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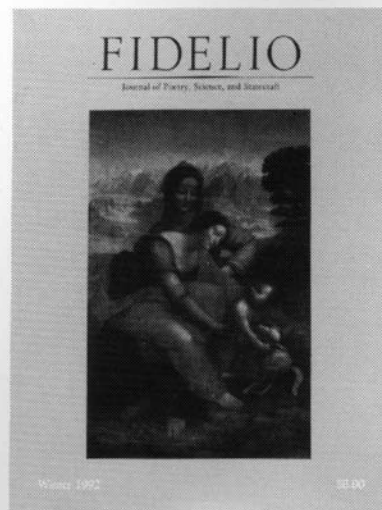
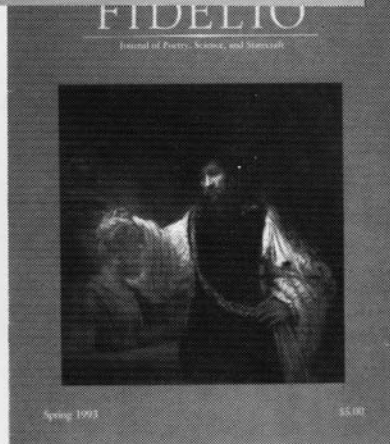
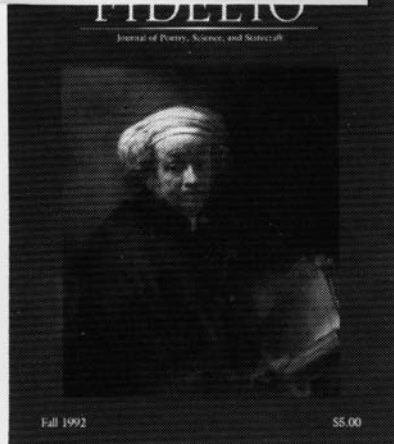
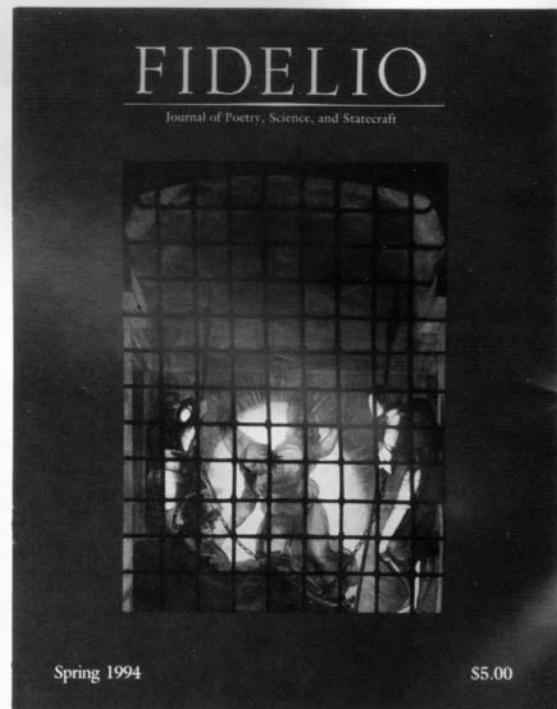
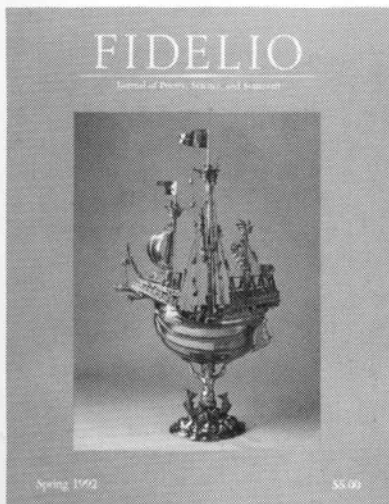
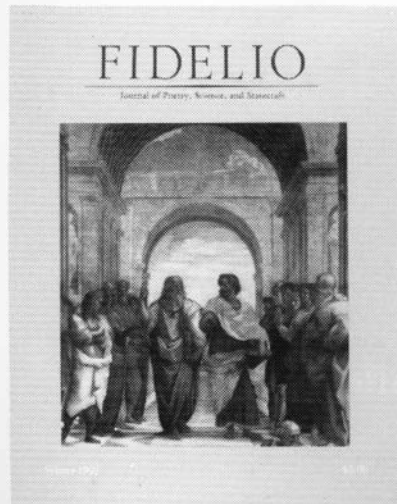
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**Venezuela's fight to survive
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— Friedrich Schiller



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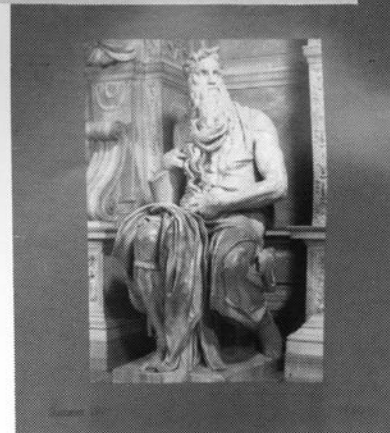
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From the Editor

The man on our cover, shown giving a briefing with a copy of *EIR*'s Spanish-language sister publication *Resumen Ejecutivo*, is engineer Alejandro Peña Esclusa, the general secretary of the Venezuelan Labor Party. He is under indictment in Venezuela for alleged "crimes" which have as much credibility as blaming Christianity for the collapse of the Roman Empire in the fourth century.

The prosecution's case, as you can read for yourself, is a stupefying array of illegally seized evidence, illiterate testimony, and the crudest of procedures which are documented in this week's *Feature* package. The case has nothing to do with law, everything to do with raw political muscle.

It is forces outside Venezuela which are determined to throw Peña to the lions. A Venezuelan stooge of Rockefeller's Council of the Americas, the overblown pipsqueak Gustavo Cisneros, has activated his assets in the Venezuelan state apparatus to silence any threat to his political and financial power. This manifests the oligarchy's fear that Venezuela, under the new government of President Rafael Caldera, might take steps to assert its sovereignty and set an example for other Ibero-American countries—or for Russia.

It is most relevant that Peña is an associate of Lyndon LaRouche, the American economist and political figure who forecast the present banking crisis and has shown how to replace the present delapidated system with one that will work.

How ironic that this all happens when the recent passing of Richard Nixon brings up memories of what the Rockefellers, Kissinger, and their ilk have done to destroy U.S. national sovereignty over the past two decades since Watergate. Venezuela under Caldera is one of a handful of countries which blocked the final draft of the document prepared in April for the United Nations' depopulation conference next September in Cairo—coincidentally another long-standing, pet Rockefeller project. Of course, even the Rockefellers are latecomers in this game, as the *International* lead article indicates—it is being run by the British.

Otherwise in this issue, take note of our substantial science and technology coverage, including a new department, Science Policy.

Nora Hamerman

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Dr. Murakami is the director of Division VII at the Superconductivity Research Laboratory, ISTEK, in Tokyo, Japan. He describes his laboratory's research in high-temperature superconductors.

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Mr. Cheminade is the leader of the New Solidarity political movement, which ran candidates in the March regional elections in a number of places in France.

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Mr. Formigoni was vice president of the European Parliament, president for many years of the biggest Catholic youth organization in Italy, the Popular Movement, and is now a member of the new Italian Parliament.

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Regulators panicking, call for scrutiny of derivatives

by John Hoefle

The United States government has, in recent years, shown extreme reluctance to put any brakes on the speculative bubble known as the international derivatives market. But now, with that bubble visibly blowing out and threatening to set off a chain-reaction collapse, some government regulators are taking tentative steps to deal with at least some of the symptoms of the crisis.

In the wake of the April 13 hearings on the dangers of hedge funds held by House Banking Committee Chairman Henry B. Gonzalez (D-Tex.), both Securities and Exchange Commission (SEC) Chairman Arthur Levitt, Jr. and Comptroller of the Currency Eugene Ludwig expressed concern about derivatives, and suggested further regulatory scrutiny.

The SEC "is taking further steps toward the development of appropriate capital standards for derivatives products," and is working to increase regulatory oversight of the over-the-counter derivatives markets and the activities of large traders, Levitt told the Banking Committee. "I don't think we have enough information about hedge fund activities," Levitt said.

Levitt promised to take his concerns to other regulators around the world and, according to European reports, did insist that action against derivatives be made a top item on the agenda of the April 24 Group of Seven (G-7) meeting in Washington.

Comptroller Ludwig, whose office regulates federally chartered banks, issued similar warnings April 20, in a speech to the Exchequer Club, a Washington, D.C.-based group of economic policymakers, financial lobbyists, and wealthy investors. "We are looking at whether they [derivatives activities] are appropriate for national banks and, if so, to what extent they are appropriate, and whether we need to take further regulatory action on these instruments," Ludwig told the group.

Ludwig's speech emphasized three main worries over the derivatives activities of national banks. First, he said, the banks' boards and senior managers often do not understand what their traders are actually doing. Second, Ludwig said, banks might not belong in the derivatives market at all. (U.S. banks dominate the international derivatives market, accounting for \$12 trillion of the \$14 trillion market for derivatives in the United States, he noted.) Third, he expressed concern over the level of proprietary trading by banks (banks trading on their own behalf rather than for customers), comparing their activities to those of the highly speculative, and effectively bankrupt, hedge funds.

Noting that derivatives "can be misused and abused," Ludwig said his office was developing "comprehensive procedures" for examining the derivatives activities of national banks, and was considering whether to place restrictions on derivatives trading, "or whether some other type of regulatory response is appropriate." He said his office has identified more than 1,200 different derivatives products offered by banks, adding that hundreds of national banks engage in some degree of derivatives trading, and that six national banks have set up proprietary trading desks.

Several bridges are missing

"Since October, a lot of water has gone under the bridge . . . and some over the bridge—and there are several bridges missing," he concluded.

