days, challenged the legitimacy of Kashmir's accession to India. By announcing—off the record, of course—that the United States never recognized India's claim over Kashmir (either a slip or a deliberate lie), Raphel is trying to open up the instrument which governed the annexation of princely states following the departure of the British. The law had allowed all princely states to exercise their right to join either India or Pakistan, or remain independent.

While Raphel's game quickly became transparent in India, in Pakistan the statement was welcomed as pro-Pakistan. But recent criticism of Azed Kashmir, the Pakistan-held part of Kashmir, by the New York-based Asia Watch human rights group, might have opened up a few eyes. It is also certain that Beijing's reactions, sent through a military delegation, have not gone unnoticed in Islamabad. It is in this context that the statements of Sardar Assef Ahmed Ali and Shahryar Khan pose problems.

# Ghost of Profumo scandal haunts John Major government in Britain

by Mark Burdman

As 1994 opens, the specter of the 1963 Profumo scandal is hanging over the government of British Prime Minister John Major. That scandal brought down the Harold Macmillan government, ending 13 years of Conservative rule and opening the way for the Labour Party's Harold Wilson to become prime minister in 1964. Thirty years later, the view from London is that Major's chances of surviving the year in power are very slim.

The Profumo scandal was a sex-and-espionage case, centered around call-girl Christine Keeler, who was having affairs both with the married John Profumo, then Britain's defense minister, and Soviet military attaché Ivanov. That raised questions of ministerial impropriety and national security. Today, the political effect of the array of scandals erupting around the Major cabinet and the Conservative Party is likely to be similar to what it was then, given the methods that the British establishment uses to engineer changes in regimes.

The real issue today, as seen by influential circles in London, is that the gray non-entity Major is regarded as completely inadequate to deal with a world beset by increasing strategic challenges from Russia, a range of financial and economic crises, and the growing sense of disarray and drift in the West as a whole. He is being held responsible, as well, for clumsily handling Britain's cherished relations with the United States, the so-called "special relationship" that is worshipped with religious fervor by the U.K.'s power syndicates.

The British establishment is now, indeed, paying the price for their own policies of the past years. As one Scottish influential stressed to *EIR*, Thatcherite free trade policies have "deconstructed" much of British institutional life, placing the budget-cutting exigencies of the British Treasury and City of London financial institutions above all other considerations. That has had a devastating effect on certain institutional continuities and on the quality of political leadership, as well as on whatever remains of a real economy in the British Isles. The catalogue of nightmare horrors of the British economic collapse could fill volumes, whether it be the breakdown of entire sections of the London subway (underground) system in November, or the threefold increase in children on welfare relief in the 15 years of Thatcherite policy hegemony, or the constantly growing unemployment. It is

becoming politically and economically impossible to continue imposing more and more austerity.

The intent to dump Major is one aspect in the shifting arrangements within the British establishment overall, which are profoundly affecting such hallowed institutions as the monarchy and Church of England. On Jan. 11, Britain was rocked by the news that the Duchess of Kent, wife of the Duke of Kent, would convert to Catholicism Jan. 14; the Duke of Kent is first cousin to Queen Elizabeth II and Master of the United Grand Lodge of Freemasonry in Great Britain. In Britain, such matters are of great sensitivity, given the 1701 Act of Settlement that legally encodes, in effect, a Protestant/Church of England theocracy over the U.K. (the Sovereign being the Supreme Governor of the church), including forbidding a Catholic from being the sovereign. The influential Lord William Rees-Mogg suggested, in a Jan. 13 London *Times* commentary, that the Duchess of Kent's conversion could pave the way for phasing out the Act of Settlement, and allowing a "Catholic to become king" in the future.

## 'Weasel words of a wily wimp'

What is significant about the woes besetting the Major government is the *array* and *density* of these cases all happening around the same time. The most publicized case has involved Secretary of State for the Environment Tim Yeo, who has been forced to resign following the publication of stories—obviously known to the press and domestic MI-5 secret service for a long time—about his having fathered an illegitimate child before his marriage. As reports begin to filter into the press that other ministers were also implicated in similar activities, it was revealed that on the night of Jan. 8, the wife of junior Transport Minister Lord Caithness was found dead, evidently having shot herself in the head. Caithness resigned from office Jan. 10. What has since come out, is that Caithness was having an extramarital affair with a woman in the employ of the royal family.

Major has been caught in a trap partially of his own making, but one which was also laid for him at last summer's annual Conservative Party convention. In the weeks leading up to that event, there was a drumbeat building for him to be dumped, and there were expectations that an alternative Tory leader and prime minister would be anointed on that occa-

sion. To avoid this, Major made a Faustian bargain with the Thatcherite “right-wing” of the party, whereby he would agree to their demands for a “moral crusade,” based on a revival of “Victorian values”—which were hardly ever practiced in reality in the highly immoral Victorian period of High Empire.

Major’s “moral crusade” was enshrined in three words, “Back to Basics,” which words, charged *Financial Times* senior commentator Joe Rogaly Jan. 11, have become “a deadly mantra” incessantly repeated by Major, who now rules over a “morally bankrupt government.” Rogaly said that Major’s proclamations were increasingly sounding like “the weasel words of the wily wimp,” especially as “the social disintegration” that Major claims to be crusading against has occurred under 15 years of Conservative rule. “In short, the government has been in office too long,” Rogaly affirmed.

### ‘Sleazy administration run by a pygmy’

The attacks on Major, in many cases from pro-Tory newspapers, have been devastating. On Jan. 9, the Murdoch chain’s *Sunday Times* lead editorial was entitled, “Going Down.” It wrote: “John Major is becoming increasingly like the Grand Old Duke of York, that risible character from the Book of Basic Nursery Rhymes, who marched his troops to the top of the hill, only to march them down again. . . . We hardly know whether we are coming or going.” The paper advised that when Parliament reopened during the week of Jan. 10, “Major’s entrance might well be greeted by the chorus of the old rhyme: ‘And when he was up, he was up/ And when he was down, he was down/ And when he was only half way up, / He was neither up nor down.’ ”

The paper went on: “Such is John Major’s Duke of York leadership—a retreat into hypocrisy on a scale that even the nominally Tory press finds impossible to swallow. This simply will not do. The stench over this government is already foul enough. . . . Marooned in muddles of its own creation over the past 14 years, the Tory high command has no idea of the depth of the resentment felt in the country—especially among the middle class—about its performance. It is no wonder the government is heading for disaster in the local and European elections [in June]. It will deserve its fate. Unless Mr. Major takes a realistic stock of his position and acts to retrieve it without delay, he risks going down with this party.” A government that behaves the way Major’s government is doing “cannot last long. . . . It may already be too late for this government to show some remorse and regenerate itself. . . . Time is starting to run out for Mr. Major.”

*Sunday Times* editor Andrew Neil stated Jan. 11 that what was happening in Britain was “the highest level of hostility for a Conservative government and prime minister” in the post-World War Two period.

The tabloid *Sun*, known for its fierce loyalty to the Conservative Party, editorialized, “This country desperately needs leadership.” Columnist Richard Littlejohn charged,

“Major has forfeited the right to lead the Conservative Party and the nation. He is a weak, mediocre man, surrounded by unprincipled spivs [sic] and chancers. . . . This is a sleazy, dishonest administration led by a political pygmy. A country crying out for leadership is given spineless prevarications and platitudes.”

### Another ‘annus horribilis’?

The broader issue, a London source connected to the circles of the Trilateral Commission stated in a discussion with a journalist Jan. 11, is that Major is “inadequate” when new strategic dangers are threatened from Russia, and other profound crises, economic and otherwise, are about to erupt over the coming months.

Said this individual, who deals foremost with transatlantic strategic affairs: “What is preoccupying me more than anything, at the moment, is our domestic crisis, rather than the international issues. There are definitely parallels between what is happening now and the Profumo affair of 1963, in the sense of the press both generating scandals and shaping an atmosphere around them, even if some of the details of the scandals now are too absurd and outrageous to comment on. Just like then, you now have a pattern of rumors about rumors, all stoked by the press. . . . It is possible that John Major will go by high summer of this year.”

The issue, he stressed, is Major’s “inadequacy for the job. He’s not up to the test. Some people are looking for a bruiser, a real knock-down type, to replace him. The competence question is uppermost, particularly at a time when we face so many challenges ahead of us.”

This source went on: “I would agree with the analysis that Russia is now reverting to its traditional Third Rome posture.” He said that the Russians believe, devoutly, that “history is on their side,” and they will profit more from the “disarray in the West” than the West will profit from Russia’s troubles. He warned that such factors are “greatly underestimated in the West. . . . The reciting of self-consoling formulae about democracy and the free market by western leaders won’t suffice.” A shakeup would be required in western thinking.

What alternative do the British elites have in mind? If they insist on the policy axioms of past years—which prioritize financial speculation, wars against the countries of the southern hemisphere, geopolitically motivated opposition to economic development on the “Eurasian landmass,” support for tyrannies like Milosevic’s Serbia, appeasement of Russia—then a change of leadership would amount to rearranging the deck chairs on the Titanic. Under such conditions, the British profile is to thrash out, to bring others down with them, by igniting new wars and destabilizations. A post-Major “bruiser,” in this light, is an ominous prospect.

1993 began with Her Majesty moaning that 1992 had been an *annus horribilis* for herself and Britain. Will 1994 be even more horrible, or will a significant faction of the British establishment come to its senses?

# NATO guarantees are worthless

by Konstantin George

Since the New Year began, western government leaders and media have expended countless words on the theme of NATO "security guarantees" for the states of central and eastern Europe. These were buttressed at the Jan. 10-11 NATO summit with the Clinton administration's "Partnership for Peace" formula—termed "P4P"—solemnly adopted by the NATO heads of state. That's "P," as in "p—ing in the wind," which is what NATO is doing by refusing to recognize the fundamental issues at stake. The most important issue is the urgent necessity for adopting a development-based economic policy alternative to the International Monetary Fund (IMF) "shock therapy" policies of the last years. If these policies are continued, all talk of "security" is a cruel farce. By destroying the economies and social fabric of all the eastern European states and Russia, these policies are responsible for the fact that Russia will again become a nuclear superpower adversary of the West.

American statesman Lyndon LaRouche made the point quite graphically. In early January, he emphasized that any NATO commitment to Poland or other eastern European states "would be worth as much as the British and French commitments to Poland's security in 1939. . . . If we do not get rid of the Jeffrey Sachs shock therapy, the IMF conditionalities policy, and related policies toward eastern Europe and Russia, we're going to have hell breaking out, and all the NATO alliances in the world will not save Poland or the other eastern European states. If we don't get rid of this insane economic policy which is destroying those parts of the world and which is driving Russia deeper and deeper into a Third Rome dictatorship as a nuclear superpower." The "Third Rome" refers to the Russian imperial doctrine that Moscow will become the head of a third and final world empire.

LaRouche described the travesty of the West's discussing "security" for Poland, when the West has been destroying the stability of that country in the post-communist era: "Poland is being destroyed from the inside. The Polish economy is down to 30% of what it was under communism in 1989. The Russians haven't yet done anything to Poland. The London crowd, the Anglo-American crowd, has done a great deal to Poland."

The tragedy is compounded by the fact that even in the domain of strictly military security, the summit was a failure. The gathering, as the London *Guardian* aptly put it, was haunted by the "Banquo's Ghost" of Bosnia. NATO's refusal

to take effective military against a relatively puny aggressor, namely the Serbian regime of Slobodan Milosevic, has not been lost on either Moscow or on any future east European victims of a Russian empire reconquest policy.

## Divisions in the U.S. establishment

As attested to by the results of the NATO summit and the first phase of President Clinton's visit to Moscow and Kiev, the U.S. administration remains committed to the catastrophic IMF policies. Clinton's promise in Kiev on Jan. 12 of increased economic aid to Ukraine, but only on "condition that Ukraine implement economic reform policies," i.e., a form of shock therapy, provided the latest proof of this. However, it cannot be excluded that this could change. The shock of the bloody October events in Moscow, and the stronger shock produced by the victory of Third Rome advocate Vladimir Zhirinovsky, in the Dec. 12 elections, have catalyzed a debate in the United States on the wisdom of pursuing IMF policies toward Russia.

The first public sign of this appeared on Oct. 4, right after the bloody crushing of the Russian Parliament, when President Clinton said that his administration "does not always agree that the IMF's policies are good for a country like Russia." Then, in the wake of the high vote totals for Zhirinovsky, Clinton said that he regarded that vote as a sign that many Russians were suffering from "economic hardships." Since Vice President Gore's pre-Christmas criticism of the IMF approach on aid to Russia, frictions have intensified.

## Sabers rattle in the East

The deeper Washington and NATO plunge in their present course, the more dangerous becomes the situation in Moscow. A foretaste of what could happen was provided on Jan. 10. In murky circumstances, Latvian officials arguing with two Russian generals over the disposition of some Russian military property—a handful of buildings in the capital of Riga—detained the generals, and according to Moscow, held them in handcuffs for several hours. Whatever the facts, the Defense Ministry in Moscow responded by putting all Russian troops in the Baltics on top alert, and the Russian Airborne Division and military transport units based at Pskov, just east of the Baltic republic of Estonia, were ordered to prepare for possible invasion of Latvia. Hours later, Latvia apologized, promised to punish the officials in question, and, this time around, the crisis was cooled off. Most significant of all, back in Brussels, there was no reaction from NATO.