U.S. regulators are not the only ones sounding the alarm, either. Bank of Italy Governor Mario Fazio warned the G-7 meeting of "the existence of a speculative bubble which has been formed in financial circles" which could lead to a financial shock similar to the stock market crash of October 1987. "In the last months," he said, "operators have bet everything on a decrease of interest rates that now seems put into ques-

tion, after the Federal Reserve inverted its monetary course. If the bubble blows up, it would be a crash similar to the 1987 one. With the difference that today it would concern the bond market."

Such warnings from official circles are rare, and reflect the panic which is dominating the international financial markets. When regulators start talking like that, the situation is already out of control.

Official denial

The G-7 finance ministers, however, continued to keep their heads buried in the sand, exposing their public faces.

"Financial markets [have] functioned well, coping with the increased volume of transactions without creating tensions," the finance ministers said in a statement issued at the semi-annual meeting of the International Monetary Fund and World Bank following the G-7 meeting. Nevertheless, the IMF's Interim Committee did agree to study the possibility of systemic risks to the financial system, including, in the words of Interim Committee chairman and Belgian Finance Minister Philippe Maystadt, "possible ways to introduce a higher degree of discipline in the present exchange rate system."

Meanwhile, the finance ministers continued their insane blathering about the supposed recoveries in their own countries, all of which are sinking ever deeper into depression.

"We have reasons for somewhat greater optimism," said U.S. Treasury Secretary Lloyd Bentsen, whistling past the graveyard.

"The outlook for world activity and stability has improved," insisted IMF Managing Director Michel Camdessus, proving once again why no sane person would ever believe anything the IMF says.

Sophisticated liars

Unfettered by the need to maintain even the appearance of answering to the public, the banks are much more sophisticated in their lying than are the clumsy politicians. There are risks, the bankers admit, but only we bankers are qualified to assess and deal with them, they say.

The French economic daily *La Tribune* reported on April 26 that it had obtained the text of a letter written on behalf of eight top U.S. investment banks dealing in derivatives (Merrill Lynch, Goldman Sachs, Salomon Brothers, Morgan Stanley, Kidder Peabody, Crédit Suisse First Boston, Lehman Brothers, and Bear Stearns) by Lehman Brothers director Jeffrey Seltzer, in his capacity as president of the "swaps and derivatives products" committee of the Securities Industry Association.

The investment houses acknowledge that a "systemic risk" does exist, but "warn against any regulation imposed by non-professionals." What is needed, the bankers insist, is "self-regulation." After all, who better to guard the chicken coop than the fox, who knows all the predators' tricks? Besides, the banks have done a wonderful job of managing their

own derivatives exposures, judging by the year-end 1993 figures.

Take Chemical Banking Corp., for example. At the end of 1993, Chemical had \$2.5 trillion in off-balance-sheet derivatives, compared to \$150 billion in assets. That means that for every \$1 in assets, Chemical has \$16.54 in derivatives. Chemical's derivatives exposure has grown rapidly, from \$1.3 trillion as of June 30, 1992, to \$2.1 trillion on June 30, 1993. During the second half of 1993, Chemical's derivatives exposure grew \$366 billion, nearly two-and-one-half times its total assets in only six months.

Second place in the derivatives sweepstakes belongs to Citicorp, which had \$2.0 trillion in derivatives, or \$9.12 for every one of its \$217 billion in assets. Citicorp had \$1.4 trillion in derivatives in mid-1992, and \$1.8 trillion in mid-1993, with a growth of \$187 billion in the last six months of 1993.

Closely following is Bankers Trust, which had \$1.9 trillion in derivatives at the end of 1993, for \$20.67 in derivatives for every one of its \$92 billion in assets.

Rounding out the top seven are Chase Manhattan, BankAmerica, and First Chicago, two of which actually posted declines in the size of their derivatives portfolios during the second half of 1993. Chase finished the year with \$977 million in derivatives, or \$9.57 for each of its \$102 billion in assets; at mid-year, Chase had \$1.0 trillion in derivatives. BankAmerica had \$921 million in derivatives, or \$4.93 for each of its \$187 billion in assets at year's end. First Chicago had \$432 billion in derivatives at year's end, or \$8.21 for each of its \$53 billion in assets.

Thanks to the interstate banking bills passed by the House and Senate, these greedy giants will soon be able to throw more of America's bank deposits down the derivatives rathole.

Losses growing

While the banks were able to claim profits in the first quarter, their trading revenues were down significantly. Bankers Trust, the investment bank masquerading as a commercial bank, posted trading revenues of a mere \$14 million for the quarter, compared to an average of over \$400 million a quarter in 1993. But while Bankers Trust managed to eke out a profit, some of its customers were not so lucky: Procter and Gamble, Gibson Greetings, and Mead Corp. all suffered multimillion-dollar losses. A shareholder has filed suit against Procter and Gamble and nine top executives, demanding that they reimburse shareholders for the \$157 million the company lost in the derivatives market in the first quarter. Procter and Gamble and Gibson Greetings have, in turn, threatened legal action against Bankers Trust.

Whether the banks have resorted to their post-Great Depression practice of sticking their customers with bad paper in order to save themselves, remains to be seen. But one thing is for sure: If corporations take their funds down to the casino to gamble, they deserve to get burned.

The AIDS time-bomb is ticking away in South Africa

by David Hammer

No matter what the composition of the government after South Africa's historic elections of April 26-28, that government will have to confront the growing crisis of HIV (Human Immunodeficiency Virus, which causes AIDS) infection in the South African population.

AIDS was first found in South Africa in 1982, when two homosexuals died. Today, there are a minimum of 600,000 people in South Africa infected with the HIV virus—or nearly 2% of the entire population. According to Dr. Clive Evian, of the Johannesburg City Council AIDS Information Center, another 500 people are infected each day. More than 3% of the Soweto black township south of Johannesburg is HIV-infected, the *Johannesburg Star* recently reported, although the highest incidence of AIDS infection is believed to be in the impoverished Natal/Kwazulu area.

AIDS deaths are also climbing. Since 1985, there have been a total of 8,687 deaths reported as being related to AIDS, a figure released by the Metropolitan Life Insurance Co. based on data gathered from clinics around the country. However, AIDS often is not listed as the cause of death. The death rate is rising—4,937 people were officially reported as dying of AIDS in 1993.

Tuberculosis, which in the last five years has emerged as the critical marker for HIV infection, is also on the rise. According to government statistics, there are 10 million people in South Africa infected with TB. In 1964, there were 66,701 TB cases in the country; in 1990, there were 804,000 cases.

IMF conditionalities must be rejected

The rise in both AIDS and TB infection will continue, unless urgent measures are taken to arrest the economic collapse of South Africa. The precondition for that is that the new South African government must reject the conditionalities of the International Monetary Fund and World Bank, no matter what the pressure from foreign and domestic banking establishments.

EIR publishes here an interview conducted on March 10 with Dr. Ruben Sher, currently director of the National AIDS Training and Outreach Program (NATOP). Before taking

this post a year ago, Dr. Sher was the chief collector of data for the South African Institute for Medical Research. The collection of AIDS data has now shifted to the Epidemiology Department of the Department of Health, but Dr. Sher reports that chaos in the government has brought disease data collection to a near standstill.

Interview: Dr. Ruben Sher

EIR: I'm seeking information on the extent of the AIDS problem in South Africa.

Sher: I can tell you from clinics and from testing and the people that we are seeing, that obviously the rate of new infections is very high. There are no two ways about it.

I run a clinic at one of the hospitals here; we are seeing 30 to 40 and sometimes even more cases every Wednesday, and that's just one in three hospitals in the Johannesburg area. Those are not new ones for the most part, though some are. They have been diagnosed in hospitals.

For instance, at the hospital that I work in, any person coming to have any surgical procedure—whether it is EMT or major surgery or gynecological surgery—will have an HIV test. It [testing] has its merits because we are identifying a lot more positive people than we would have otherwise. And it permits us to try to trace contacts, and what have you. Some of the insurance companies have made estimates; I think their estimates on the rates of positivity at the end of 1993 were something like 600,000. So, in fact, if you deduce those figures, it would seem that there are somewhere between 400 and 500 new HIV infections every day occurring in South Africa. But the cases haven't been proven; they are estimates.

In February 1993, the last time I was on top of the data, we had 1,803 AIDS cases in the country that we knew of. Obviously, there were more.

EIR: That's the number of full-blown AIDS cases?

Sher: Yes, full-blown.

EIR: What was the number of infections at that time?

Sher: The number of infections was 48,951. This data came from laboratories testing for HIV infections; it came from blood transfusion studies; and it came from clinics at the mines.

EIR: When you said that you didn't know any physicians in Johannesburg who send their statistics in on AIDS, why is that?

Sher: Of the three clinics—I've asked one of the other chaps and he said he hasn't sent in—I think it is because there is no mechanism of collecting the figures. We are not asked to submit these things. There have been no sort of formal follow-ups.

When I was doing it, I used to phone up all the physicians and all their laboratories and get their figures from these people; that is not occurring now. That's the reason why. These figures are there; they could be looked up in the hospital records and what all.

EIR: Since tuberculosis is a marker for AIDS, have you seen any dramatic increase in the number of deaths resulting from an infection of tuberculosis in the country?

Sher: Yes. We are seeing a very lot of tuberculosis in the population. And as you probably know, it usually starts a little bit earlier than the other opportunistic infections. Because we do have such a high prevalence of tuberculosis in any case.

EIR: The number that you had mentioned before? The 600,000 positives at the end of 1993?

Sher: This is from certain insurance actuaries, such as Metropolitan Life.

EIR: I've heard also from sources close to the Surgeon General's office that the actual rate of infection in South Africa now is 10-12%.