A day later, Russian President Boris Yeltsin, in his speech to the opening session of the the Parliament's upper house, announced Russia's exclusive claim to the entirety of the former Soviet Union: "Each state is increasingly realizing that it cannot survive on its own. Rapprochement among our countries is under way. It is Russia's mission to be first among equals."

# LaRouche cases aired at European Parliament

by Liliana Celani

On Dec. 9 and 10, 1993, the "International League for the Abolition of the Death Penalty by 2000" was officially founded at a conference at the European Parliament in Brussels. The conference was attended by approximately 50 members of parliament and jurists from Europe, including Russia, Ukraine, Poland, Bulgaria, Azerbaijan, Uzbekistan, Moldova, Lithuania, Latvia, and Croatia, and from the United States, Canada, Ibero-America, Africa, and the Middle East, including a representative of the Palestine Liberation Organization. The attendees in turn represented 500 members of parliament from all over the world who endorsed the first call for an International League to Abolish the Death Penalty, which was launched at the congress of the Italian Radical Party in Rome in February 1993.

Among the main speakers were Emma Bonino, general secretary of the Italian Radical Party, and Sen. Alma Agata Capiello, a lawyer and a member of the Justice Committee of the Italian Senate who recently traveled to Washington to meet with members of the U.S. Congress to demand that political prisoner Lyndon LaRouche be freed. She is also one of 72 members of the Italian Parliament who endorsed a call to President Bill Clinton to free LaRouche.

Bonino, who was also among the signers of the call to Clinton to free LaRouche and who held a press conference inside the Italian Parliament on the LaRouche case last April, together with Sen. Flaminio Piccoli, former president of the Christian Democracy International, reminded the audience that the United States voted at the United Nations in favor of a proposal to create a tribunal on war crimes in former Yugoslavia which is based on the concept that, contrary to the Nuremberg Code, no crime shall be punished by imposition of the death penalty. Such an approach puts the United States in a contradictory situation which should be exploited, she said, especially considering the fact that "Attorney General Janet Reno has said she feels embarrassed by being a cabinet member in a country which practices the death penalty."

Attending the conference for the United States were Ashanti Chimurenga, a black representative of Amnesty International from Chicago, and Gail Billington, wife of political prisoner Michael Billington, an associate of LaRouche serving a 77-year sentence for "securities fraud."

From the speech of Chimurenga, it became clear to all participants how degenerate American "justice" has become, and how it became particularly bad during the years of the Bush administration, which used "judicial homicide," as Chimurenga called it, as a form of racial and social discrimination, since the death penalty in the United States particularly hits "white poor and colored people." "Human life means nothing in the United States," she said, citing the case of Gary Graham, which has become a symbol in the United States of those who are sentenced to death despite their innocence. She quoted, as did many other speakers during the founding conference, the recent U.S. Supreme Court decision allowing an execution to proceed in a case where the defendant was possibly innocent. This "exposes the whole fallacy of our judiciary system," she said, because with this decision, "judicial execution becomes straight murder. . . . In the United States, once you commit a crime and go to prison, you no longer have any rights." She called on the European Parliament to exert "persistent and strong pressure" to force the United States to abolish the death penalty, and to raise this issue also at the United Nations, particularly "when the United States fingers others," since it behaves in an arrogant way and "does not listen to others."

## A note of optimism

Senator Capiello expressed more optimism that the situation in the United States may change under Clinton, and cited the case of LaRouche. "The fact that Mr. LaRouche, who had been sentenced to a 15-year prison term, was recently granted parole, shows that international pressures, if they are persistent, do have an effect in the United States," the Italian senator said.

In the afternoon session, the case of LaRouche and his associates came up again during the intervention of Gail Billington. "I am honored to have the opportunity to speak at this conference," she said. "My name is Gail Billington, and I am the wife of a political prisoner in the United States who has been sentenced to 77 years because of his support for the LaRouche movement. There are five more people who have been condemned along with LaRouche to very long prison terms—between 39 and 10 years. LaRouche ran as a presidential candidate during the last elections, together with Rev. James Bevel, on a platform which included the demand to abolish death penalty in the United States, and the urgent need to create a new monetary system in order to allow economic development for all people in the world. This explains the behavior of the Justice Department toward him and his associates, a department which Rep. Henry Gonzalez [D-Tex.] recently correctly defined as 'the most corrupt he ever saw in his 40 years in Congress.'" Billington concluded by calling on the European Parliament to demand oversight hearings on the U.S. Department of Justice and on the cases of LaRouche and his associates, including her husband.

# Conference in Sudan debates future of Arab, Islamic world

by Our Special Correspondent

Khartoum, the capital of Sudan, played host in early December 1993 to a gathering of over 500 delegates to the second Popular Arab and Islamic Conference, an institution founded in the wake of the 1991 anti-Iraq war as an attempt to reconstitute the idea of unity which that war had shattered. Among the delegates were leading Islamists, like the host and co-founder of the conference, Sudan's Dr. Hassan Al Turabi, as well as Arab nationalists (many of them Christians), and representatives of Muslim communities outside the Arab world, from the United States, Europe, the Central Asian republics of the former U.S.S.R., Asia, and Africa.

The three-day conference witnessed hefty debate around every major political issue on the agenda, whether the recently signed PLO-Israel agreement on limited Palestinian autonomy, the war in Bosnia, the U.N. intervention in Somalia, the continuing embargoes against Libya and Sudan, or the international campaign against Sudan. The final day's panel was dedicated to the relationship between Islam in the modern world and Christianity.

## Heated disputes over PLO-Israel agreement

Discussion around the Gaza-Jericho accord, referred to by many as "the Oslo-Washington agreement," was the most heated, reflecting the various bands in the political spectrum. By far the most vocal and most numerous were the speakers from the "rejectionist" front, comprising ten Palestinian organizations, the Islamist Hamas, as well as Iranian and Syrian spokesmen. They argued against the agreement as a "sell-out" and pledged continued resistance in the form of the Intifada, the Palestinian uprising in the Occupied Territories. Most prominent among these was Nawaf Hawatmeh, the leader of the Damascus-backed Democratic Front for the Liberation of Palestine, who profiled himself as an alternative to PLO Chairman Yasser Arafat. Unfortunately, Mr. Arafat, although a co-founder of the conference, was not able to attend; many, including Dr. Turabi, regretted his absence, as the policy pursued through the agreement was therefore not presented to the gathering and those among the attendees supportive of it, did not come to the fore.

Regardless of the fact that a numerical majority wanted to denounce the PLO-Israel agreement, the political majority, so to speak, succeeded in toning down the final resolution. The more moderate stance, adopted by Dr. Turabi, Gen.

Mirza Aslam Beg of Pakistan, and Sen. Kamil al Sharif from Jordan, among others, reflected their commitment to prevent civil war from breaking out among the Palestinians (between the PLO and Hamas), and to thwart attempts on the part of the rejectionists to escalate violence in the region. Senator al Sharif stated categorically, "We do not support terrorism." In the final resolution, the agreement was "rejected" but not "condemned," a distinction in formulation which reflected the conference leadership's intention to allow disagreement, but refuse violence.

This approach complemented that of the Sudanese government, which was illustrated just days earlier by Gen. Omar Hassan al Bashir in an interview with the French daily *Le Figaro*. General al Bashir stated that "the government of Sudan has recognized and supported this [Gaza-Jericho] agreement which engages a peace process." Some conference delegates tried to infer that Dr. Turabi's criticism of the accord represented a long-term strategic option, whereas General al Bashir's support for it was merely tactical. The Sudanese have come to occupy a particular place in the political spectrum; their government was the first among the Arabs to be briefed personally by Arafat on the accords. Furthermore, the fact that they managed to bring representatives of fundamentally divergent political factions together under one roof at the conference points to the unusual status that the country has acquired in the eyes of Arabs and Muslims.

## The war in Bosnia

The other hot subject was Bosnia. All were in agreement regarding the need to mobilize effective action against the genocide being perpetrated there, the contours of which were dramatically drawn by Azra Geric, the Bosnian representative in Malaysia and wife of the head of the Muslim community in Bosnia. Yet, the understanding of the geopolitical war aims of the British was limited to few delegates. Most speakers reiterated the notion that the war is a war against Islam per se. Particularly striking was the extent to which the speakers from Bosnia articulated their radicalization along religious lines. The head of the Bosnian delegation began his remarks by "confessing" that "we did not heed the Palestinians' complaints until we saw the destruction of our own mosques," and explained by saying, "we did not know because we had not read the Koran as we should have." Now,



he said, "we know we are being slaughtered *because* we are Muslims." This conviction was shared by the entire gathering. If Britain, in particular, hoped, by its orchestration of the war, to victimize Muslims worldwide and convince them that they are the new "enemy image" *qua* Muslims, the conference debate seemed to confirm that they have succeeded.

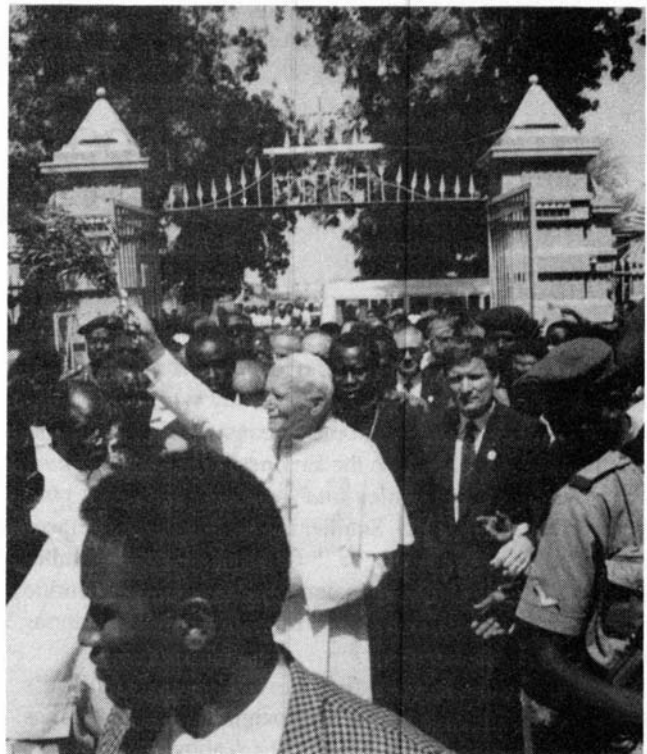
On the other hand, the conference as a whole did not fall into the trap laid by such British geopolitical schemes, known in think-tank scenarios as "religious warfare" or "clash of civilizations." In the case of Bosnia, the conference resolved to organize a boycott against the United States and Britain for one week in protest against their support of the war. In addition, the final document condemned the embargoes against Libya and Iraq. It announced the formation of an annually convened, institutionalized conference with a permanent secretariat and international board, which is to form ad hoc committees to function as a mediating force among parties in conflict; among the areas mentioned for possible mediation were Afghanistan, Algeria, and Yemen.

### The Islamic-Christian dialogue

More broadly, in reference to relations with Christianity, the conference dedicated a significant portion of its final resolution to promotion of the Islamic-Christian dialogue. This panel raised discussion to a higher level. Several speakers stressed the need to define the common moral principles in Islam and Christianity as parameters for judgment, rather than believing simplistic characterizations of the "West." Senator al Sharif (who has often represented Crown Prince Hassan of Jordan in ecumenical conferences) pointed out that "we should not overlook the West; there is a third camp in the West with whom we can discuss seriously and rationally." In his opening remarks, Dr. Turabi had characterized the Bosnian genocide as "a result of religious intolerance, of which true Christianity is innocent." Therefore, he proposed, "it is better for this conference not to address Europeans in the name of Christianity . . . [but] to address the devout Christians, whether they are Europeans or Americans." The reason is, "What really counts is the real religious values of a true devout individual, whether a Muslim or a Christian."

Laith Shubeilat, an independent Islamist who was in the last Jordanian Parliament, spoke of the "strategic," not "tactical, importance of the ecumenical dialogue," which he said must be based on "the notion that man is created in the image of God, and thus is endowed with dignity, as the center of the earth. He is not an animal, but was created as *imago viva Dei*." Islam, which shares this view, he said, should seek dialogue with "real Christianity," not "paganism" in the West. In the economic realm, he said this entailed rejection of the "free market theory, the real anti-Christ."

The dialogue between Sudan and Rome began when Pope John Paul II visited Khartoum in February 1993 and addressed masses of Sudanese, Muslims and Christians, in the Green Park. During that visit, he met with General al Bashir.



*Pope John Paul II at the Green Park in Khartoum in February 1993. The Vatican is actively working to defeat Britain's religious warfare scenario.*

In April, the Peace and Development Foundation of Sudan hosted an international conference on religion, attended by 100 religious representatives from 30 countries, including the Vatican. At that conference, Helga Zepp-LaRouche spoke for the Schiller Institute in favor of a dialogue predicated on the notion that all men are created in the image of God. Following the conference, Dr. Turabi traveled to Rome to meet the pope.

In the final meeting with the press at the December conference, the Sudanese religious leader reported on the content of his talks with the pope. The purpose of the dialogue with the Vatican, he said, was the creation of "a joint front of religion against the irreligious spirit of decay." Saying that he and the pope "spoke almost the same language," Dr. Turabi discussed "the revival of Islam and the revival of Christianity as religions in one common front against materialism generally, against secularism generally, and corrupt social life all over the world." In followup discussions with cardinals involved in the Islamic-Christian dialogue, he discussed "measures and procedures of organizing not only the dialogue, but regular cooperation," scholarships, and "other measures." Commenting on Rome's view of Islam, Dr. Turabi said, "I found they are not interested in western propaganda."

# LaRouche music book presented in Europe

by Liliani Celani

With a forum on Dec. 15 in the Puccini Hall of the Giuseppe Verdi Conservatory of Milan, Italy, Kathy Wolfe concluded her series of presentations to music conservatories throughout Europe, to introduce to the European public the *Manual on the Rudiments of Tuning and Registration*. It was published in 1992 by the U.S. Schiller Institute with two prefaces by Lyndon H. LaRouche, Jr., who launched the Schiller Institute's international campaign to return to the "scientific tuning fork" which sets middle C at 256 hertz (full vibrations per second).

Ever since 1988, when Milan was the site of the institute's first conference to promote this campaign, the tuning fork has also been known as the "Verdi A." The A above middle C, to which orchestras tune, has been set artificially high: officially A=440 since 1939, but in fact much more elevated pitches prevail almost everywhere. Giuseppe Verdi, the great Italian

opera composer, fought to set the concert A at 432 in conformity with C=256.

Mrs. Wolfe, a singer, scholar, and writer, has closely worked on musical topics with Mr. LaRouche and his wife Helga Zepp-LaRouche, who founded the Schiller Institute in 1984. She was one of the two project directors who edited the *Manual*.

In April 1993, Kathy Wolfe introduced the *Manual* at a historic forum held in the Weill Recital Hall of New York City's Carnegie Hall, and, in a roundtable discussion taped by the biggest New York classical radio station WQXR, which aired last June 10. Both times, the guest of honor was renowned operatic tenor Carlo Bergonzi, who led a "master class" in which several young singers sang famous Classical vocal works at the current New York concert tuning of A=442, and then at what Maestro Bergonzi called the "natural" tuning, A=432.

On her European tour, Mrs. Wolfe had presented the *Manual* in Eisenach, J.S. Bach's native city, and in Cologne, at the Detmold Conservatory, where student singers replicated the experiment first carried out successfully by the famous Verdi baritone Piero Cappuccilli at the first international conference on the Verdi A, held at the Casa Verdi in Milan on April 9, 1988. On that occasion Cappuccilli sang two arias from Verdi's operas at two different pitches: the very high tuning of the hall's concert grand piano, and Verdi's own A=432 tuning, accompanied by a second piano especially



Left: The Schiller Institute's Kathy Wolfe during a musical performance. Right: Maestro Arturo Sacchetti, former artistic director of Vatican Radio, at a forum on the need to safeguard Italy's irreplaceable antique musical instruments. The two recently presented Lyndon LaRouche's campaign for the Classical tuning fork of C=256 at the Milan Conservatory.

tuned for the event. He wanted the audience to hear the changes in vocal color and the registral passage, which occur when the orchestra raises its concert pitch by half a tone.

### Bring morality back to music

In Milan, Kathy Wolfe was joined by Maestro Arturo Sacchetti, an organist, choral director, and former artistic director of Vatican Radio. The numerous singing students present in the Puccini Hall (many of whom were students of Prof. Wilma Vernocchi, who sponsored the conference), were not able to reproduce the experiment because both pianos in the hall were tuned to the higher pitch, even though the conservatory's director, Claudio Abbado, had authorized having one of them tuned to the Verdi A.

Mrs. Wolfe and Maestro Sacchetti therefore presented the ideas of the *Manual* by letting the audience hear recordings which had been made of the same piece in two tunings. To show that the modern pitch not only harms voices and makes works like Verdi's harder and harder to perform, but "also betrays creativity and interpretation in Mozart," Maestro Sacchetti had two different recordings of Mozart's Symphony K. 550 played, one with period instruments tuned to A=423, where he pointed out the "difference in color both in the low and high notes." To show the contrast to the soft timbre of this performance with the "Mozart A," he then played a recording of Mozart's Requiem at today's ultra-high tuning, which made it sound more like the Verdi Requiem.

The speakers then explained what "serious damage in terms of placement, registration, and poetic interpretation" is caused by the half-tone shift to all Classical pieces—damage which is documented by the hundreds of musical examples printed in the Schiller Institute's *Manual*. A basic premise of the *Manual* is that the human voice is the first and foremost of all musical instruments, and that the laws which govern it—appropriate to the geometry of living forms—cannot be violated except at the cost of destroying music itself. This moral premise lay behind LaRouche's insistence on the fight to restore the traditional tuning fork, as the key to rescuing Classical music from its present decline.

"This very interesting publication is unique in its genre," Maestro Sacchetti declared, "insofar as it is the first to take up the complex question of tuning and registration by comparing hundreds of examples." He went on, "It is indicative that the initiative to make the tuning fork a moral issue did not come from the music world," but from the Schiller Institute. The music world—and the political one, too, which changed the bill to make Verdi's A law again in Italy which had been promoted by the Schiller Institute, and supported by thousands of musicians around the world—"does not even pay attention to the judgment of Verdi, a judgment which ought to count for something, at least for us Italians."

To draw more of the music world's attention to this problem, it was announced that an Italian edition of the *Manual* will be published.

## Greenpeace accused of bribery, terrorism

by Marjorie Mazel Hecht

*The author is the managing editor of 21st Century magazine.*

After years of commanding top billing in the international press as good guys defending the environment, Greenpeace is now getting some bad press. Allegations of financial misconduct, support for the terrorist group Earth First! and bribery of the International Whaling Commission hit Greenpeace in a one-hour documentary by Danish television network TV-2 that aired Nov. 14, 1993.

News of the broadcast spread rapidly throughout the Wise Use networks in the United States—ranchers, miners, farmers, fishermen, loggers, and other grassroots groups that believe people come first in decisions about natural resources. *21st Century Science & Technology* magazine circulated a news release on the film Nov. 15, prefaced by a note that urged citizen pressure to bear to get the film shown nationally on U.S. television and to have the serious charges investigated.

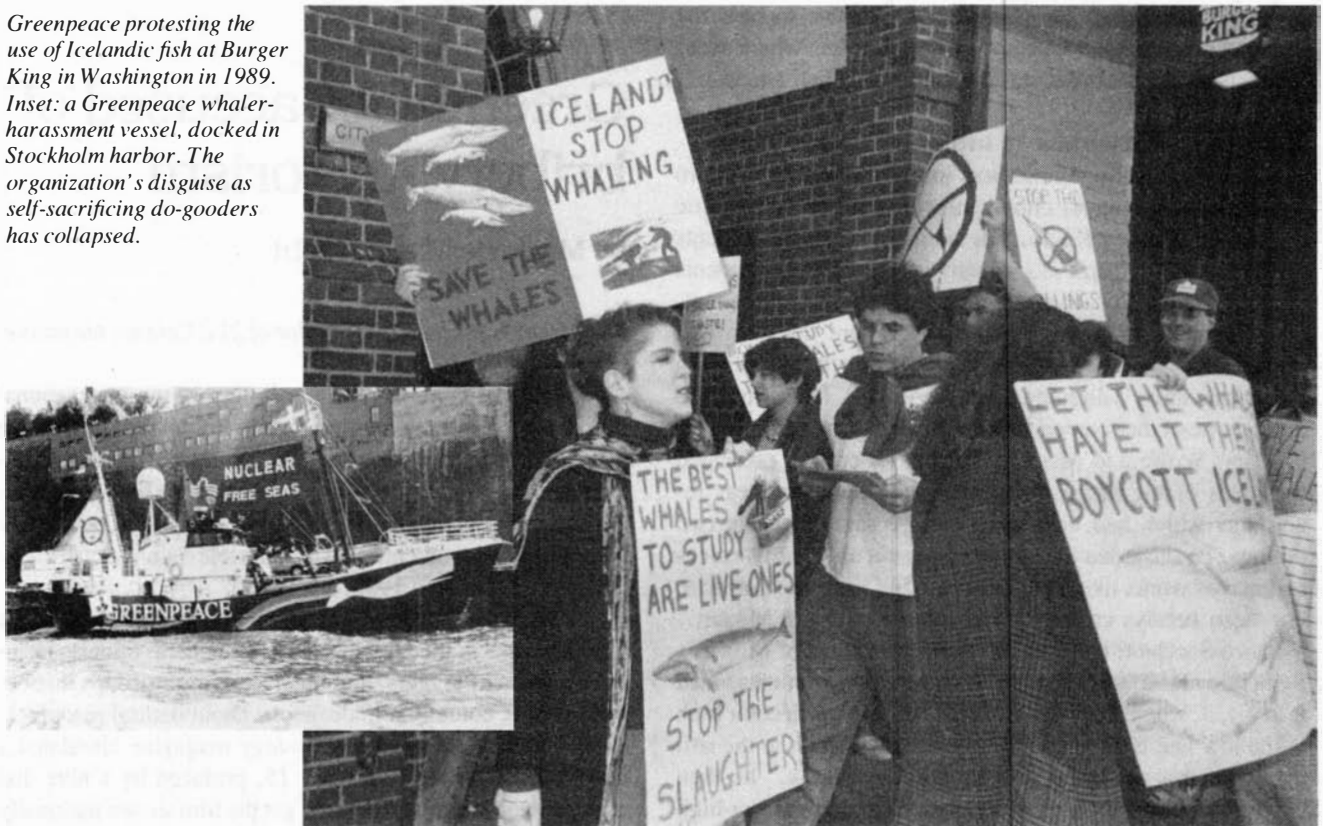
The news broke into the daily U.S. press when the *Washington Times* reported on the *21st Century* news release Jan. 10 in its widely read "Inside the Beltway" column. At the same time, investigative reporters began filling out the story. For example, "Green Fleece" is the title of a special report Jan. 9 that appeared in the Vancouver newspaper *The Province*. To quote columnist Brian Kieran, "Greenpeace International has a new cause—fighting allegations it engages in sabotage and secretly hoards millions of donated dollars." Kieran discusses one of the most serious charges in the Danish TV-2 documentary, that Greenpeace has direct links with Earth First!, the group that specializes in "ecotage," tree spiking and sabotage of logging and other equipment.

Columnist Kieran interviews Barry Clausen, an investigator hired by logging and ranching groups to infiltrate the Earth First! group. Clausen joined Earth First! for a year undercover, and based on this experience he tells Kieran, "Earth First is nothing more than a terrorist organization hiding under the environmental flag. . . . In the Seattle area, half the people I worked with in Earth First were also part of Greenpeace."

As for Greenpeace's participation in terrorist acts, Clausen said, "In some cases an action, like sabotage of logging equipment, would be advertised as an Earth First action, but the members involved were Greenpeace."

Greenpeace has denied the charges made by the Danish

*Greenpeace protesting the use of Icelandic fish at Burger King in Washington in 1989. Inset: a Greenpeace whaler-harassment vessel, docked in Stockholm harbor. The organization's disguise as self-sacrificing do-gooders has collapsed.*



TV-2 film. Director of communications for Greenpeace International in London, according to Kieran, called the film “a potpourri of innuendo and unsubstantiated charges by a collection of disaffected former members.” But U.S. activists are pushing to have the film shown nationally in the United States so that viewers could judge for themselves.

The Danish documentary, called “The Man in the Rainbow,” was produced by a team from TV-2 with the assistance of internationally known Icelandic filmmaker Magnus Gudmundsson, who has made two previous film documentaries showing the unsavory money-making activities of Greenpeace.

The most explosive revelations in the film were provided by Frans Kotte, former chief accountant of Greenpeace in the Netherlands. Based in Amsterdam, Kotte worked closely with the accounting offices of Greenpeace International and was able to track the movement of money raised by Greenpeace in several nations. Kotte exposed the existence of secret bank accounts with tens of millions of dollars that had been skimmed from contributions to Greenpeace campaigns.

These accounts were for “shell” holding companies, accessible only to top Greenpeace leaders, including former Greenpeace chairman David McTaggart, who is now the honorary president of Greenpeace International. According to Kotte, the money was skimmed from contributions to

various Greenpeace campaigns, including the Save the Whales, Save the Rainforests, and Save the Ozone Layer campaigns.

Greenpeace was given the opportunity by Danish TV-2 to refute the charges that the group supported Earth First! and terrorism. After much stalling, the new chairman of Greenpeace, Uta Bellion, agreed to an interview. She firmly denies any Greenpeace contact with Earth First! until presented on camera with documentation to the contrary. Bellion then becomes very nervous and finally acknowledges that, indeed, under certain circumstances, Greenpeace and Earth First! work together.

Another major allegation in the Danish film is that Greenpeace (along with other green groups) bribed officials of several small nations in order to pack the International Whaling Commission with member nations that would be willing to support the controversial ban on commercial whaling.

The Danish documentary also highlights the role of David McTaggart in transforming Greenpeace from a small environmental action group into a multinational multimillion-dollar business corporation, which he ran as his own private empire. In the last scene of the documentary, Greenpeace founder Bennett Metcalfe states, “I have created a Frankenstein monster.” The interviewer asks, “Who is this monster?” and Metcalfe answers, “David McTaggart.”