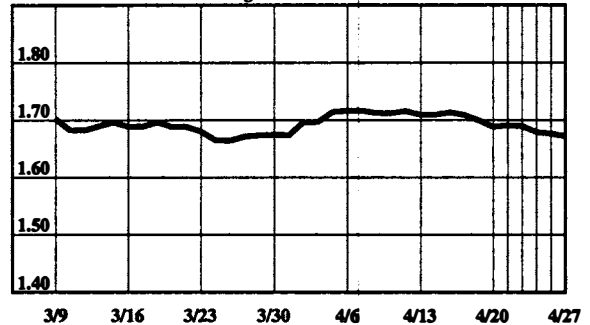
Sher: I don't believe that. I'm not sure where those figures came from, but if you look at studies done at the Blood Transfusion Service, the antenatal studies in Johannesburg, they were only about 7-8%. In Durban, it was a little bit higher than that; I think it was up to 10% or maybe more. That's in antenatals. I think if you are looking at the total number, I don't think it is more than 3-4% overall. Mind you, it's pretty high in places like Durban; if you look at their studies, you'll find them high. Antenatal studies in Durban would be 10% or more, but the overall infection rate is not 12%. But we are sitting on a time-bomb. We must not get away from that.

EIR: It must be alarming to you that there is very little public discussion or attempt really to do much about AIDS, as far

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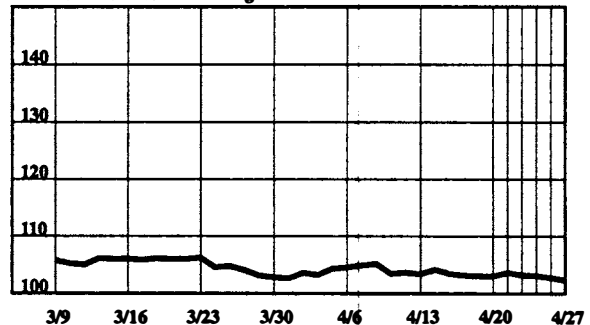
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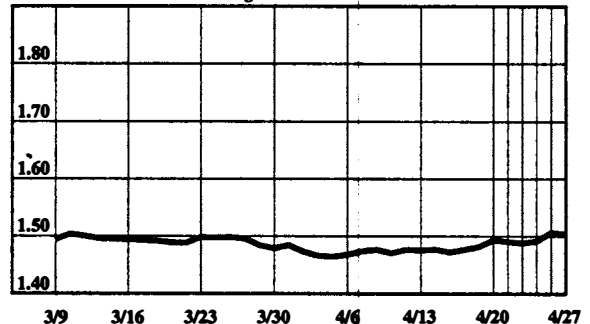
The dollar in yen

New York late afternoon fixing



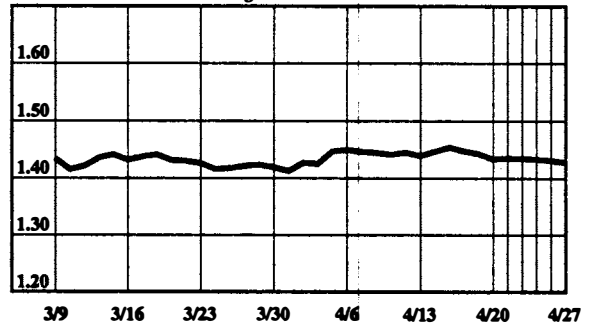
The British pound in dollars

New York late afternoon fixing



The dollar in Swiss francs

New York late afternoon fixing



as I can tell.

Sher: I've been involved in this the last 12 years. We have been trying. And there are a lot more health care workers and educators out there than we have had for many a year. But we've had these problems of the political changes, the transition, other socio-economic problems that have made it very difficult. Very important are the cultural problems that have made it difficult for educators to go out there. But it also isn't working anyplace else. Do you know anyplace that it is working?

EIR: That's absolutely right. Is there any work being done on research on the virus?

Sher: I think South Africa has a good sort of infrastructure as far as doctors, universities, and research possibilities to do these sort of studies. Perhaps much more than a lot of other African countries. You have to understand: We have been isolated for so many years. We never really got the benefit of the World Health Organization programs and things like that. We've got a lot of catching up to do. And to do that, we need interaction with other countries; we need collaboration; we need financial support.

This is the nuts and bolts of the whole issue. We can't move without financial backing. And it should go to people who are capable of doing the work. So we people who live here are not just in it here to come in and get a PhD or something and then leave and that's the end of the story. We live here. We work with the situation. We have a commitment to the people of this country.

EIR: Another thing that I think has to be taken into account is that AIDS is a disease of poverty; it's not simply sex and dirty needles; that's not true. What one has to do is look at broad measures of public health, of sanitation, of housing, of raising the protein intake.

Sher: I agree with you completely. But this is going to take quite a number of years. And in the meantime, we can't just sit back and wait for that to occur. So we have to have some measures that can tackle the problem immediately. And in fact, Mr. [Nelson] Mandela has been going around in his election campaigns talking about AIDS. We are very pleased with that sort of situation.

EIR: What has he been saying about it?

Sher: I went to see Mandela about two years ago and I told him to talk about AIDS. We sent him messages that he's going to now meet with so many millions of people on his electioneering campaigns and that he needs to talk about AIDS. So, in fact, the other day he came discussing AIDS and he told the young people that when he was a youngster he went to college and schools to study; he wasn't running around with girls.

I think that was a profound message coming from that man. We are happy with that kind of situation. He's got to set the example.

Devaluations ravage French Africa

by Lawrence Eyong-Echaw

Three months after the Jan. 12, 1994 devaluation of the CFA franc, the 13 CFA African finance ministers recently met with French authorities in Paris for a quarterly session of damage limitation. The devaluation, unprecedented in the 46-year history of Franco-African monetary relations, has turned out to be a veritable earthquake for this artificial zone of apparent economic prosperity. The World Bank and International Monetary Fund-imposed 50% cut in the value of the CFA franc, has burst the cautiously sustained French myth of mutual benefits for unequal economies.

With the imminent disappearance of the French franc in 1997, due to its absorption into the European currency union, France is frantically attempting to maintain its monetary and financial stranglehold on its neo-colonies for purposes of imperial and cultural aggrandizement.

Throughout the initial years of economic naivety for French Africa, France successfully continued to maintain the arbitrary parity of 1 French franc to 50 CFA francs, despite the repeated devaluations of the French franc (17.55% in 1958; 12.5% in 1969; 3% in 1981; 5.75% in 1982; 2.5% in 1983; and 3% in 1986). These cascading devaluations, which were inevitable for a French economy that was perpetually running behind a robust German economy in the race for competitiveness, had a depreciatory effect on the value of primary products from the CFA zone. (The CFA had initially stood for *colonies françaises d'Afrique*; later on, in an attempt to conceal the colonial trappings of this master-servant economic relationship, it was officially changed to "Communauté Financière Africaine.")

The French African economic mirage did not last for long. With the 40-50% fall in cocoa and coffee prices between 1977 and 1982, all economic indicators in the region were emitting distress signals: The debt burden of the zone, which was \$16.76 billion in 1980, scaled to \$46.77 billion by 1991, attaining the all-time high figure of 104.8% of the total gross domestic product of the region; capital flight rose from FF 96 billion in 1992 to the alarming figure of FF 105 billion, only for the first quarter of 1993! The French central bank was forced to repurchase the large volume of CFA francs pouring in from Nigerian businessmen who had been making huge profits from the retail of manufactured products. Nigeria had for long been alleviating the hardship created by its economic and political instability, by taking advantage of the artificially overvalued CFA franc, which

served as hard currency for their dollar-starved economy because of its convertibility with the French franc. The French reacted by abolishing the convertibility of the CFA franc outside of the CFA zone (i.e., convertibility was limited exclusively to West and Central Africa).

Finally, they bowed to the simplistic logic of the Bretton Woods institutions which says "balance your budgets, pay your debts, devalue your currency, and economic prosperity will follow." But this logic has failed to work for French Africa, which has now mortgaged its economy to managers appointed by the money-lenders of Wall Street or their African proxies. In French Africa, the debt burden per capita has increased from \$300 in 1980, to nearly \$700 in 1994! The exports of the zone, which represented 57% of the external debt in 1980, now represent only 26.7%. All vital economic sectors of the French African countries, like the treasury, customs, taxation, energy, are controlled by French personnel working with World Bank officials. The building of industrial infrastructure and social services has been halted, giving priority to the repayment of external debts.

Empty legacy

Since independence in 1960, the nearly 80 million people in the 13 French neo-colonies of West and Central Africa had

been living in a fool's paradise. The CFA franc zone gave them stability and currency convertibility, despite their precarious economies, based on the export of a few primary products, with world market prices which fluctuate unpredictably. During the past three decades, however, France has purposefully maintained an artificially high per capita consumption level in the region, to enable the region to play its role as a haven for the exploitation of primary products, a market for the sale of low-quality manufactured goods at above-market prices, and a protected market for investment by French multinationals which exploit the surplus cheap labor.

France thus encouraged the existence of uncompetitive and fragmentary mini-economies (which individually did not constitute markets that could generate economies of scale), controlled by tropical dictators, who encouraged corruption and the maintenance of privileged groups in inefficient and bureaucratic civil services. France all along monopolized the acquisition of contracts for unprofitable "white elephant" projects as well as tenders to furnish technological goods.

France had continued to maintain these economies in the primary extraction stage, without a production base that could generate the growth of value-added products which could create self-sufficiency in capital goods and machine



A market scene in Segou in Mali, one of the French-speaking CFA African countries. France has purposefully encouraged the existence of uncompetitive and fragmentary mini-economies which are stuck in the primary extraction phase.

tools. This accentuated the dependence of the countries on France, which remained "the factory," and French Africa, "the farm," in the classical scenario of the center-periphery structural distortion.

Since most French Africans shop in France, study in France, holiday in France, receive medical treatment in France and have mortgages on real estate in France, all costs have doubled for them since they now require twice the initial amount of CFA francs to pay the same bills in French francs. All international transport fares have doubled, rendering it more and more difficult for the increasing number of economic refugees who have been flooding the French cities of Paris, Marseilles, Bordeaux, and Lyons, where African quarters are springing up, despite the rigid immigration laws of the Balladur government.