## Worries about stability in the East

*Defense and military officials are losing confidence in the ability of politicians to handle new crises.*

A presentation given at a defense policy event in Wiesbaden on Jan. 11 highlighted the erosion of confidence in the politicians among military officials in Germany. Gen. Dieter Clauss, formerly at the staff of NATO's Strategic Headquarters, Allied Powers Europe (SHAPE), said that the time when the "experts," based on the seeming "stability" and calculability of the Cold War period with its clearly defined differences between East and West, were able to produce reliable analyses on the strategic situation, is definitely over.

The deterioration of "expert" analyses has left the politicians, who make decisions on defense issues, unprepared to deal with the new situation, and a dangerous vacuum has been created, Clauss warned.

At the moment, one might argue that the Russian Armed Forces might be too absorbed in the crisis in Russia to pose a threat to NATO, but nobody could tell now what Russia's military power will look like in five years, Clauss said. In 1917, when the czarist armies dissolved, nobody imagined that only a few years later, the Red Army would knock on the city gates of Warsaw, threatening to storm the Polish capital.

And with Yeltsin reportedly seriously ill, that was one more big question mark over Russia and the future of its Armed Forces and foreign policy. One could not even make forecasts about the near future in the West, Clauss said. It is as uncertain whether the current government in Bonn will be reelected in October as it is proba-

ble that Britain's Prime Minister John Major will not survive the ongoing scandals. Nor could one predict what France would look like at the end of this year, because President François Mitterrand is in such bad health.

The alarming thing is that the political elites do not seem to take these assessments seriously, nor will they even think a few years ahead. For the armed forces, especially those in a country so exposed to the highly unstable East as Germany, this is an unprecedented situation. The German Army does not yet know what its budget will be for this year; commanders don't know yet whether the money will be there to pay the new recruits, Clauss stated.

The German military has signalled its deep discontent before, but the results of the Russian elections on Dec. 12, and the increasing aggressiveness of leading representatives of Russian politics in recent weeks, has led the discontent among the military to boil over. Before, it had been considered inopportune and a violation of "rules of conduct" to make one's discontent public. Concern had been voiced behind closed doors and before select defense policy audiences, but the military's protest against Bonn's inaction has now become open.

The first senior military spokesman to break the institutional silence on defense matters after the shock of the Russian elections, was Defense Minister Volker Rühle. In an internal government document dating from before Christmas but leaked to the media at year's end, he warned against a

further weakening of national defense at a time when "uncertainties and the crisis potential in our close and broader neighborhood" provided "reason for grave concern and unrest."

"Nobody would cancel his fire insurance when there hasn't been a fire for a long time," Rühle wrote, pointing out that without a "substantial German contribution," it would be impossible to think of a "Europe that is capable of action in military terms if need be."

The attack on Bonn became even more direct in a statement Dec. 28 by Peter Würzbach, the former assistant defense minister, who charged Chancellor Helmut Kohl with "irresponsible conduct" for allowing the Finance Ministry to plan new defense budget cuts in an increasingly tense strategic situation. This, he indicated, would send the message that Germany is not willing to defend itself.

Kohl's spokesman, Dieter Vogel, felt compelled to denounce Würzbach as a man "who tends to make headlines by eccentric statements."

The next blow against Kohl's inaction came Dec. 30, when the daily *Frankfurter Allgemeine Zeitung* published a summary of critical remarks made by Willy Wimmer, the assistant defense minister. Wimmer said he felt highly alarmed at the neglect for security questions shown by the cabinet. There has yet to be a cabinet mandate for an in-depth assessment to determine whether Russia is on its way to becoming a "partner" of the West, or whether a new Cold War-style confrontation is on the agenda, he warned.

So far, politicians have responded with the discredited line: "We trust Yeltsin; don't dramatize the situation." So far, the political establishment in Bonn has shown itself unprepared to deal with the crisis. For the turbulent year which 1994 will become, this is a bad omen.

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# International Intelligence

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## ***New Russian military doctrine causes concern***

The new Russian military doctrine may seem to some to be reassuring to the West, but looked at carefully, it provides the Russian military with an "all directions" capability, giving the chief of the General Staff and the government a vast "latitude for action" and raising the likelihood of many interventions, particularly in the territory of the Commonwealth of Independent States, writes Prof. John Erickson of the University of Edinburgh in the French monthly *Le Monde Diplomatique* in January.

He says that for the first time in history, the Russian military has been given full control over all matters of military production, something which they could not achieve even under the czars. Troops will be stationed "forward," namely along the frontiers of the former Soviet Union. The air forces are greatly upgraded, as well as capacities in "precision weapons." Battalions and rapid deployment forces are increasingly to be relied upon.

The Moscow Military District is being upgraded, as the core of the first strategic echelon, drawing upon forces from the west and northwest. Elsewhere, unified command structures are being put in place, immediately in the Far East, and next in Siberia and Trans-Baikal. Such a group of forces already exists in the Caucasus. Considerable capabilities are being developed toward the south, for intervention in "local conflicts."

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## ***Bonn looks to Irangate ties in Barschel death***

The case of the 1987 death of Uwe Barschel, the prime minister of the German state of Schleswig-Holstein, has been reopened, with reports in the German press on Jan. 6 indicating that Barschel was meeting with top people in the international arms trade right before he died. Although these accounts never explicitly call into question the

official "suicide" story, the *Frankfurter Allgemeine Zeitung* and other papers hint that Barschel may have been murdered.

The stories have been provoked by an official response to a parliamentary question put forward by a leading official of the Free Democratic Party (FDP) in Schleswig-Holstein. The response affirms that "the German government has several hints that Uwe Barschel, before he died, met several persons in Geneva."

The *Frankfurter Allgemeine Zeitung* adds that "it is now known" that at the time Barschel died, he had been involved in meetings with arms traders, the which meetings included participation of Ayatollah Khomeini's son Ahmed. Two top-level Iranians, Kashani and Habibollahi, bought an airport in Schleswig-Holstein to which Barschel's brother Haike is connected. Companies at this airport, which have also been bought up by these Iranians, are involved in electronics and aerospace deals with Iran. A third factor is that Schleswig-Holstein itself is the center of international arms-trafficking to eastern Europe, South Africa, and the Mediterranean. Fourth, the Beau Rivage Hotel in Geneva, where Barschel's body was found, is owned by Pakistani arms traders who are connected to a Schleswig-Holstein industrial network. Finally, the medicine that killed Barschel is produced only in eastern Europe.

On Oct. 23, 1987, soon after Barschel was found dead, *EIR* published an article titled "Uwe Barschel Affair May Upset New Yalta, Irangate Arrangements," with the kicker, "Is German Politician's Death Tied to North Network?" referring to Irangate's Lt. Col. Oliver North.

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## ***Yeltsin's policies seen as like Zhirinovsky's***

Russian President Boris Yeltsin is pushing imperialist policies not so different from those of Third Rome ideologue Vladimir Zhirinovsky, while cynically claiming to be a bulwark against what Zhirinovsky represents, wrote the Moscow correspondent of

the Swiss daily *Neue Zürcher Zeitung* on Jan. 4.

"President Yeltsin, in his New Year's speech, emphatically assured Russians living outside Russia of his solidarity," the journalist wrote. "Moscow is defending the common interests, and will further defend them, and, indeed, 'with more energy and greater decisiveness.' With these words, Yeltsin once more demonstrated that he is not inclined to relinquish, without a fight, the arena of chauvinism to the nationalists of Zhirinovsky and the communists. From this standpoint, not only is it worrisome that the latent imperialist posture that the head of state thereby has again adopted as his own, but above all the fact that he is not decisively battling the extremists, but is rather partially taking over their postulates.

"This is, however, playing with fire. If today there is still anybody who would be in a situation to formulate a counterposition to the aggressive Great Russian Zhirinovsky, it is Yeltsin. However, the head of state has been playing, even before the election success of the right-wing extremists, the game of confrontation with foreigners. For a good year already, the President has let his ministers deal ever more harshly with the states of the CIS and the Baltics. Simultaneously, he presents himself abroad as a type of bulwark against reaction and hatred of foreigners in Russia."

The article points to the absurdity of supporting as legitimate, a man who seems to make imperialism "respectable," when that can, at any time, turn into an "open and aggressive imperialism."

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## ***Russian troops built German mafia networks***

Berlin's special prosecutor handling cases of illegal smuggling by Russian troops in Germany says that Russian officers are building criminal mafias that will stay behind after the last Russian troops leave the country as scheduled in the fall of 1994. Prosecutor Ulf Hagemann stated, "the supposed political advantages are overshadowed

## Briefly

owed by the mammoth damage to Germany," a reference to the clauses in the Germany-Russian Treaty regulating troop withdrawal.

The treaty forbids German police from inspecting Russian bases and transport vehicles. The Russian troops, like NATO units, are allowed to import customs duty- and tax-free cigarettes, alcohol, stereo equipment, etc. Import-export companies in Berlin and other eastern German cities procure the goods for supposed sale to the Russian military procurement offices on the bases, but then divert the goods into the black market in Germany. These companies are the legitimate fronts for the Russian mafia that will stay behind once the troops leave.

According to Hagemann, Russian officers control this procurement, which has already run into billions of deutschemarks in losses for the government.

### **China warns against independence for Kashmir**

The People's Republic of China has told both India and Pakistan that it opposes any form of independence for Kashmir, because it fears the United States could use Kashmir as a base to destabilize China, the London *Daily Telegraph* reported on Jan. 4 from Lahore, Pakistan. High-level Chinese military delegations have visited both India and Pakistan in recent weeks, and have told their counterparts that although China would like a negotiated settlement to the Kashmiri problem, it is absolutely opposed to independence.

India and Pakistan have fought three futile wars over Kashmir. Two-thirds of it belongs to India and one-third to Pakistan; it also borders on China. Talks on the Kashmir crisis between India and Pakistan ended recently with no solution.

Pakistani Prime Minister Benazir Bhutto did not get the "traditional" support from China on Pakistan's stance on Kashmir when she was in Beijing in December. According to a diplomat accompanying Bhutto, "The Chinese said that the Americans

are already undermining them through Tibet and Xinjiang, and Kashmir would become another hotbed of anti-Chinese activity."

China has at other times likened an independent Kashmir to "another Israel in the heart of Asia." Beijing has also said that with three wars ongoing in the region—in Afghanistan, Tajikistan, and Kashmir—China is also concerned about the spread of Islamic radicalism in Xinjiang, the westernmost central Asian region of China. Soldiers from Xinjiang are fighting in Afghanistan, and hundreds were trained there during the Afghani war against the Soviet Union.

### **Belarus finally joins Russian-led community**

Belarus agreed early in January to join the Russian-led Community of Independent States, when the old communist nomenklatura that controls the government and parliament forced President Stanislav Shushkevich to abandon his opposition to joining the security pact. Given the correlation of forces in Belarus, Shushkevich could have been forced into capitulation much earlier, but Moscow chose to time the event with the eve of the NATO summit and with President Clinton's visit to Moscow and Minsk, the capital of Belarus.

The decision means that Russia has for all intents and purposes militarily expanded westwards to the main part of the Polish eastern border.

The decision was also timed to coincide with the Moscow meeting between Belarus Prime Minister Vyacheslav Kebich and Russian Prime Minister Viktor Chernomyrdin, which resulted in signing an agreement which brings Belarus into an economic union with Russia. Under the terms of the agreement, Belarus surrenders its sovereignty in all crucial areas of economic and financial policy, putting these under the control of the Russian government and central bank.

This Russian reconquest of Belarus will be used by Moscow, with Anglo-American support, to increase the pressure on Ukraine in the coming weeks.

● **YELTSIN IS DYING**, alleged the Swedish daily *Expressen* on Jan. 5, citing sources close to the Swedish government. The article reports that the Russian President is suffering from cirrhosis of the liver, "a sickness which first and foremost hits alcohol abusers." Swedish intelligence services are reportedly discussing how to deal with "a world without Yeltsin."

● **TURKISH** Prime Minister Tansu Ciller announced that plans to reduce the size of the Turkish military have been reversed, due to continuing fighting with the Kurds. "We need at least 110,000 troops in the southeast for the fight," she said. The move will reverse plans to cut the conscription period from 18 to 15 months. Commentators claimed that the move was also a response to the instability in Russia and possible increased tensions with Greece.

● **LITHUANIA** on Jan. 4 became the first former Soviet republic to apply to join NATO. President Algirdas Brazauskas said in a televised address that he had written to NATO Secretary General Manfred Wörner formally presenting Lithuania's membership application.

● **BOSNIAN** Prime Minister Haris Silajdzic, visiting Pakistan on Jan. 9, charged that "the international community, which had promised peace in Bosnia-Herzegovina, has done nothing." Those who have imposed the arms embargo "should either act or let us act," he said. "We should be given an opportunity to defend ourselves."

● **BRITISH** Foreign Secretary Douglas Hurd dismissed the idea of extending NATO, in a speech reported by the *Financial Times* on Jan. 10. "Are the U.S. Congress, the House of Commons, the French Assembly, the [German] Bundestag solemnly ready to guarantee with the lives of their citizens, the frontiers of, say, Slovakia? If not, or if not yet, then it would be a deceit to pretend otherwise," he said.