The prices of staple foods and consumer goods also doubled. Drugs, which are all produced by French pharmaceutical companies have become inaccessible to the average family, with a dramatic increase in the death toll and the upsurge in the popularity of sorcerers and charlatans, who offer doubtful "traditional African treatment" to the multitudes who can no longer pay hospital bills. The middle class in French Africa, which is made up of civil servants, lawyers, doctors, engineers, government functionaries, and teachers, has been completely obliterated. Average incomes in the civil services of most countries have fallen to the equivalent of \$1,500 per annum. The drastic fall in standards of living in the urban centers has caused a mobilization of trade unions and opposition parties which are calling for wage increases. Riots have erupted throughout West and Central Africa, with students, workers, and militants of opposition parties clashing with riot police and paramilitary forces. The governments have reacted vigorously, repressing all protests, imposing bans, arrests, and detentions without trial, and closing newspapers, while World Bank/IMF "experts" advocate "strong political will," courage, and dedication in applying the adjustment measures. It has become clear that authoritarianism, and not democracy, is the flip side of the IMF and World Bank market reforms in French Africa.

Citizens reduced to unremitting misery

In the face of the devaluation which has aggravated the situation of the average citizens from that of poverty to unremitting misery, the governments have been preaching the "virtues" of devaluation, which, they say, will make foreigners buy more exports from CFA countries, while consumers in CFA countries are expected to buy less imports and to switch over to domestically produced goods. But CFA countries produce cocoa, coffee, bananas, rubber, and cotton, products whose demand is inelastic in the world market and could suffer from export quotas if their quantity is suddenly increased. Also, since the consumption patterns of the populations of the CFA countries have been outward-oriented for the past 30 years, imports have continued to be demanded in

their initial quantities, particularly as the import-substitution industries are subsidiaries of French multinationals which depend heavily on the imports of spare parts and other industrial inputs. Even the meager foreign exchange earnings that could be acquired as a result of the devaluation are being squandered in the purchase of indispensable French consumer goods. The result has been an aggravated deterioration of the trade balances of these countries, since devaluation resulted in an immediate rise in the price of imports, which are sold on international markets in a forward contract basis.

All 13 countries have experienced sharp inflationary price hikes, since devaluation has increased the money supply; the IMF-World Bank requirement of drastically reducing government spending by laying off civil servants has thrown thousands of jobless middle-aged persons into the streets, and small businesses have folded up, because few people are rich enough to buy consumer goods. The structural adjustment-induced unemployment has increased the drug and organized-crime rackets, with Europeans, and especially Frenchmen, becoming the target. (In the Central African Republic, the German ambassador was seized in a suburb of the capital, and molested and robbed.)

After three months of misery, the people of French Africa have seen the hollowness of the soothing promises of better export earnings from primary products, as well as the inadequacy of the IMF-World Bank dole. The IMF is justifying the failure of its policies in Africa under the subterfuge that its programs are half-heartedly and poorly applied. In its recent publication, *Adjustment in Africa: Reforms and the Road Ahead* (March 1994), it tacitly admits that Africa needs about 40 years to attain the standard of living it enjoyed in the 1970s.

The devaluation has destroyed the way entrepreneurs think: Instead of thinking of organizing production, designing new products, and developing market strategies, they are now preoccupied with getting financing to hedge against the next devaluation (that of the French franc is being rumored) and making high profits from the speculation that comes with devaluation and inflation.

French Africa has failed to take cognizance of the fundamental criteria for competitive economies, namely, the establishment of democratic governments in an integrated environment that generates economies of scale, thus developing a strong productive capacity, through the building of physical infrastructure and industrial machinery.

In the face of such bleak prospects for African economies, the French are gradually pulling out into eastern Europe and Vietnam, leaving their "overseas territories" to stumble into barbarism. Philippe de Baleine, the editor-in-chief of the French weekly magazine *Paris-Match*, said in its European edition that France prefers Vietnamese, who are "hardworking and intelligent," to Africans, who are "lazy, fraudulent, and have corrupt governments which embezzle investment funds and send their armies to loot foreign businesses."

IISS 'divide and conquer' strategy for China is dangerously flawed

by Mary Burdman

In terms of strategy, there is little new in the latest London International Institute of Strategic Studies (IISS) policy paper on China. Gerald Segal's "China Changes Shape: Regionalism and Foreign Policy," issued in March 1994, is an expansion on the theme of "opening and dividing China" for which Segal has been the mouthpiece for at least the past year. However, the report comes out at an interesting time. Public admissions are growing that the "China economic miracle" is not what it was cracked up to be. For example, *Europa Archiv*, the corresponding German publication to the American *Foreign Affairs* magazine, has just published an article comparing the China "boom" to the disastrous 18th-century South Sea bubble. The same article is reportedly raising hackles at the house publication of the other leading official British policy institution, the Royal Institute of International Affairs.

While the IISS report itself does not waver from the World Bank assessment that China will become the "world's second largest economy" soon after 2000, it admits, "Yet, just as China looked set to have the largest GDP [gross domestic product], doubts were expressed about the extent to which China should really be seen as a unified economy." Since Deng Xiaoping launched his market "reforms" in 1978, the central government has lost much of its control over regional economies and politics, as Beijing itself is constantly warning.

More difficult to deal with

Although, as the current crisis in the former Soviet Union makes clear to the sane observer, the situation is very dangerous, London's response is predictable. When in doubt, divide and conquer.

"If China is left to manage its own regionalism it might only be able to contain fissiparous tendencies by strengthening its nationalist and irredentist policies. If China is left to grow economically strong and more ruthlessly nationalistic at the same time, it is likely to be far more difficult for the outside world to deal with," the IISS report states.

Beijing's immediate response was to ban author Segal from making a trip to China, which Segal attributes to what he disparaged as old Chinese fears about foreign "conspiracies" to divide China. The conspiracy certainly exists: Already 100 years ago, future British First Sea Lord Charles Beres-

ford published a thick volume entitled *The Breakup of China*. It almost succeeded early in this century; now it is being tried again. "There is little doubt that these are revolutionary times," the report states. "The question is how the process will be managed."

How to manage the breakup

The IISS is quite explicit on how it wants to "manage" the process. "The outside world has no interest in the formal breakup of China," Segal writes. "But . . . it may be that the only way to ensure that China does not become more dangerous as it grows richer and stronger, is to ensure that in practice, if not in law, there is more than one China to deal with."

As in the period leading into World War I, Britain has no intention of doing all the work. This report lays out a perspective to involve not only the Crown Colony of Hongkong, but also Taiwan and Japan in the process.

Segal cites examples of just how such pressure on Beijing should work. One of China's biggest foreign policy problems, he says, is its trade dispute with the United States, which claims that China's trade surplus is second only to Japan's. The Chinese assert that the United States is "unfairly" adding exports from Hongkong to mainland China's balance of trade ledger.

While a great portion of the Hongkong exports are actually produced in the sweatshops of Guangdong and other coastal provinces, in reality, Beijing's argument has weight. By setting up these cheap-labor export industries inside China, what Hongkong and Taiwan have deliberately done, asserts Segal, is to transfer large portions of their own trade surpluses—and related political frictions—with the United States onto China.

Such situations can be exploited to exert ever-more pressure on Beijing, Segal indicates. Both governments and international business should start to think in terms of a more decentralized China, opening direct relations with provincial and local authorities with the long-term goal of making these areas more dependent on external economic relations than they are on the central government.

If this process succeeds, the report suggests, it might even be possible to establish the means to discuss *security* issues, still the unchallenged province of Beijing with local

authorities. "While it is true that most issues on the international-security agenda will still be dealt with on the national level—for example, arms control or U.N. peacekeeping—it is possible that efforts undertaken at the provincial level to reinforce messages delivered in Beijing may well be worth considering," Segal states.

Dangerous miscalculations

But the IISS is making dangerous miscalculations. Its smug assertions that Britain has conquered again in its dispute with China over Hongkong, must be considered in the context of the "global mudslide" of the financial system. Segal cites as proof of victory that "investment from southern China into the Hongkong stock market in early 1993 buoyed up confidence in the colony and undermined Beijing." It must be remembered that in the October 1987 global crash, shaky Hongkong was the first to give way. This time, as the derivatives center of Asia, it is headed toward playing a similar role.

The IISS is also miscalculating on the Chinese People's Liberation Army. While acknowledging that the PLA could hold the key to the leadership succession after the deaths of the last communist revolutionary leaders, "as power is decentralized within China, it is also decentralized within the PLA," Segal writes.

There is no question that the economic and political upheavals of the reform period have had enormous—and deleterious—effects on the PLA. However, the IISS makes the same dangerous and stupid mistake that western policymakers are making about Russia and the Russian military. If there are no strong national political leaders, "the PLA . . . is more likely to sit on the sidelines," Segal writes. The PLA could, he claims, repeat what he asserts has happened to the Soviet military, which he calls "an increasing irrelevance in the struggle for power."

Such a dismissal of the Russian military is dangerous disinformation; the West should take warning that it is the same dangerous disinformation for the Chinese case.

Allais hits 'perversion' of British free trade

The Paris daily *Le Figaro* on April 26 published the first of a three-part series by Nobel Prize economist Maurice Allais on how to reverse the "perversion" of Europe that is occurring because of the rampant "free trade" ideology that has defined the way in which the European Union has been constructed over the past years. Europe, he warns, is being increasingly undermined by a "blind and centralizing ideological sectarianism," which threatens to destroy the freedom of the nations of the continent.

Under a subtitle "Free Trade Perversions," Allais asserts that the problems in the European construction process began in 1973 with the admission of Great Britain and a couple of other countries into the European Community. Since then, the EC had moved in a direction of "global free trade, under the influence, notably, of Great Britain, the United States, and GATT [the General Agreement on Tariffs and Trade]."

Allais then blasts the whole ideology of "the theory of comparative costs," or "comparative cost advantage," which is obviously, from his description, just a variant on Adam Smith's "buy cheap sell dear" philosophy. In great detail, Allais shows how this "comparative costs" fixation undermines national economies. He gives particular emphasis to agriculture and food self-sufficiency, warning that "global free trade" could lead to the disappearance of "almost all the agriculture of the European Community,"

since, under such a system, other countries like the United States, New Zealand, Argentina, and Australia have great relative advantages. "Such a disappearance must certainly be regarded as not desirable from the social and political point of view, and it is, in any case, a way of compromising the security of the EC on the food front." Similarly, he attacks the insanity of insisting that Japan give up its national production of rice.

Another argument punctures the logic of "globalization" (analyzed in *EIR's* cover story of Dec. 3, 1993), showing how sending out industry to areas of "cheaper labor" destroys the economies that do this, both by undermining investment at home, and by increasing unemployment. The effect of this is clear: When workers are laid off, they don't have the money to buy the products that are produced in the areas of cheaper labor. So who benefits from this? Neither party to the arrangement.

Finally, under subtitles like "Monetary Perversions" and "Giant Speculation," Allais blasts the system of "floating exchange rates," saying that the entire argumentation of the advocates of this is blasted apart by the fact that there is so much "movement of short-term capital that is, essentially, speculative. . . . The magnitude of financial flows can never be stressed too much. The financial flows monitored by the Bank for International Settlements amounts, on average, to more than \$1,100 billion per day, that is, around 40 times the level of corresponding transfers in international commercial transactions throughout the world." It is this "giant speculation" which is responsible for the instability of the global currency markets, Allais affirms.—*Mark Burdman*

Trilaterals promote ungovernability for all

by Scott Thompson

On April 9-11, the Trilateral Commission, which draws its members from North America, Europe, and Japan, met in Tokyo. Trilateralists, who worship the British piracy cult of "free trade," were there during the collapse of Prime Minister Morihiro Hosokawa's government. As late as April 21, the North American office of the Trilateral Commission reported that a team had remained behind during the Japanese government transition. Among the team's leaders was North American Trilateral executive director Charles Heck.

Trilateralist Masamoto Yashiro, who is executive vice president of Citicorp, gave away the game, saying, "No one in the Trilateral Commission thought that it was a terrible situation that Hosokawa's government fell." Nonetheless, Hosokawa, who had announced his resignation on April 8, appeared before the Trilateral Commission plenum to give his farewell address on April 9, surprising everyone on the commission.

Steven Bosworth of the New York-based U.S.-Japan Society and a former ambassador, complained that he was surprised Hosokawa had shown up, after his failure to undermine the power of the bureaucracy in government institutions such as the Ministry of Finance. As Yashiro put it: "When the government is nonexistent and you think there is a vacuum, the good news is that the country runs, but the bad news is that the bureaucracy does not give up power when a new political leadership is elected."

This bureaucracy in the Ministry of Finance, the Ministry of International Trade and Industry (MITI), and other institutions is a bugaboo to Trilateral thinking because it stands in the way of British-style "free market deregulation." "Free market" structural reform was a major theme of the meeting.

Hosokawa was followed by Tsutomu Hata, then foreign minister and deputy prime minister, who was already expected to be Japan's likely next prime minister. Hata was described by Charles Morrison, a co-director of the East-West Center in Hawaii, as a "puppet." "Behind the screens," Morrison said, was an "internationalist" powerbroker in Tokyo known as Ichiru Ozawa, who wrote that he follows the Anglo-Venetian model and wants Japan to be more involved with one-world politics and multinational institutions such as the United Nations, World Bank, and International Monetary Fund.

Former *Washington Post* publisher Katharine Graham, in a speech on April 9, said that the scandals being fanned in the media would undermine President Clinton's government, creating conditions of near-ungovernability in the United

States. Graham, while admitting there were probably no "criminal acts involved," nonetheless said: "This much is certain: Whitewater won't simply go away; the outstanding questions must be resolved. It's taking a toll on the White House, diverting attention, time, and resources from the President's agenda. And it's affecting Clinton's public standing and may affect his ability to lead."

Graham's regretful tone was less than convincing, since the President has been under intense attack from media organs linked to the Trilateral Commission. Taking the point in the scandal mongering against President and Mrs. Clinton's alleged pre-presidential behavior, has been the British Special Operations Executive-founded Hollinger Corp., based in Toronto. Hollinger owns the Telegraph PLC companies in Britain and the *Jerusalem Post*, as well as a network of smaller newspapers. Hollinger chairman and chief executive officer Conrad Black has been a member of both the Bilderberg Society and the Trilateral Commission, as has been Graham. Other Trilaterals sitting on Hollinger's international advisory committee include Henry Kissinger, Paul Volcker, Dwayne Andreas, Zbigniew Brzezinski, Allan Gotlieb, and Paul Desmarais.

It was the Hollinger Corp.'s *Sunday Telegraph* that first broke the story about decade-old alleged bribes to Prime Minister Hosokawa. While this alone may not have caused more than a couple days' headlines, three members of the Trilateral Commission conveyed that Hosokawa was a monumental failure who needed to be gotten rid of.

Japan-China-U.S. Triangle

A full day each was devoted to China and Japan, yet Trilateral observer Morrison said that no consensus had been reached on the future of what he called the "Japan-China-U.S. Triangle." Only a minority wanted China to join the General Agreement on Tariffs and Trade, irrespective of "structural reforms." Likewise, irked by free market trade demands to wreck its industrial system, Japan is turning from the United States toward Asian markets.

According to Morrison, this is creating conditions under which the Chinese are pressuring the Japanese to break from the United States. Morrison said that the Japanese hesitate, for fear that China will create an economic sphere of influence and pose a security risk to Japan that only the United States can counter. Ironically, Morrison's boss at the East-West Center, former Carter National Security Council member Michael Oksenberg, has admitted that he was responsible for giving the Chinese the technology for the third stage of their Long March missile, which can hit not only Japan, but also the United States, with thermonuclear weapons.

At the same time that Japan turns toward Asia, which Citicorp/Trilateralist Masamoto Yashiro calls "short-sighted," the Trilateralists project rising tension on U.S. trade surpluses with Taiwan, South Korea, and possibly China in the near future.

Sweden drowns in debt

The head of Sweden's central bank has admitted what everyone knew all along: The country is unable to refinance its state debt.

When the present ruling Swedish liberal-conservative alliance took over in 1991, it was confronted with this century's deepest national banking and financial crises. It wasn't their fault, but rather was the result of the previous Social Democratic regime's nine-year policy of monetarist speculation. The Social Democrats were only too glad to hand over their mess to someone else. But since then the crisis has grown even worse, with unemployment at over 15%—unheard-of for this former "socialist paradise."

To give an indication of the scale of crisis, the heaviest loss was that of the state-owned Nordbanken, which by itself lost over SKr 60 billion (\$7.7 billion) for Swedish taxpayers. That amount matches the recent losses of the French bank *Crédit Lyonnais*, except that Sweden's population is only one-sixth that of France. The total bill for the Swedish banking and finance crisis is now close to SKr 100 billion.

Meanwhile, Sweden's state debt has risen to SKr 1.2 trillion—80% of its Gross National Product—and its budget deficit is 11% of GNP. Some 40% of the huge debt is controlled by so-called international financial investors. In order to maintain regular business and refinancing of the state debt, the government is forced to borrow at least SKr 20 billion each month on the international market. Worse, in order to attract short-term investors, Sweden must keep an interest rate on its bonds which is at 2-2.5% above levels in Germany.

Sweden was badly hit by the U.S.

Federal Reserve's decision to raise its interest rate in the beginning of February. In order to maintain already shaky "confidence," Swedish finance authorities have been forced to almost double any increase which takes place internationally. The recent tremors on the international financial markets, coming on top of frequent interest rate hikes, have led to a double-digit interest rate level, with virtually no inflation.

The current double-digit interest rates mean the end of any idea of financing investments in industry. This gives the lie to the illusion which the government presently is peddling that the economy is turning around, and that an export-driven recovery is on its way, thanks to a successful devaluation of the Swedish krona—a devaluation forced upon Sweden in November 1992, following the break-up of the European Monetary System in the wake of the blow-out caused by short-term investors with fly-by-night liquidity schemes.

Although Sweden's dire financial straits have been an open secret for some time, the crisis was officially announced on April 19 by Urban Bäckström, the newly appointed head of the central bank, at a public hearing held by the parliament's Finance Committee. Bäckström announced that the Swedish state is having problems refinancing its debt, and that twice during March, it had difficulty obtaining liquidity for two new bond issues.

As a measure of how tight the situation really is, Bäckström confessed

that he has been biting his fingernails during the past 80 days—i.e., during almost the entire time since he was named head of the central bank on Jan. 1.

Sweden's underlying problem is that the government, headed by Prime Minister Bildt, is promoting nothing but wishful thinking as its solution to the crisis, claiming that everything is under control, that the economy is recovering, and that no financial blow-out will occur—at least, not before the national elections in September. The Social Democratic opposition is already out putting up election posters which ridicule the government's impotence. One poster reads: "With the Conservative Party, you have a free choice of unemployment." Prime Minister Bildt is chairman of the Conservative Party, which also is the biggest party of the ruling coalition.

The New Democracy protest party, which won a landslide election victory in 1991, is in deep trouble, only partly because of the economic crisis. The party was not included in the coalition government in 1991. To a large extent, the party's members are people who have stepped into politics for the first time, many of whom do not agree with Ian Wachtmeister, the former party leader, who wants to support the economic policies of the conservative party. The former number two man in New Democracy, Bert Karlsson, has stated that he would rather support the Social Democratic party on the unemployment issue. As these internal differences intensify, polls show a drastic reduction of support for New Democracy. Just what direction New Democracy will take, remains to be seen.

Meanwhile, Sweden's industrial and financial establishment, together with Urban Bäckström, keep biting their nails, hoping that if they lie low, the whole thing will blow over.

The secret is out

A flurry of emergency measures cannot hide the truth: that the Salinas "economic miracle" is terminally ill.

April 20 was the day on which the so-called Salinas economic model entered a deep coma. At the same time, the beneficiaries of this model went from a state of mere idiocy induced by the constant rise and fall of the stock markets, to outright catatonia, as they began to realize that they are experiencing the final days of an economic model gangrenous in all its vital organs.