# Clinton, Gore under attack from IMF asset-strippers

by Edward Spannaus

As President Clinton arrived in Moscow on Jan. 12, the fight over International Monetary Fund policies that erupted four weeks earlier appeared to have subsided. During the period since Vice President Al Gore's criticism of IMF conditionalities in Moscow on Dec. 16, and then Strobe Talbott's "less shock, more therapy" statements a few days later, administration spokesmen have been at great pains to stress that Gore and Talbott's statements were "misinterpreted" and "taken out of context."

"More reform, more therapy," was the sound-bite formula put forward by Clinton on Jan. 5. By Jan. 13, while Clinton was in Moscow, the *New York Times* declared that the Gore-Talbott view of easing western conditions for aid "was strongly opposed by the Treasury Department and seems to have been firmly quashed."

But, no matter how hard the spin doctors try to put their gloss on what U.S. and western policy toward Russia should be, the determining factor will be the economic and political reality in Russia. The reality is that "shock therapy" is finished. Russian Prime Minister Viktor Chernomyrdin has said this on a number of occasions, most recently in the days leading up to Clinton's arrival there. As some sources have indicated, this message will get through to Clinton, although it may not be necessarily evident from press accounts of his trip.

"There will no longer be shock reforms," Postfactum news agency quoted Chernomyrdin as saying on Jan. 5. Addressing the opening session of the State Duma on Jan. 12, Chernomyrdin said that the country would be moving to "another stage of the reforms, the stage of economic stabilization, in which emphasis in all the government's activities is being shifted toward creating favorable conditions for the work of the Russian commodity producer.

"We intend to act without succumbing to unjustified spurts or poorly thought-out 'shock' decisions," he said.

## What Gore said

As soon as Gore returned from Moscow, the terms of the IMF discussion focused on the idea of a "social safety net," i.e., providing assistance for workers who become unemployed due to the shutting down of industries. The assumption of almost all sides in the debate was that inefficient industries (i.e., heavy industry) must be shut down and assets sold off, as government subsidies are ended. But this is not the emphasis of what Gore said.

Gore was in Moscow meeting with Chernomyrdin as part of their work on the commission on space technology and energy. In a joint press conference with Chernomyrdin, Gore stressed the "devastating" impact of cutbacks in the Russian defense industry, noting that in some communities, as many as 80-90% of the people employed have been employed in defense industries. "And part of the tragedy is, these people are extremely talented, well educated, well trained, very capable, and have a great deal to offer to the world in terms of their expertise and talents," he said. Gore described the joint U.S.-Russian efforts to open up new avenues for cooperation, citing a number of agreements which are "all focused on investment and on economic progress."

Responding to a question about the IMF, Gore made his statement criticizing IMF and World Bank conditionalities. "Now that right there may be enough to create a diplomatic incident," Gore continued, "but I don't care because the world has to recognize the gravity of this situation and the enormity of the opportunity for the world to integrate this magnificent nation with these wonderfully talented working men and women, scientists and engineers and professionals, into the common effort of humankind to build a better way of life for the peoples of our world."

Two days later, Chernomyrdin said that the Russian government would focus less on tight monetary policy and more on big investments. "Now investment and production rise are



becoming the main issues," he said, adding that the government would concentrate on launching high-technology projects.

But, in interviews over the next weekend, Treasury Secretary Lloyd Bentsen and other Treasury officials attempted to dilute Gore's criticisms of the IMF; Bentsen said that there has not been excessive reform, and that some conditionality on loans is needed. Anonymous Treasury officials were quoted as retailing the IMF line, that Russia's problems are caused by "too little reform rather than too much." All of a sudden the terms of the debate, at least as it was being carried on in public, were whether there was too little or too much shock therapy, and whether western aid should be provided to enable Russia to create a "safety net" to catch those thrown out of work. Except for a handful of voices who questioned the wisdom of shutting down all industries, lost in this debate was any emphasis on the need to keep factories open or to increase production, not just trading.

### **IMF counterattack**

On Dec. 30, a memorandum was issued by the IMF and World Bank staff on economic reform in Russia. The note, a criticism of Gore and Talbott's statements, said that the problem in Russia was that reform had been "extremely gradual," and needed to be speeded up. The note went on to say that "the social dimension is best addressed through targeted social safety net policies," of the sort recommended by the IMF and World Bank, "rather than through generalized subsidies and credits" to industries. The memo demanded "macroeconomic stabilization," with tight limits on credit and budget deficits; expanding of privatization programs and legal reform, liberalizing external trade, bringing energy prices up to world levels, shutting down old power plants, and keeping conditionalities.

Lawrence Summers, undersecretary of the treasury for international affairs, warned in a speech in Boston on Jan. 3 that there is no "third way" of economic reform, i.e., between communism and free-market capitalism. Addressing the lessons of the recent Russian elections, Summers declared that "it would be a grave mistake to infer from the election any mandate for a 'third way' approach to reform. . . . There is no viable alternative for economies in transition besides the hard work of [monetary] stabilization and privatization." An IMF official involved in drafting the Dec. 30 note told *EIR* that the speech was a "direct reaction" to the IMF memo.

### **The alternative to communist economics**

The argument of the pro-IMF faction—that the free trade model is the alternative to communist economics—was demolished in a memorandum by economist Lyndon H. LaRouche on Jan. 8. In fact, LaRouche pointed out, Marx didn't specify any particular form of economy; his work was premised on the work of the physiocrats, and of Adam Smith and David Ricardo. Marx's work is a criticism of the British model of capitalism, but it shares the same underlying prem-

ises. "Marx's criticisms are premised on the assumption that British economy is the only model of capitalist economy, which is frankly, of course, absurd," LaRouche wrote. "The American System existed before the British East India Company had elaborated fully the system which Marx criticized, the American System being based and derived largely from the work of Leibniz and Leibniz's allies among the Mercantilists so-called."

The problem of the Bolshevik economy, LaRouche noted, is that it was characterized in most of the civilian sector by a lack of willingness to accept improved technology, a stubborn peasant resistance to technological progress. This is the significance of the military industrial sector in the Soviet economy—the sector emphasized by Gore in Moscow. LaRouche noted that it was only in the Soviet military industrial sector that science and technology were actually applied, and thus "it was in the military industrial complex of Russia that all of the generated profit of the Russian system was created."

"The military sector of Russia was an economy essentially of exception," commented LaRouche. "It was a war economy section which lay outside what is otherwise the general economy of Russia. The result is that the dismantling of the military-industrial complex means the collapse of the Russian economy to a Third World condition." Except for this sector, LaRouche observed, the Soviet economy was a complete failure, just as the free trade model has been a complete failure.

LaRouche pointed out that in the Russian scientific and military-industrial complex as a whole, there is "one of the best set of scientists on this planet," at least before they were dispersed by the Gaidar-Sachs reforms. The Russian scientist is generally the key to seeing what the solution is; the Russian scientist can understand exactly how a good economy should function in terms of increasing the relationship between scientific progress and the conversion of these principles into machine tool applications, and then into knowledge and products.

LaRouche concluded that we need that kind of mixed economy which was anticipated implicitly by Alexander Hamilton, and by his successors, including Friedrich List in Germany, and by those who understood such matters, such as Sergei Witte in Russia. This is variously referred to as the "dirigist" or "mercantilist" model, or often just as the "American System" of political economy.

Although neither Gore nor Talbott has come anywhere near putting the issue in these terms, Gore has at least emphasized the importance of preserving the scientific and intellectual elites which are concentrated in the military-industrial sector of the Russian economy, and Clinton and Talbott have shown a willingness to move away from the policies of the Bush administration. As against those who insist on the IMF policy of asset-stripping, of shutting down Russian industry, Gore's statements indicate a degree of reality which is desperately needed in the debate over Russian economic policy.

# State governments slash own throats

by H. Graham Lowry

At a time when the nation's economy is rapidly disintegrating, state governors are promising more austerity and further dismantling of vital state functions. The "state of the state" messages delivered so far in the New Year are rife with proposals for phasing out or eliminating programs, dumping them on local governments, privatizing them, or slashing their funding—in the case of welfare programs especially—without much concern for the consequences.

The only significant amounts of new spending to have found favor with the governors are for "fighting crime" and constructing more prisons. California Gov. Pete Wilson called for putting three-time violent felons behind bars for 25 years to life, and life sentences for arsonists, "sexual predators," and felons who use a weapon. He also asked for \$2 billion in new state bonds to construct six more prisons. New York's Mario Cuomo demanded mandatory life sentences without parole for three-time violent offenders. Ohio's George Voinovich asked for a constitutional amendment to eliminate automatic appeal of the death penalty, and funds for construction of a new high-security prison for violent felons.

Arizona Gov. Fife Symington called for a "war on crime" and an end to parole. Iowa's Terry Branstad demanded tougher penalties for juvenile crime and boot camps for young offenders. Washington's Mike Lowry called for programs to combat violent youth crime. Massachusetts Gov. William Weld has already signed a bill this year to force prison inmates to serve at least two-thirds of their sentences. So many governors harangued their legislatures about incarcerating their citizens, that an uninformed observer might think they had been elected wardens instead.

## Collapse of central government

For the population still at large, many governors are planning to "liberate" them from state assistance in maintaining such vital functions as public safety, education, and welfare. California's Governor Wilson is again seeking to lead the way, having already slashed state aid to local communities by \$2.6 billion last year.

Wilson's new budget proposal features a swindle dubbed "realignment," which entails shifting control of \$5.4 billion

worth of secondary health and welfare programs to county governments. In return, the counties will have to pick up the tab for 50% of the cost of Aid to Families with Dependent Children (AFDC) and 11% of Medi-Cal, the state's program of medical assistance for the needy. Funds for the program will come from redirecting local sales taxes, property taxes, and court fines back to the counties. Faced with massive unemployment and soaring welfare rolls, Wilson has repeatedly sought to slash welfare payments by 50% and terminate eligibility within two years. Now, if the counties run short of funds, they will choose how and what to cut, or raise new revenues themselves.

With maneuvers like these, Wilson claims he has a balanced budget, though many forecasts already project a deficit of \$10 billion or more. Wilson's numbers also assume that the federal government will give California more than \$3 billion in reimbursements for "taking care of illegal immigrants."

Another of Wilson's schemes for discarding the responsibilities of state government was a school voucher plan which could have cut education spending virtually in half. California's voters overwhelmingly rejected the proposal last November, but deschooling measures continue to pop up around the country. Arizona Governor Symington proposed a voucher program in his "state of the state" address, and Illinois Gov. Jim Edgar called for an experimental charter school program which would allow 12 public schools to be run by private businesses, free from most state requirements.

Edgar has already drastically reduced state funding for public schools, and has dipped into the state's pension funds to cover a number of educational and other expenditures. The Illinois auditor general's office reported Jan. 12 that the state's five pension funds are now underfunded by \$14 billion, an increase of \$1.2 billion from last year.

## Less spending, more trouble

The governors continue chipping away at the functions of the state, while nowhere is there any significant discussion of reviving the economy. Instead, there are pitiful gestures toward developing small businesses through minor tax credits. Pete Wilson wants \$2 billion to build prisons, but he proposed a measly \$1,000 tax credit for new businesses which create up to 100 jobs in California. Los Angeles County alone has lost 425,000 jobs since July 1990.

For Ohio, wracked by defense layoffs and shutdowns of auto plants, Governor Voinovich has proposed income tax credits for displaced workers seeking retraining, and for small and medium-sized companies to invest in new equipment. Meanwhile, he has offered nothing to the state's municipalities to reverse their accelerating collapse toward bankruptcy. A Miami (Ohio) University forecast for 1994 projects serious financial problems for 90% of Ohio's cities with populations exceeding 50,000. Almost 40% of them expect deficits to top their current budgets by more than 50%.

# New holes emerge in Lockerbie coverup

by Jeffrey Steinberg

Five years after the tragic bombing of Pan American World Airways Flight 103 over Lockerbie, Scotland, the coverup of responsibility for that terrorist crime, carefully nurtured by President George Bush and British Prime Minister Margaret Thatcher, is coming unglued. And, as a result, new evidence has been surfacing that points to the Syrian and Iranian governments and the Popular Front for the Liberation of Palestine-General Command (PFLP-GC) as the likely culprits.

Pan Am Flight 103 exploded on Dec. 21, 1988, killing 270 people, including a group of American intelligence officers who were returning to the United States from Lebanon. A controversial report by New York City investigator Juval Aviv, released to Pan Am's insurance underwriters in 1990, charged that a U.S. intelligence drug sting at Frankfurt International Airport had been penetrated by the PFLP-GC, enabling the bomb to be planted aboard the jetliner. Syndicated columnist Jack Anderson fueled the controversy when he charged in a series of articles that Bush and Thatcher had conspired, beginning in March 1989, to bury the evidence of Syrian sponsorship of the terrorist attack in order to pursue their political rapprochement with the Hafez al-Assad regime in Damascus, and to cover up aspects of the Iran-Contra scandal that would have been devastating to their governments.

The Aviv report had named top Syrian mobster Mansur al-Kassar, a close associate of President Assad and his brother Rifaat al-Assad, as a pivotal player in the Lockerbie bomb plot. Al-Kassar, in addition to his longstanding ties to the Soviet intelligence services, had been paid millions of dollars by Lt. Col. Oliver North to provide Soviet-made arms to the Nicaraguan Contras and to help secure the release of American hostages in Lebanon.