Few are the analysts and experts who have not been hypnotized by the ups and downs of the stock exchange or who have been able to forecast the true magnitude of the problem. There are 200 issuing companies on the Mexican Stock Exchange (BMV), and they have registered cumulative losses of \$23 billion in the period from Jan. 1 through April 20 of this year.

The outstanding share value of the stock exchange at the close of 1993 was \$200.6 billion. By April 20, this had fallen to \$166.4 billion, roughly a 16% drop, or approximately an \$8 billion drop per month. Fifty of the companies were suspended from market operations several times, and it is widely suspected that they are already bankrupt.

By April 20 (when the market had already completed 75 trading days, with 39 of those closing down and 36 closing up), the Mexican exchange went into "free fall," which was only halted by the political machinations of Finance Secretary Pedro Aspe, and by the government's decision to have NAFIN, its development bank, buy up everything on the decline; there was, in addition, the commitment of the financial groups to buy up shares of Teléfonos de México, which had

lost \$2.50 per share on Wall Street.

However, depreciation of the market is one thing; flight out of the market altogether is quite another. According to some businessmen, flight capital during the period from March 24 through April 20 was \$6 billion, while the Mexican Association of Exchange Houses claims that flight capital has already reached \$12 billion.

Without having the precise figure in hand, one can nonetheless assume that it is high, and that it can be measured by the sudden increase in interest rates. On April 20, interest rates on 28-day treasury certificates (Cetes) were hiked by more than three percentage points to 18.0%, a rise of 104% since Feb. 24, when rates were 8.8%.

The government doesn't deny it. It tried to stop the capital flight and tried to avoid an abrupt devaluation of the peso, which so far this year has depreciated by 8.5%, and would have registered a 25-30% devaluation had it not been for the intervention of the central bank.

And yet, since April 20, every government action to try to stave off disaster has only served to bare the fact that every aspect of the "Salinas economic model" is rotten.

The accumulated devaluation of 8.5% (described by Secretary Aspe as "modest") has posed serious problems for companies with high rates of foreign indebtedness, which in the short term is estimated at \$15 billion. The sudden increase in interest rates (described by Secretary Aspe as "temporary") has forced the banks to eliminate their fixed-rate loan portfolios.

This has sown panic in the economy by reviving the severe problem of overdue agricultural, industrial, commercial, and consumer (credit card) debt.

The interest rate hike has also aggravated the problem of the government's internal debt, to the degree that it is now said that the government's entire budget deficit will be due to domestic interest payments (presuming, of course, that there will be no other deficits in the government's finances this year).

The most recent emergency action undertaken is the creation of the trilateral Monetary Fund put together by the three members of the North American Free Trade Agreement (United States, Canada, and Mexico), to the tune of \$8.73 billion. That fund is supposedly designed "to guarantee the exchange stability" of the three member nations. (Mexico can draw on 76% of it, or \$6.73 billion.) What is not clear is if this amount is the same that President Clinton offered Mexico on March 24 following the assassination of presidential candidate Luis Donaldo Colosio, or if it is part of the credit line that Mexico has with the U.S. Federal Reserve Bank, which, according to Fed chairman Alan Greenspan, equals \$15.625 billion, of which \$9.625 has already been drawn.

In any case, what this Monetary Fund does not resolve is the effect on Mexico of the latest U.S. interest rate hike decreed by the Federal Reserve. Is the fund intended to compensate Mexico for the U.S. interest rate hikes? Is the fund intended to put back into Mexico the flight capital of the past three or four weeks?

In trying to answer these questions, one may well discover more noxious effects of that corpse once upon a time known as the "Salinas economic miracle."

Business Briefs

Banking

Financial crisis in Colombia sets off alarm

Information released by Colombia's Banking Superintendent reveals that many of the nation's banks, financial corporations, and savings associations are in deep trouble because their non-performing debt has grown enormously over the past year and a half. The arrearages on debt which matures after six months in banks, commercial credit companies, savings institutions, and cooperatives grew from 215 billion pesos in December 1992 to over 350 billion at the end of 1993, an increase of 63%.

At the beginning of 1994, the Banking Superintendent reported that arrearages in the same institutions for short-term debt (under six months) grew from 350 billion to 540 billion pesos just in the period from December 1993 to March 25, 1994. The 72% annual rate of growth in arrearages is causing tremendous nervousness, particularly since it is now affecting the entire financial system.

Middle East

PLO, Israel discuss limited common market

Talks in Paris between the Palestine Liberation Organization and Israel on economic matters, which parallel political negotiations in Cairo, are working out a set of measures which will constitute a "common market," the April 21 French daily *Libération* reported.

The autonomous Palestinian entity will be allowed to buy oil directly from Arab states which have no relations with Israel, and sell gas at prices 15% lower than in Israel or the Occupied Territories. Most Palestinian agricultural products (except tomatoes, cucumbers, potatoes, and chicken) will circulate freely "from the Mediterranean to Jordan." However, Israel will continue to limit the number of Palestinians allowed to work there, on security grounds. PLO representative in France Laila Shahid criticized this, saying it

would further impoverish Gaza and isolate East Jerusalem.

The Israelis have agreed to lower import tariffs on basic necessities (medicine, machine tools, farm equipment, cotton), and will allow the Palestinians to trade with Jordan before the Arab boycott against Israel is lifted. In exchange, the PLO will not be given the right to issue currency, and will use the Jordanian dinar (until a central bank is set up, if that occurs). The Palestinian authority will collect income taxes and set rates; it will receive indirect tax money, but must agree to a common value-added tax of 15-17%.

Gaza will continue to receive electricity from Israel until it has its own generators, and is expected to pay Israel for the electricity which residents did not pay for during the Intifada.

However, what is not being discussed, which is of crucial importance, is a plan for overall economic development through advanced technologies. Reportedly, no discussion of advanced technologies took place in the talks on water, which instead focused on "sharing rights" in which Israel will continue to supply the settlements with water from West Bank aquifers.

During multilateral talks in Oman, the Dead Sea-Mediterranean Sea and Red Sea-Dead Sea canals and the Turkish pipeline project were all essentially discarded as "economically unfeasible." Desalination was promoted, but only for drinking and domestic use; the "alternative energy source" promoted was solar, not nuclear.

International Finance

Banks back Serbs against Croatia

The International Monetary Fund (IMF) and World Bank, which have long imposed economic policies on nations, are now dictating conditionalities against Croatia that are in the domain of sovereign foreign and defense policies.

The World Bank's envoy for Central Europe, Kemal Dervish, told Croatian Foreign Minister Mate Granic in Zagreb on April 11,

that his government could count on credits only if it agreed to the Serbs entering, as a fully respected partner, another round of talks about a Serbian role in already-signed agreements, including the recent accords on a confederation between Bosnians and Croats.

Promises that have been made to the Croats, in the Balkans "peace" talks in Geneva, that they would soon receive western bank loans if they signed the agreements negotiated by the U.N. and European Union mediators, have turned out to be empty: Croatia has not received any substantial funds yet, neither from international private banks, nor from German banks (Germany is thought to be close to Croatia), nor from the global financial institutions such as the IMF and World Bank.

Trade

China seeks new silk road to Central Asia

Chinese Prime Minister Li Peng called for establishing a new "Silk Road" to build up closer trade links between China and Central Asia, the April 20 *International Herald Tribune* reported. Li Peng, speaking from Tashkent, Uzbekistan on a tour of Central Asia, said, "In the past, the Silk Road joined China and Uzbekistan together. Now we want to build a new Silk Road."

Li Peng toured Uzbekistan, Turkmenistan, Kyrgyzstan, and Kazakhstan, in the first visit by a Chinese leader to this region, which has over 50 million people. Trade and other contacts with the former Soviet republics are regarded by Li Peng as crucial for China's poor hinterland, where activists want to end Chinese rule.

But the prospect of increasing purchases of Chinese cheap-labor products has raised complaints. "The main thing we can complain about in trade with China is the substandard goods they ship," Kazakhstan Trade Minister Oktyabr Zheltikov said in an interview with Reuters. "Of the 150 Chinese joint ventures registered in Kazakhstan only a small number are working properly. They are just doing trading business and are avoiding investing part of their profits into the economy."

Technology

Food irradiation expertise sought

Twelve nations, mostly from the developing sector, have requested food irradiation technological cooperation programs with the International Atomic Energy Agency for 1995-96, according to *IAEA Newsbriefs* in April. The countries are Brazil, Chile, China, Ecuador, Indonesia, Jordan, Mexico, Morocco, Nigeria, Saudi Arabia, Syria, and Uganda.

Mexico and China already have irradiation projects and have completed feasibility studies for installing irradiation facilities. The Chinese government has allocated \$1.1 million to build a semi-commercial irradiation facility in Beijing for treating rice and other foodstuffs. Mexico's initial irradiation project included spices, fruits, and vegetables.

Indonesia

Shock therapy will not be used, says minister

Saleh Affif, Indonesia's coordinating minister for economy, finance, and development supervision, insisted on March 22 following a meeting with World Bank President Lewis Preston, that under no circumstances would Indonesia implement "shock therapy," the Indonesian daily *Republika* reported. "I say that the Indonesian government will not resort to shock therapy, nor will we adopt a TMP [tight money policy] again," the minister said.

The Indonesians are known to be particularly worried about their \$90 billion foreign debt, as well as the economic competition for markets that will be generated by the United States lifting the embargo against Vietnam.

Meanwhile, labor unrest in Indonesia is being stoked from the U.S. Project Democracy and allied Portuguese and British operations, and has increased in importance after the East Timor crisis, aimed at destabilizing the government, was largely defused. Protests began on April 14 when up to 40,000 workers

took to the streets demanding higher wages and an investigation into the death of a colleague arrested in March.

Wire service reports are insisting that labor disturbances in the north Sumatran city of Medan turned into race riots and "ethnically charged rioting" against ethnic Chinese. Up to 150 shops and three banks were reportedly damaged by looters on April 15, and one Chinese factory owner was killed.

Asia

Australia pushes for new free trade zone

Australian Prime Minister Paul Keating, speaking in Bangkok in early April, said that he and Thai Prime Minister Chuan Leekpai "had agreed to explore the prospects of a link between ASEAN [Association of Southeast Asian Nations] Free Trade Agreement members and the Closer Economic Relations pact of Australia and New Zealand."

Australia and New Zealand already have a free-trade market, and this, it is proposed, will be extended to include the ASEAN nations of Thailand, Indonesia, Malaysia, the Philippines, Singapore, and Brunei. The trade bloc proposal was first raised publicly by Thailand last November, and Australia has been discussing the issue for at least six months. The free trade zone, its advocates claim, would create an economic force worth more than \$1,000 billion.

The initiative may indicate that there is a hitch in recent attempts to develop free trade under the auspices of the other Australian initiative known as the Asia Pacific Economic Community (APEC). The creation of an ASEAN-CER free-trade tie is an attempt to absorb ASEAN into a trade association under the leadership of Australia. The April 8 Australian *Financial Review* claimed that "the formation of a southern Asian trade zone, may give greater bargaining power to the region in its dealings with an expanding North American Free Trade Agreement."

● **CHINA** has reached an agreement with Crestone Energy to explore the Spratly Islands, claimed by both China and Vietnam, the company announced April 19. Vietnam accused Crestone of a "grave" violation of its sovereignty, but Crestone plans to dig exploratory wells with protection from the Chinese Navy.

● **ISRAEL** attended a water conference in Oman in April, the first time Israel was officially invited to a conference held in an Arab country other than Egypt. Oman announced that it is setting up a research center to cheapen the cost of desalination.

● **GATT** director Peter Sutherland foresees the world economy being organized like the Roman Empire, the German daily *Frankfurter Rundschau* reported. A "triumvirate" of the General Agreement on Tariffs and Trade, World Bank, and the International Monetary Fund "will be a very powerful mechanism with real sanctions," he said.

● **429 NUCLEAR** power plants were operating worldwide in 1993, and another 67 plants were under construction, the International Atomic Energy Agency reports. Eight new reactors went on line in 1993. The U.S. has the largest number of reactors (109), while France has the largest percentage (75%) of its electricity supplied by nuclear power.

● **KIDDER PEABODY** fired its 36-year-old managing director of government securities trading, after discovering that he had been running a scam involving \$350 million in phantom trades over the past year.

● **BRITISH FIRMS** are not penalized by China because of a row over Hongkong. Lord Young, executive chairman of Cable and Wireless PLC, told Reuters April 18, after signing a \$27 million joint venture for international submarine cables. He said China was separating business from politics.

Superconductors continue to give up their secrets

It has been less than a decade since the first breakthrough in achieving superconductivity at high temperatures. Mark Wilsey reports on some of the latest results in research.

In the past hundred years, the use of electricity has revolutionized both industry and society. The worldwide demand for electricity is expected to at least triple by the middle of the next century. Superconductivity holds the promise of revolutionizing our use of electricity. Magnetically levitated trains, advanced energy storage systems, and high-performance supercomputers are but a few of the applications that will come out of the continuing development of superconductor technologies.

The key is that a superconductor can transmit electricity with no energy loss, because it offers no resistance to the flow of electricity. In conventional conductors, electrical resistance converts the energy loss into heat, which hurts the efficiency of electrical devices. The drawback with applying superconductors to technology has been that, so far, extremely low temperatures are required for them to achieve zero resistance.

For decades, only a handful of metals and alloys were known to act as superconductors at temperatures just a few degrees above absolute zero, 0 Kelvin, or -273°C . Obtaining such low temperatures has made the application of superconductivity difficult and expensive. However, in recent years, researchers have discovered materials which are superconducting at the more moderate temperature of liquid nitrogen, 77 K. The cost of liquid nitrogen as a coolant is a small fraction of that of liquid helium at 4 K. With these discoveries in hand, it would seem that practical uses of superconductivity are more feasible.

Superconducting at high temperatures

It was in 1986 when a team of researchers at an IBM

laboratory in Zurich, Switzerland announced that they had achieved superconductivity in a ceramic-like material at a record temperature of 30 K (see *EIR*, Vol. 14, No. 25, 1987, "What High-Temperature Superconductors Promise"). This set off a flurry of activity worldwide. By early 1987 Paul Chu at the University of Houston reported the development of a superconductor with a critical temperature of 95 K. (The critical temperature, or T_c , is the temperature at which a material becomes superconductive.) The era of high-temperature superconductors was born.

Chu's compound was composed of yttrium, barium, copper, and oxygen, and was dubbed YBCO. Other copper-oxide superconductors soon followed based on thallium or bismuth, with calcium and strontium and other elements mixed in. From 1986 to 1988 the record T_c for superconductors rose by 100° . However, these materials are brittle, and have therefore proven difficult to form into useful shapes, such as the wires shown in the picture on the opposite page. Nonetheless commercialization of high-temperature superconducting is moving steadily ahead.

In the early 1990s the economic potential of these materials was recognized by technology analysts, and HTSC was declared a critical technology. Today there is a \$1.5 billion market for superconductors. It is estimated that this will grow to \$8-12 billion by 2000 and \$150-200 billion by 2020. The Department of Energy formed High-Temperature Superconductivity Pilot Centers at Argonne, Los Alamos and Oak Ridge National Laboratories to aid industry in developing this technology. The Defense Department, through the Advanced Research Projects Agency (ARPA) and the Ballistic Missile Defense Organization (BMDO),

also funds superconductivity research, as well as other government agencies.

Imaging and detection uses

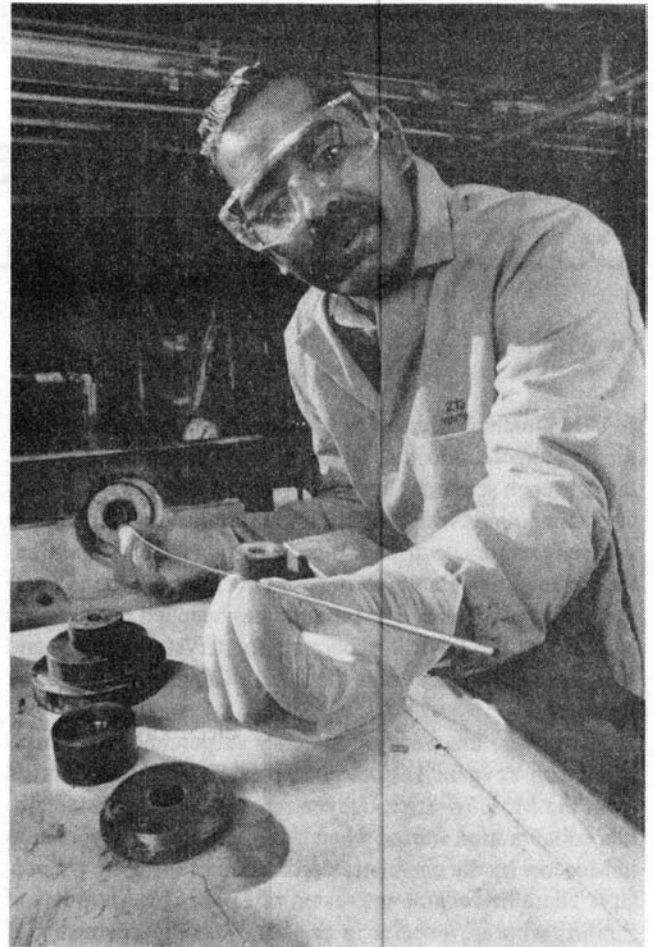
One area where high-temperature superconductors are beginning to come into commercial use is in microelectronics and sensor applications. Making use of advances in thin film technology, manufacturers are finding ways to fashion products from thin layers of superconducting material applied to a surface. Superconducting thin films have been used in components of microwave systems to improve the performance of communications devices and radar equipment a hundredfold.

A magnetic-sensing device called a superconducting quantum interference device (SQUID) is another application for high-temperature superconductors. A SQUID is a circuit of superconductor on silicon with a small section that is not strongly superconducting. The flow of electrons through that section is extremely sensitive to magnetic fields, which can be measured as a change in voltage in the SQUID. Such devices can aid engineers in discovering defects in structures or geologists in prospecting for petroleum. In the field of medicine, using high-temperature superconductors, SQUIDs may soon be sensitive enough to detect the electromagnetic signals of the heart and brain. High-temperature superconductors can also be used in magnetic resonance imaging system coils, where they would improve the images, although they would not reduce the size and cost of the equipment.

Superconducting power transmission?

Progress is also being made in the production of electrical wires: Ductile high-temperature superconducting wire of several hundred meter lengths are being produced routinely by what is called the powder-in-the-tube method. Typically a silver tube is packed with a precursor powder, perhaps the components for bismuth-strontium-calcium-copper oxide (BSCCO), a high-temperature superconductor with which this process works well. Then the tube is rolled and heated to turn the powder into BSCCO. The silver sheath gives the wire flexibility and provides an alternative pathway for the current if superconductivity is lost.

Once the manufacturing of high-temperature superconducting wires in kilometer lengths is perfected, we can begin imagining how they could be used to improve the transmission of power itself: A superconducting powerline could carry three to five times more electricity than a copper line. Utilities could also use high-temperature superconductors in devices called fault-current limiters, which shunt power surges to prevent damage to substations, thereby eliminating circuit breakers and fuses. Further on, we can envision the development of superconducting magnetic energy storage (SMES) systems. Energy is stored in the SMES coils, and, since there is no resistance, the current could circulate forev-



Balu Balachandran of Argonne National Laboratory in Illinois stretches silver-clad high-temperature superconductor (HTSC) wire as part of joint research with Intermagnetics General Corp. The goal of the project is to develop practical lengths of wire 100 feet long using HTSCs, which offer no resistance to electrical flow.

er, to be tapped when needed.

The next couple of years will see many advances in the commercialization of high-temperature superconductors, particularly in electronics. However, the basic science of superconductivity will continue to see advances as well. Theorists tell us that there is no basis to assume there is an upper limit to superconductivity and a room-temperature superconductor is not out of the question.