## The Libya angle

A critical feature of the Bush-Thatcher coverup was the appearance of "evidence" in 1991 that a key component of the Lockerbie bomb could be traced to the Libyan government. Ultimately, two Libyan intelligence agents were charged with the Pan Am 103 bombing, Syria and Iran were given a clean bill of health, and the United Nations Security Council moved to slap sanctions on Libya and to pressure Libyan leader Muammar Qaddafi to turn over the two alleged terrorists

for trial in England or the United States.

Now, the Libya story has been severely discredited. In December 1993, Edwin Bollier, the Swiss manufacturer of the "zero series" timer that was used in the Pan Am 103 bomb, told the London *Sunday Times* and BBC's Radio 4 that Libya had not been the only client to purchase the timers in the months leading up to the Lockerbie bombing. The East German government also purchased identical timers during the same period. The Stasi (East German state security) maintained close ties to the PFLP-GC cell in Frankfurt, according to official records obtained by German authorities following reunification. Further, Ulrich Lumpert, the chief engineer of Bollier, had informed the West German authorities about the timer sales to East Germany in 1990, and that information was suppressed!

Writing about the new revelations of the East German and PFLP-GC links to the timers, *Sunday Times* reporter David Leppard on Dec. 19, 1993 scored Bush, British Foreign Secretary Douglas Hurd, and others for their rush to exonerate Iran and Syria, which "sat uneasily with many of the detectives involved in the Lockerbie hunt. The American CIA had traced a wire transfer indicating that up to \$12 million had been paid by the Iranian government to the Vienna bank account of Ahmed Jibril. . . . Few could understand the rush by the Foreign Office and State Department to let Iran and Syria so completely off the hook."

With crucial evidence discrediting the Libya theory, attention is again focusing back on the Syria-Iran line of inquiry. And the Clinton administration appears to be distancing itself from the hard-line stance of the Bush White House toward blaming Libya alone for the blast (even the Aviv report implicated Libyan intelligence in assisting in the terror plan). Administration officials have reportedly been looking at the possibility of holding a trial for the two accused Libyan officers on Malta, where the climate for a fair trial would be better. Libya has apparently signaled its willingness to cooperate in such a change of venue. The World Court in the Hague is considering the Malta site.

Some Washington sources interviewed by *EIR* believe that the Clinton administration's willingness to reopen the Syria-Iran line of inquiry is tied to renewed efforts to draw Syria into the Middle East peace process. According to these sources, the evidence of the PFLP-GC role in the Lockerbie massacre was floated on the eve of the Geneva summit meeting between Clinton and Assad in order to pressure Damascus to abandon its opposition to the Israeli deal with the PLO and its support of rejectionist front Palestinian radicals.

Whether the Clinton administration is using Lockerbie as a lever for furthering the Mideast peace process or there is a genuine commitment to get to the bottom of the bombing, may prove to be of secondary consequence. With Bush and Thatcher out of power, with new evidence surfacing, and with new books and documentary films on the tragedy, it will be ever more difficult to bury the truth.

# 'New Republic' covers for Soros's sleaze

by Scott Thompson

The Jan. 10-17, 1994 issue of the *New Republic* has a garish cover displaying George Soros, appearing as a Hindu deity, accompanied by an article titled "Mr. Soros's Planet: A Trip with the Billionaire Speculator . . . as He Tries To Save the Eastern Bloc." This article should have carried the stamp "unpaid advertisement." With no investigating, the article by the flagship weekly of America's left-liberal establishment dismisses myriad documentation, provided by congressional, Justice Department, regulatory agency, and former business associate sources, all of whom believe that Soros is a dangerous con man and thief.

*New Republic* associate editor Michael Lewis waves off the trove of damning evidence against Soros with the glib observation:

"In the past few years a glittering array of powerful people has suspected him of something. The president of the European Community and representatives of the French and Belgians have accused him of orchestrating an 'Anglo-Saxon' plot to undermine the French currency. The United States Securities and Exchange Commission [SEC] leaked allegations that Soros was near the center of Solomon Brothers' [sic] attempt to corner the U.S. government bond markets. On or about as much evidence, the followers of Lyndon LaRouche have put him at the center of an international drug conspiracy; most recently they were spotted picketing Soros outside an economic conference in Bogotá."

## A fall guy for Salomon Brothers

Two Wall Street insiders have reported to *EIR* that Soros Fund Management (SFM), headed by George Soros, is a target of a grand jury probe into the 1990-91 effort by Salomon Brothers to corner the U.S. Treasury bond market. One former business associate of Soros claims that he is trying to make Stanley Druckenmiller, formerly with the Dreyfus Corp., and who became SFM's portfolio manager for hedging and speculation, the fall guy for Soros's central role in this alleged crime.

As House Banking Committee Chairman Henry Gonzalez (D-Tex.) said in October hearings, "Salomon Brothers gypped the Treasury out of \$2 billion." Representative Gon-

zalez has also called for the SEC, the Federal Reserve, and others to investigate Soros's shady dealings.

Financial writer Martin Mayer, who authored *Nightmare on Wall Street: Salomon Brothers and the Corruption of the Marketplace*, told *EIR* that he has one witness who places Soros, despite the speculator's denials, at the May 29, 1991 meeting of Salomon Brothers and associates, where the plans to corner U.S. Treasury bonds were made. Martin firmly believes SFM's Druckenmiller had been assigned as a "silent partner" in the deal. SFM received a \$4.3 billion line of credit for the purchase of Treasury bonds out of the \$15 billion Salomon had devoted for this auction, which covered 100% of the "capital" that Soros's Quantum Fund would expend on buying bonds. Mayer estimates that Quantum Fund made \$40-50 million, when those who had sold the bonds short before the auction had to purchase them at higher prices afterward from Quantum and the other participants in the alleged conspiracy.

A former top business associate of Soros told *EIR*: "I know how Soros operates. If he was not actually at that meeting, he was in a phone hookup with it. . . . Soros is the brains behind Soros Fund Management. Even a recent issue of *Business Week* reports that he is regularly on the phone with his top staff like Druckenmiller, no matter where Soros is in the world. There is no way Druckenmiller could have done that without Soros's approval. All a prosecutor would have to do is get the phone records."

## 'Ivan Boesky-type behavior'

The former business associate added: "Soros has gotten greedier, and he thinks he has become invulnerable, but in this case he just did what he did in the Computer Science case [see below]. There is a good chance someone will talk, although I do not know how much pressure they are applying on Druckenmiller to keep him quiet. Soros's strategy is to make Druckenmiller the fall guy for Soros's actions in the Salomon Brothers case."

According to this business associate, Soros began to display "Ivan Boesky-type behavior" in the late-1970s. Soros set up a network through his synagogue to buy insider-trading information. Soros told the former associate that money had become more important to him than his reputation. Already by 1979 Soros was the target of a criminal investigation. According to a Dunn and Bradstreet report:

"The Securities and Exchange Commission announced on Sept. 12, 1979, Judge Charles S. Haight, Jr. of the United States District Court for the Southern District of New York entered a Final Judgment of Permanent Injunction ('Final Judgment') against Soros Fund Management Inc. ('SFM') and George Soros enjoining them from further violations of the anti-fraud and anti-manipulative provisions of the Federal Securities Laws in connection with certain activities. SFM was reported as an investment advisor for various foreign investment companies, and George Soros reportedly served

as SFM's President. The two defendants consented to the entry of the Final Judgment without admitting or denying the allegations of the Commission's complaint which was filed on May 18, 1979.

"The Commission's Complaint alleged that George Soros and SFM manipulated the market price of Computer Sciences Corp. ('CSC') common stock by engaging in a scheme to sell CSC common stock shortly before a public offering of such stock which caused the offering price to decline, and during such offering, purchasing approximately 165,000 shares of CSC common stock at an artificially low price. The Commission charged that SFM and George Soros thereafter purchased additional shares of CSC common stock for the purpose of acquiring additional stock at artificially low prices and causing the market price of CSC common stock to increase."

According to the former business associate, Soros paid CSC tens of millions of dollars in an out-of-court settlement of a civil suit it had brought to recover damages.

Again in 1983, the former associate states, the same situation repeated itself with the Commodities Futures Trading Commission (CFTC). It enjoined Soros from practices that allegedly violated its rules on fraudulent behavior, and Soros again responded with a consent decree that neither admitted nor denied guilt.

As a result, should the SEC or the CFTC again find Soros guilty of fraud, he will likely face criminal prosecution.

In what may presage his manipulations with Salomon Brothers, Soros's former associate states that Soros told him he had opened hundreds of fraudulent accounts so he could exceed individual limits on the purchase of gilt-edged securities from the Bank of England.

Soros used Kit Kat and Aiken, which has since been sold, to set up the bogus accounts in the 1980s. "Soros said to me that he had them stay up all night at Kit Kat and Aiken to manufacture bogus accounts, so Soros could exceed the limits on gilts," the former associate said. Soros's partner at Kit Kat in this alleged swindle was Nils O. Taube, who is today a senior manager of Lord Jacob Rothschild's St. James Place, which holds a major position on Soros's flagship Quantum Fund NV. Lord Jacob Rothschild assigned the same Nils Taube to sit on the board of Quantum Fund NV to represent his interest.

"I do not know why British law enforcement agencies were not more of watchdogs on this," the former business associate said. But, a British intelligence financial investigator has told *EIR*: "There was a lot of that in those days. I will look into the charges."

## **EIR's record**

This is certainly more than the *New Republic's* Michael Lewis has done, whose squishy soft treatment of Soros, after flying in the billionaire's private plane for weeks, would earn him a failing grade, even at the Columbia School of

Journalism. As for Lewis's sneer at charges from "the followers of Lyndon LaRouche," *EIR* will soon reveal Soros's organized crime ties. This exposé will not only show Soros's ties to lieutenants of National Crime Syndicate chief Meyer Lansky. It will also expose his business partnership in the Newmont gold mine with Li Kai Shing ("The Red Fat Cat"), who sits on the board of the Hongkong and Shanghai Banking Corp., which, as the *EIR* book *Dope, Inc.* demonstrated, controls production, distribution, and initial money-laundering of all opium/heroin production in the "Golden Triangle." Gold is often used as an intermediary for the purchase of heroin.

As Gretchen Small documented in the Oct. 15, 1993 issue of *EIR* ("Peru Still Blacklisted Despite New Anti-Terror Victories"), Peruvian President Alberto Fujimori was threatened by Soros's brother and business associate Paul Soros in a Sept. 28, 1993 full-page *New York Times* ad. The ad demanded that Fujimori dismantle his military, which is the only bastion against national chaos from the narco-terrorist Shining Path, which is part of the "Silver Crescent" cocaine-trafficking army. Paul Soros, who sold his international construction firm (Paul Soros Associates) to Italian investors, made it clear in the ad that there would be no investment in Peru, as long as Peru kept its national defense. The ad said:

"When you can be sure that military influence in the government is really firmly finished, the value of any investment goes up 30, 40, even 50%. In Latin America, whenever the army, as an institution, is part of the country's power structure, all investments are discounted because that introduces an element of instability. As an investor, one likes stability."

George Soros also sits on the board of Americas Watch, part of the "human rights" angle in the Anglo-American plot to annihilate Ibero-America's militaries.

As for *New Republic's* reference to the November intervention by "the followers of Lyndon LaRouche" against a speech by George Soros's employee and Harvard punk economist Jeffrey Sachs in Bogotá, Colombia, LaRouche co-thinkers raised questions about where Soros got his money. As Soros has written, he hired Sachs to impose "IMF shock therapy" in Poland, Russia, and other former East bloc countries, with disastrous results. Sachs came, recommended to Soros on the basis of his implementation of "IMF shock therapy" in the "Silver Crescent" nation of Bolivia, where he destroyed agro-industrial production while vastly increasing cocaine production. Asked if he and Soros supported legalization of drugs, Sachs waffled, offering instead that Soros is "a great friend of mine, a great philanthropist, a great economist. He runs over 20 philanthropic organizations."

The SEC, CFTC, British authorities, former close business associates, the chairman of the House Banking Committee, a federal grand jury, and "the followers of Lyndon LaRouche" do not agree with Sachs's flunky praise.

# Scare-mongers on ABC program claim DDT is causing breast cancer

by J. Gordon Edwards, PhD

*Dr. Edwards is a professor emeritus of entomology at San Jose State University in California, where he has taught for 44 years.*

On Dec. 9, 1993, the ABC News program "Prime Time Live" presented a voodoo snake oil circus directed against DDT (and its breakdown product, DDE). The robust ring-leader of the show was a living reminder that adipose tissue, itself, generates cancer-causing estrogens.

In addition to the carcinogenic effects of human fat tissue, many other causes of breast cancer have been implicated, including high caloric intake, alcohol ingestion, birth control pills, supplemental hormones, early onset of menstruation (before age 14), delayed child-bearing (after age 30), and menopause. DDT (DDE) has not been blamed earlier, perhaps because it may even be *anti-estrogenic*, rather than estrogenic. Congress allotted hundreds of millions of dollars last year for research into the possible causes of breast cancer, so some groups of "researchers" were desperately seeking to cash in—and DDT is so famous that it seemed to offer a possible way to attract attention. Widespread newspaper coverage blaming DDT (and DDE) as a cause of breast cancer last April evidently failed to convince anyone, so the same people are now trying to attract attention, and funding, via ABC television. More than 80 scientific, peer-reviewed, articles state that DDT is *not* carcinogenic!

The Prime Time propagandist even invoked the name of Rachel Carson, evidently unaware of her lack of credibility. It was stated that "Rachel Carson warned about DDT and cancer in her book the *Silent Spring*, stating specifically that synthetic estrogens have a combined effect that *is a matter that warrants the most serious concern*" (emphasis added). That statement evidently was taken from page 236 of the book, where she wrote: "The argument for the indirect role of pesticides in cancer is based on their proven ability to damage the liver and to reduce the supply of B vitamins, thus leading to an increase in the 'endogenous' estrogens, or those produced by the body itself. Added to these are the wide variety of synthetic estrogens to which we are increasingly exposed—those in cosmetics, drugs, foods, and occupation-

al exposures. The combined effect is *a matter that warrants the most serious concern*" (emphasis added). It should be pointed out that she was speaking of numerous possible effects, but certainly *not DDT* and *not* breast cancer!

On page 238 Miss Carson wrote, "The individual exposed to DDT is almost certain to also be exposed to solvents, paint removers, degreasing agents, dry-cleaning fluids, and anesthetics." (Add: alcohol, creosote, ammonia, arsenic, fluorine, vinyl chloride, PCBs, PBBs, methyl bromide, chlordane, malathion, pyrethrum, rotenone, and numerous common medications?) She then asked, "What then can be a 'safe dose' of DDT?" A much better question would have been "What then can be a 'dangerous dose' of just DDT?"

## What we know about breast cancer

It is unfortunate that television permitted the showing of such an untruthful, scare-mongering attempt by a small group of propagandists to gain support for unnecessary "research." Research funds should not be wasted on such capricious activities, when there are numerous truthful researchers endeavoring to arrive at rational solutions to the breast cancer problem.

There has been a gradual increase of breast cancer detections in the United States beginning 10 years before DDT was in existence. The National Cancer Institute attributes three-fourths of the rise to the use of better detection methods, and agrees with the American Cancer Society that "there is not now and never has been an epidemic of breast cancer here." Although there were increasingly high numbers of cases detected, due to the new mammography techniques, the mortality rates for breast cancer have held steady over the past 20 years, and the NCI reported that the incidence of new cases actually declined in 1988 and 1989 (the latest years for which records were available).

Prime Time Live stated that Long Island women have "startlingly high rates of breast cancer." Those same women appealed to the Centers for Disease Control with their allegations, in 1991, and the CDC investigated the situation there in 1992. Their data on the incidence rates in the counties where Prime Time produced this TV show were revealing. The CDC reported that: "The women have a higher preva-

## Schiller Institute to hold February conference

The Schiller Institute, a think-tank for republican policy, and the International Caucus of Labor Committees (ICLC), the philosophical association founded and led by Lyndon H. LaRouche, Jr., will hold their next semi-annual joint conference on Presidents' Day weekend, Feb. 18-21, 1994.

The conference will discuss a new theoretical writing of Mr. LaRouche's, explaining his original contribution to the Leibniz science of physical economy in the 1948-52 period. Titled simply, "LaRouche's Discovery," it will appear in the Spring 1994 issue of *Fidelio* magazine.

The gathering will be the first international conference marking the tenth anniversary of the Schiller Institute. It was founded in early 1984 at the urging of Mrs. Helga Zepp-LaRouche, as a new institution working to mend the dangerous rift then dividing the United States from Germany, her native land, and indeed from western Eu-

rope in general.

Although the most obvious aspects of the crisis were strategic, political, and economic, from its inception the Institute also plumbed the cultural and scientific failings which lay behind the collapse, and pointed the way back to the greatest moments in the two continents' respective histories, namely: the American Revolution, the Classic period of Germany (Beethoven, Schiller), the Golden Renaissance of the 15th century which made possible the discovery and evangelization of the Americas; and, echoing those, our century's steps toward conquering outer space.

This will be the first ICLC/Schiller conference in five years in which Lyndon LaRouche will be free. Incarcerated on Jan. 27, 1989 after being railroaded to a conviction on false, politically motivated federal fraud and conspiracy charges, he will be released on parole on Jan. 26. He is now 71.

For information about registering to attend the conference, contact your *EIR* representative or the Schiller Institute national office at (202) 544-7018 before Feb. 11, 1994.

lence of known risk factors, including a history of benign breast disease, certain reproductive history traits, and ethnic origin." When the researcher controlled for these variables, the women did not appear to have an extraordinarily high rate for the disease.

Prime Time stated that "two months ago, Congress finally funded a broad study of DDT and other pesticides with possible connections to breast cancer." In truth, Congress took that action more than a year earlier than that, and did not specify pesticide connections! The National Breast Cancer Coalition got millions of dollars, the NCI received \$197 million, and the Department of Defense got \$210 million. Early in 1992, Massachusetts had a \$3 million budget for breast cancer testing, education, and research programs, and NCI agreed to match that amount. (The rate of breast cancer in Massachusetts is 18% higher than the national average, and reasons for that are still unknown.) The American Cancer Society has been theorizing publicly that the odds of U.S. women developing breast cancer are 1 in 9, but many authorities say the odds are between 1 in 500 and 1 in 1,000 (depending on the woman's age). The "1 in 9 figure," the ACS recently stated, was "*more of a metaphor than a hard figure*" (emphasis added).

### DDT saved millions of lives

Early in the Prime Time Live show, it was stated (with a trace of sarcasm) that DDT was given a hero's welcome after World War II, but the reasons were not mentioned. The

National Academy of Sciences wrote in 1965 that "in little more than two decades, DDT has prevented 500 million human deaths that would otherwise have been inevitable," and, in 1973, the World Health Organization pointed out that "100 million humans who would have died of insect-borne diseases are alive today because of DDT." Millions more escaped starvation and severe malnutrition, thanks to the fact that DDT saved their crops and their stored food. Perhaps Prime Time did not consider such facts as relevant?

Why the great fear of DDT (DDE) more than 20 years after the innocuous pesticide was banned by the political actions of William Ruckelshaus, then head of the Environmental Protection Agency? Prime Time alleged that DDT "doesn't disappear . . . it lingers more than a century." (Perhaps they were unaware that it has only been in existence for half a century?) In 1987, *Science* magazine reported that only one-thirtieth of one year's production of DDT and its metabolites could be accounted for in all the living things on this planet, and in Gulf Breeze, Florida, the EPA proved that 92% of DDT and its metabolites disappeared from seawater in just 38 days. More than 150 scientific articles documented the removal of DDT and its metabolites from air, water, soil, and living creatures, and public health studies found DDT residues were eliminated from animal fat tissues rather rapidly (within months), much of it as DDA in the urine. Obviously only traces now survive in the U.S. environment, and there is not enough anywhere in our environments to kill even the most sensitive insects.

# National News

## Michigan judge eclipses Kevorkian in brutality

On Dec. 13, Wayne County Circuit Court Judge Richard Kaufman ruled that Michigan's law against assisted suicide is unconstitutional because it deprives a "competent" person with a "poor quality of life" the right to "rational suicide." Kaufman took up the issue of the state's ban on assisted suicide after Jack Kevorkian's attorney Geoffrey Fieger asked that he dismiss charges against Kevorkian in the September "suicide" of Donald O'Keefe. Fieger says the ban violates the 14th Amendment protections that no state shall "deprive any person of . . . liberty . . . without due process of law."

Kaufman called 99% of Fieger's claims bunk, and then used the ravings of euthanasia advocates that there is "significant support in our tradition and history for . . . approving suicide," including one assertion that Christ's death was a "suicide." The judge said that the state's interest in preserving life sometimes takes "a back seat to other protected rights" when a person's quality of life is poor. Kaufman hinged his argument on the Supreme Court's 1927 ruling in *Buck v. Bell* which upheld Virginia's right to forcibly sterilize "feeble-minded" women whose children would presumably suffer poor quality of life. Oliver Wendell Holmes's majority opinion was used to craft the Nazi race purification laws.

The toll in Kevorkian's "assisted suicide" death march stands at 20.

## CAN kidnapper Rick Ross goes on trial

Rick Ross, one of the chief kidnapers of the Cult Awareness Network (CAN), went on trial in Grays Harbor, Washington on charges of unlawful imprisonment. Early in 1993, Ross made national headlines as an expert on "cults" advising the FBI and Alcohol, Tobacco, and Firearms (ATF) authorities on the Branch Davidians in Waco, Texas.

Ross and two others have been charged in connection with the 1991 abduction of 18-year-old Jason Scott, then a member of a Pentecostal church in Bellevue, Washington. According to the indictment, Ross was hired by Katherine Tonkin, to kidnap and "deprogram" her son. Ross reportedly told her that if she paid him to "deprogram" her son, she could make millions of dollars in a civil suit against the church.

Federal prosecutors have dubbed the so-called anti-cult deprogrammers associated with CAN a "cottage industry." CAN's best known "deprogrammer," Galen Kelly, was active in operations against the LaRouche movement until his conviction last year on a federal kidnapping charge.

Ross, a convicted jewel thief, has made a living as a kidnapper for hire, portraying himself as a "cult expert." Last year, FBI and ATF officials relied heavily on Ross in their planning and execution of the raids against the Branch Davidians, which left some 90 people dead. In a report prepared for the FBI, Emory University Prof. Nancy Ammerman sharply criticized federal officials for relying on CAN and Ross, who, she wrote, "have a direct ideological (and financial) interest in arousing suspicion and antagonism against what they call 'cults.'"

## Buchanan, Kissinger rave against expanding NATO

Former Republican presidential candidate Pat Buchanan and former Nixon Secretary of State Henry Kissinger both denounced President Clinton's plans to extend NATO to former Warsaw Pact nations in Jan. 7 media commentaries. Buchanan, writing in the *Washington Times*, asserted that the NATO treaty requires the United States to "go to war to defend each of 15 NATO allies. But the United States is not going to war against a nuclear-armed Russia to defend countries east of the Oder River. Not now, not ever. . . . An America that would not fight in Bosnia is not going to fight in Slovakia. . . . What Europe lacks is fortitude, vision, and will. America has provided these for half a century; we cannot do so forever."

In television interviews, Kissinger

opined that new NATO memberships should be limited to the Czech Republic, Hungary, and Poland. Geopolitician Kissinger, who is frequently denounced by Buchanan, continued, "I would have preferred that the issue did not come up now, but if—once the issue has been raised, I would now bring them in." He referred to a more general opening of the defense alliance as "one of the poorest ideas we have had in foreign policy in a long time," which would lead to "a mushy kind of thing in which the victim is grouped together with the threat."

## Sagan (!) calls for revival of scientific optimism

Astrophysicist Carl Sagan deplored the collapse of love for science and a sense of hope in America, in an uncharacteristic essay in the Jan. 9 *Washington Post* book section. Sagan, well known for his popular anti-scientific PBS series "Cosmos," wrote:

"I have a foreboding of an America in my children's or grandchildren's time—where we're a service and information economy; when nearly all the key manufacturing industries have slipped away to other countries, when awesome technological powers are in the hands of a very few, and no one representing the public interest can even grasp the issues; when people have lost the ability to set their own agendas or knowledgeably question those in authority; when, clutching our crystals and consulting our horoscopes, our critical faculties in decline, unable to distinguish between what feels good and what's true, we slide, almost without noticing, back into superstition.

" . . . We might get away with it for a while, but eventually this combustible mixture of ignorance and power is going to blow up in our faces." Sagan concluded that "the best way to popularize science is through books. . . ."

"An extraterrestrial being . . . might easily conclude that we are intent on teaching [our children] murder, rape, cruelty, superstition and consumerism. . . . What kind of society would it be if, instead, we drummed into them science and a sense of hope?"

One source of optimism was the an-



nouncement by NASA that it would begin releasing results from the repaired Hubble Space Telescope on Jan. 13.

## Sex offender starred in cancelled condom ads

The Clinton administration had to cancel one of its infamous "condoms prevents AIDS" advertisements on Jan. 7, after it became known that the rock star promoting condoms was a sex offender. Anthony Kiedis, from the rock band "Red Hot Chili Peppers," was convicted of sexual battery in 1990 in an incident at George Mason University in Fairfax, Virginia.

In the radio ad, Kiedis boasts of his exhibitionism: "I've been naked on stage. . . . I'm naked whenever I have sex. But now I'm on the radio. So I might as well get naked again. . . . Now I'm naked. With a condom. . . . Wear a condom if you're gonna have sex. Remember you can be naked without being exposed."

Health and Human Services Secretary Donna Shalala defended the ad campaign, however, saying, "We must not allow a single ad to overshadow the vital lifesaving message in the campaign." The secretary was accosted during a speech the same day by a protester who condemned the ads, and demanded to know: "Where's the Manhattan-style project that Bill Clinton promised during the elections to find a cure" for AIDS?

## Norfolk, Va. jail horrors typical of prison system

The newly elected sheriff of Norfolk, Virginia brought press in to view the conditions of the local jail on Jan. 3, after a coalition of prisoners filed a lawsuit on Dec. 16 against his predecessor, 12-year incumbent David Mapp. The suit demanded a temporary restraining order to prevent defendants from "warehousing" prisoners, and that all prisoners be tested for AIDS, tuberculosis, and hepatitis. Sheriff Robert McCabe said of the prisoners, "These people are not asking for special treatment—they are only asking to

be treated like human beings."

The conditions shocked even jaded reporters: One network showed footage of cockroaches and vermin, broken plumbing, overcrowding, and mattresses on the floors.

The sixth death in a year occurred on Dec. 22, when a prisoner, ill with AIDS and TB, died in a holding cell while awaiting a court hearing for his early release. Whereas the local newspaper *Virginian Pilot* claimed he "was placed alone in a holding cell on the first floor because he was considered too infectious to be placed with other prisoners," a press release from the prisoners said that "he was in fact first put in a cell with approximately 75 people in an area built for 25; he was breathing with great difficulty on a mattress on the floor, with no sheets. He arrived at approximately 7 p.m., and was removed sometime after midnight." According to prisoners, "It was obviously known to the prison authorities that this man had a full-blown case of tuberculosis—yet he was put in an overcrowded area with other prisoners—some of whom have AIDS and some of whom have been shown positive for TB by skin tests. This is a recipe for a health disaster."

## Letters praise book on U.S. Moon project

Twenty-First Century Associates, the publisher of a new book *How We Got to the Moon*, has received a number of letters from space scientists praising the work, which centers on the crucial contributions by the team of German rocket scientists under Wernher von Braun at Huntsville, Alabama. *EIR* excerpted a chapter from the book in its special Jan. 1, 1994 issue. In a personal note to author Marsha Freeman, a senior NASA official, who started his career in aerospace in the 1960s, wrote that "this subject is near and dear to my heart."

One of the German space pioneers in Huntsville welcomed the addition of *How We Got to the Moon* to space history. It is even "more welcome," he wrote, because "the standard works, such as *The Rocket Team*, are out of print. We need new works and new perspectives you present to refer [to] journalists and historians who keep coming to Huntsville."

## Briefly

● **FIRST LADY** Hillary Clinton met privately with Dutch Prime Minister Ruud Lubbers earlier this month in Washington, and their discussion included their mutual experience in health care reform, according to the Royal Embassy of the Netherlands. The Netherlands is in the forefront of legalizing euthanasia. Mrs. Clinton was invited to speak at the international meeting of Dutch Health Care Insurers next fall.

● **MORTON HALPERIN**, who was nominated to be Assistant Secretary of Defense for Peacekeeping and Democracy, withdrew his nomination as a result of strong opposition in the Senate. Defense Secretary-designate Adm. Bobby Inman has indicated that the position is unnecessary.

● **PENNSYLVANIA** gubernatorial candidate Phil Valenti (D), an associate of Lyndon LaRouche, announced his plans to hold a Martin Luther King Memorial March against "outcome-based education" at the Birdsboro Elementary Center on Jan. 14. At an earlier protest at the school, children, who are victimized by the methods of Dr. William Glasser's "Control Theory/Reality Therapy," cursed and threw objects at picketers, and one child exposed himself repeatedly.

● **TEXAS** plans to execute 14 prisoners in January and another 8 between February and March. Texas holds the record for number of executions in any state which, back in 1938, was 18.

● **THE MINNEAPOLIS** *Star Tribune* called for returning the Great Plains to prairie, in a 14-page feature on Dec. 19. The paper's editors retail the environmentalist lie that intensive farming has caused depopulation of the 12 breadbasket states, because the land will no longer support them. These insane ecologists claim that the farmers who are still "successful" are adapting to the prairie by raising buffalo or raising the native grasses for tourism or decoration.

## Editorial

### *Remember Proposition 13*

There is no question that this is not a society which favors the elderly. Especially if they are poor they are in serious trouble, and even the more affluent, in many instances, are consigned to a life of boring irrelevance. In 1978, many Californians who were trying to live on a fixed income were easily won to the argument that there should be a cap on real estate taxes, which had been rising so rapidly that they were in danger of becoming homeless.

When in 1978 this attack on "big government" occurred, the economic situation in the United States, and certainly in the state of California, was far more stable. Since then the combination of an ideological assault upon the role of government, and the actual financial erosion of the tax base of state and local governments due to the sharp economic downswing, has created a situation in which essential services are being threatened, including schools but extending to water management and police and fire departments.

Under present circumstances there is no easy solution to the problem. Nonetheless no solution will be found as long as people are willing to accept the nonsense that privatization of essential infrastructure and social services is the road to go. The story of what has happened in California since 1978 is a lesson to be studied by all of those who are taken in today by this ideology.

The anti-government ideological battle, begun in 1978, culminated in a ballot referendum called Proposition 13, initiated by Howard Jarvis. This spawned a number of similar ballot initiatives in other states and then fed into agitation for balancing the budget—national as well as local—no matter what the social cost.

It is strange to bring to mind those days, when the complaint was that the state of California, with its \$5 billion budget surplus, was too affluent; that it was making money off the backs of citizens who could not afford state taxes computed on the basis of highly inflated real estate values, and so on. Most of all, it is hard to remember the time when California's roads, hospitals, schools, and libraries were a pride of the nation.

Today, sadly, just the opposite is the case—of

course, a mistaken tax policy is not the only cause. The ravaging of the U.S. aerospace industry with the perceived end of the Cold War is also a large contributing factor to making once flourishing California poor. Since July 1990, California has suffered an absolute loss of 600,000 jobs, even while there has been a national growth in service industry-spawned employment.

Education is a case in point of the decline of California. Not only has the standard of education in what was once a top system of virtually free state universities, been eroded by the enforcement of political correctness upon students and teaching staff, to the detriment of all serious scholarship; since 1990, some 6,000 courses have been cut from the curriculum.

The kindergarten to 12th grade situation is far worse. Where California used to be among the top five in the nation in spending per capita for pupils (which did translate into top quality as well), it is now among the 10 lowest, spending half of what New York does, and \$1,000 per student below the national average. Half of the state's school libraries have been closed. Classroom size is now the second highest nationally.

In reality the Jarvis "reforms" were a boon to firms such as Standard Oil of California, which owned real estate and therefore shoveled in 28% of the tax reduction. In the first year alone, Standard Oil saved \$47 million. The reason is simple. Property was now to be taxed at its price on purchase rather than its assessed value. For the elderly this was welcome, but it was not they who reaped most of the benefit. (If Jarvis really wanted to help people with fixed incomes, they could have been offered a subsidy by the state to offset real estate taxes, at far less cost.)

The moral of the story is that calls to balance the budget, to eliminate so-called big government, or to deregulate banking and national finances can only make a bad situation worse. They are usually thinly disguised swindles on behalf of international bankers or the large multinational corporations, or of the one-worlders who wish to put an end to all national sovereignty, and therefore want to cut off the ability of national governments to govern effectively.

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- LITTLE ROCK—Storer Ch. 18  
Tue.—9 p.m., Thu.—8 p.m.

## CALIFORNIA

- CONCORD—TCI Ch. 19  
Thursdays—9:30 p.m.
- DOWNEY—Conti. Ch. 51  
Thursdays—9:30 p.m.
- E. L.A. to SANTA MONICA—  
Century Cable Ch. 3  
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- HOLLYWOOD—Conti. Ch. 37  
Fridays—8 p.m.
- LANC./PALMDALE—Ch. 3  
Sundays—2 p.m.
- MODESTO—Access Ch. 5  
Thurs., Jan. 27—6:30 p.m.  
Thurs., Feb. 17—6:30 p.m.
- MTN. VIEW—MVCTV Ch. 30  
Tuesdays—4 p.m.
- PASADENA—  
Crown Cable Ch. 56  
Kinneloa Cable Ch. 46  
Thursdays—4:30 pm
- SACRAMENTO—Ch. 18  
2nd & 4th Wed.—10 p.m.
- SAN DIEGO—  
Cox Ch. 24; Sat.—12 Noon  
Southwest Cable Ch. 16  
Saturdays—9 p.m.
- SANTA ANA—Ch. 20  
Sundays—4 p.m.
- W. SAN FERNANDO VALLEY—  
CVI Ch. 27; Tues.—8:30 p.m.

## DISTRICT OF COLUMBIA

- WASHINGTON—DCTV Ch. 25  
Sundays—12 Noon

## FLORIDA

- PASCO COUNTY—Ch. 31  
Tuesdays—8:30 p.m.

## GEORGIA

- ATLANTA—Ch. 12  
Fridays—1:30 p.m.

## IDAHO

- MOSCOW—Ch. 37  
Wednesdays—7 p.m.

## ILLINOIS

- CHICAGO—CAN Ch. 21  
Thurs., Jan. 27—10 p.m.
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Mondays—9:30 p.m.

## INDIANA

- SOUTH BEND—Ch. 31  
Thursdays—10 p.m.

## MARYLAND

- BALTIMORE—BCAC Ch. 42  
Mondays—9 p.m.
- MONTGOMERY—MCTV Ch. 49  
Tue.—11 p.m., Thu.—2:30 p.m.
- WESTMINSTER—CCTV Ch. 19  
Tuesdays—3 p.m.

## MASSACHUSETTS

- BOSTON—BNN Ch. 3  
Sat.—11:30 a.m. (thru Jan.)

## MICHIGAN

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- TRENTON—TCI Ch. 44  
Wednesdays—2:30 p.m.

## MINNESOTA

- EDEN PRAIRIE—Ch. 33  
Wed.—5:30 pm, Sun.—3:30 pm
- MINNEAPOLIS—Ch. 32  
*EIR World News*  
Saturdays—9:30 p.m.

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*EIR World News*  
Friday through Monday  
3 p.m., 11 p.m., 7 a.m.

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*EIR World News*  
Mondays—8 p.m.

## MISSOURI

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Wednesdays—5 p.m.

## NEW JERSEY

- STATEWIDE—CTN  
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Mondays—2 a.m.

## NEW YORK

- BRONX—BronxNet Ch. 67  
Saturdays—6 pm
- BROOKHAVEN—TCI  
(E. Suffolk, L.I.)  
1 Flash or Ch. 99  
Wednesdays—5 p.m.
- BUFFALO—BCAM Ch. 18  
Mondays—6 p.m.
- HUDSON VALLEY—Ch. 6  
2nd Sunday monthly—2 p.m.
- MANHATTAN—MNN Ch. 69  
Saturdays—12 Noon
- NASSAU COUNTY—Ch. 25  
Sat., Jan. 22—6:30 p.m.
- OSSINING—Continental  
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Rockland County Ch. 26  
1st & 3rd Sundays—4 p.m.
- ROCHESTER—GRC Ch. 15  
Fri.—10:30 pm, Sun.—7 pm
- STATEN ISL.—CTV Ch. 24  
Wed.—11 p.m., Sat.—8 a.m.
- SUFFOLK, L.I.—Ch. 25  
2nd & 4th Mondays—10 p.m.
- WESTCHESTER—Access Ch. 18  
Fridays—6 p.m.

## OREGON

- PORTLAND—Access Ch. 27  
Weds., Feb. 9—6 p.m.  
Weds., Mar. 9—6 p.m.  
Tuesdays—6 p.m. (Ch. 27)  
Thursdays—3 p.m. (Ch. 33)

## PENNSYLVANIA

- PITTSBURGH—PCTV Ch. 21  
Mondays—7 p.m.

## TEXAS

- HOUSTON—PAC  
*The LaRouche Connection*  
Mon., Jan. 24—4:30 p.m.  
Mon., Jan. 31—5 p.m.  
Mon., Feb. 7—6 p.m.  
*The American System, Pt. 1*  
Tues., Jan. 25—7 p.m.  
*The American System, Pt. 2*  
Tues., Feb. 1—4 p.m.  
Tues., Feb. 8—7 p.m.

## VIRGINIA

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*Schiller Institute Show*  
Tuesdays—9 a.m.
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Tuesdays—12 Noon  
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Mondays—7 p.m.
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Some Saturdays—8 p.m.  
Some Sundays—1:5 p.m.
- RICHMOND/HENRICO—  
Continental Cable Ch. 38  
*Schiller Institute Show*  
Tuesdays—6:30 p.m.

## WASHINGTON

- SPOKANE—Cox Ch. 37  
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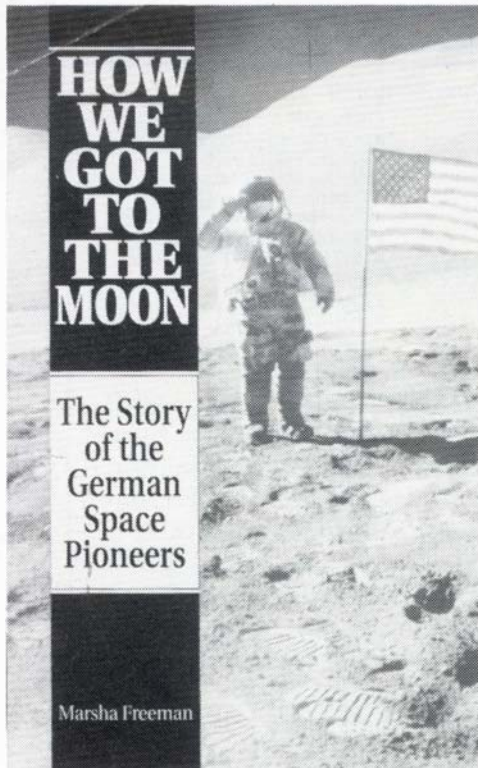
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Mankind's Greatest Achievement

# How We Got to the Moon:

## The Story of the German Space Pioneers

by Marsha Freeman

\$15, 385 pages, illustrated, with index

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Konrad Dannenberg

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