In our two reports below, we take a look at some of discoveries being made in France and elsewhere in superconducting mercury compounds. Our interview with Dr. Masato Murakami about his research into superconducting magnets, includes the exciting possibilities of applying trapped magnetic fields for development of new magnetic levitation systems in transportation. The confidence of Dr. Murakami and his associates is such that, although they continue to conduct research in its embryonic stage, he is already reporting on a nine-year program to develop prototype trains.

Research advances into Mercury compounds for superconductors

by Mark Wilsey

In 1911 Dutch physicist Heike Kamerlingh Onnes discovered the first superconductor, mercury. Now more than 80 years later, French scientists have discovered a new family of mercury compounds which are the highest transition temperature superconductors yet found. Researchers at the National Center for Scientific Research (CNRS) in Grenoble found these compounds last year. The research has been led by Massimo Marezio at the CNRS Laboratory of Crystallography and Jean-Louis Tholence from the CNRS Center for Cryogenic Research.

However, the work on mercury superconductors originated with Yevgeni Antipov and Sergei Putilin, two scientists from the Moscow State University. According to Marezio, this collaboration started when he was invited to a workshop in Moscow by the chemistry department of the State University. There he became interested in a paper by Antipov and Putilin, who are experts in the very specific chemistry of mercury, about a mercury compound which had all the features of a superconductor, but was not a superconductor. Antipov and Putilin started with yttrium-barium-copper oxide (known as YBCO) and tried replacing one copper atom with mercury to get $\text{YBa}_2\text{HgCu}_2\text{O}$. They also tried replacing yttrium with other rare earth compounds, but were unable to find any sign of superconductivity in all these compounds. In order to continue the investigation as to why these compounds were not superconducting, Marezio invited Antipov and Putilin to come to Grenoble. It was there that the team made the superconducting mercury compounds.

The reason Russian compounds didn't work, it was speculated, was that the charge of the copper was too small. Jean Tholence explained to me that it is an empirical rule of thumb that the charge of the copper must be around 2.3 to have superconductivity. The first idea was to reduce yttrium, to make HgBa_2CuO , which was found to be superconducting at 98 Kelvin. The second idea was to replace yttrium with calcium to raise the valence of the copper. Introducing calcium gave a new family of mercury compounds. The compounds are made up of mercury, barium, calcium, and copper oxides of the general form $\text{HgBa}_2\text{Ca}^{n-1}\text{Cu}^n\text{O}$, where $n=1, 2, 3$. This yields the following shorthand, Hg-1201, Hg-1212, and Hg-1223, denoting the number of calcium

atoms and copper oxide layers in the compounds. The latter two were found to be superconducting at 128 K and 135 K, which was confirmed by a research team in Zurich.

These are the three mercury compounds that have been isolated and studied so far, although others are known to exist. "We now have phases with Hg-1234, Hg-1245," Tholence told me, "but up to now the T_c is not optimized." For compounds with higher numbers of copper-oxygen layers, the T_c seems to decrease somewhat. For example, the phase Hg-1256 could have a T_c around 100 K.

As a group, these mercury compounds lead the pack of other superconductors with the highest T_c of any copper-oxide layered compound of two or three layers. James Jorgensen, a researcher at Argonne National Laboratory in Illinois, who has been following this work with interest, observes that "the remarkable thing in these new compounds is that their structures are really very simple, simpler than the thallium and bismuth structures that previously held the record for the highest critical temperatures."

The high T_c superconductors are based on layered copper-oxide structures with another kind of layer which modifies in chemistry to control the electronic structure. Previously these have been made with thallium or bismuth.

Robert Hazen of the Carnegie Institution of the Washington Geophysical Laboratory has recently completed the first single crystal X-ray studies of the crystal structures of these mercury compounds. He finds the mercury-based superconductors to have the same structure as the thallium superconductors. The 1223, 1212, and 1021 structures, which occur in thallium-based systems, are well known. "These are not new structure types, but they are new compositional variants of that structure type," Hazen said. Hence, when Jorgensen describes the structure of these mercury compounds as being "relatively simple," he is pointing out that they lack features which make other systems more complicated. E.g., in the bismuth and thallium materials, there are chemical substitutions and displacements of atoms which make them more difficult to understand.

The difference is that the mercury is only strongly connected to two oxygen atoms. "In between the copper-oxygen planes there are mercury planes," explained Tholence. "And

since there are only two bonds between mercury and oxygen, then there is no problem in arranging the structure over long distances." In other words, there is less force from chemical bonds to deform the structure, allowing the mercury planes to remain flat.

The mercury compounds are fabricated under pressure, with the synthesis being made at between 20,000 and 80,000 atmospheres. The process and equipment are similar to those used to make artificial diamonds. In the case of these mercury compounds, the high pressure is needed to control the formation reaction. In addition, the process seems to yield samples of a fairly uniform phase and not mixtures of phases with differing compositions, as with other materials.

The compounds are made by mixing a precursor which contains barium, copper and calcium-oxides, and mercury-oxides. If the pressure is not high enough, the mercury-oxide decomposes, and does not react. Whereas under high pressure, the decomposition temperature of mercury-oxide is raised enough such that, around 800 C, the temperature at which the process operates, the mercury-oxide does not decompose and can react to produce the desired product.

As if holding the world record for the highest T_c s were not enough, these materials soon showed they could pull off another interesting feat: The T_c of these materials could be increased under pressure. For example, the three-layered compound Hg-1223 has a T_c of 135 K; however, when roughly a quarter-million atmospheres of pressure is applied, the T_c rises to 165 K, another 30°. Paul Chu's team at the Texas Center for Superconductivity at the University of Houston was the first to reproduce this high-pressure work, in experiments that were conducted at about the same time as those in Grenoble. Within a week, the two laboratories were able to confirm each other's findings. Now, Japanese scientists at the International Superconductivity Technology Center (ISTEC) and others have also repeated it.

Although there is no practical application for superconductivity at those pressures, its achievement tells us that superconductivity does exist at those temperatures. According to Jorgenson, this achievement opens up the field for trying to attain superconductivity at high temperatures without the application of pressure by means of appropriate chemical substitutions. "We will see, in the next year or two," Jorgenson speculated, "a race among chemists to find the compound with 160 K critical temperature. It might be a completely new compound, but at least this work says that it should exist."

Also, according to Jorgenson, these mercury compounds have overturned a certain "folklore in the superconductor community," which held that the T_c of a non-optimized compound could be increased with pressure, but that pressure would have no effect on the T_c of a compound which had already been optimized chemically. The thinking was that pressure was simulating chemical doping by some means, but that once a compound was doped to the optimum T_c , then

pressure could not increase it.

However, these mercury compounds show that with pressure, a compound whose T_c has been chemically optimized can increase its T_c even more. Jorgenson pointed out that this "has not been seen in other compounds, and was unexpected. . . . What we now know is that pressure doesn't really simulate doping, that it does more than that, that it modifies the basic electronic structure."

Robert Hazen explained that pressure affects all properties of a material, including the electromagnetic properties. "You can think of pressure as a way of tuning a crystal structure," Hazen said.

Pressure forces atoms closer together, and also changes the chemical bonding by changing the electron interactions among the atoms. Therefore, pressure becomes a tool for exploring how atoms interact, how they bond, and how they behave. High pressure can allow for the probing of new, useful properties in materials, opening the possibility of fabricating new compounds, by chemical means, that have these desired properties under normal conditions.

An additional twist

As an additional twist in this tale, Massimo Marezio and his group at Grenoble reported last December that for a particular sample they had, they saw signs of what could have been superconductivity at about 250 K. Unfortunately, before the researchers were able to confirm their results, the observation generated a lot of publicity, especially in France. "We were caught in the middle," says Marezio.

"What we saw, we saw," Marezio told me. "In our case it was a beautiful transition; we published it, and we felt that we were going to reproduce it, but then we had a lot of trouble in doing that." They have not been able to reproduce the sample, so far, even though they can reproduce the exact same preparations. And, while they still have the original sample, the measurements are now regular, in the sense that the compound is a superconductor at 136 K, but no longer shows any of the effects it had at 240 K, which they cannot account for.

Marezio's team does not believe that what they observed was an experimental artifact, but rather that the results seem to be intrinsic to the sample. Marezio thought that it could have been "due to a minority phase which has since then degenerated in the sample." A very small portion of the sample, perhaps less than 1%, could have formed a yet-unknown composition, which was responsible for the unusually high readings and which has since decomposed in the material.

In the late 1980s, during the early stage of the research to achieve high critical temperatures, Marezio said that "people would see something and it would disappear. In most cases it was due to other factors, but sometimes it was true." He continued, "We are still working, and we might come up with something."



Turning HTSCs into magnets

Superconductivity holds a great deal of promise for a wide variety of applications, one of which is the development of superconducting electric motors. A simple idea of the implications of the use of zero-resistance superconducting materials to improve the efficiency of electric motors can be gained from considering that electric motors consume half of the electricity used in the United States. With the advent of new high-temperature superconductors (HTSCs), efforts are moving ahead to use these materials for electric motor applications.

There are two basic approaches: One is to use HTSCs to form wires which are wound into coils. These coils then are used to produce the magnetic field to run the motor. American Superconductor Corp. and Reliance Electric Co. have had success with this approach. Their most recent effort has been a 5-horsepower motor using a bismuth-based HTSC for the coils. The other approach is to turn some high-temperature superconducting material directly into a magnet, which is done by using the material's ability to trap magnetic fields. The magnetic field is then used in motors or other applications. This is the approach being used by Roy Weinstein at the Institute for Beam Particle Dynamics, University of Houston and Emerson Electric, where they recently tested a motor/generator which produced an output of 100 watts. The magnets they use are made of an yttrium-barium-copper-oxide (YBCO) compound. The material is also referred to as Y-123.

Researchers use the interplay between the magnetic field and electrical currents in the high-temperature superconducting material: If a superconductor is placed in a magnetic field and cooled, then, when the field is removed, a current is induced in the superconductor which generates its own magnetic field. In a superconductor, this field would quickly dissipate. Therefore, researchers try to produce an imperfect superconductor in which the magnetic flux is pinned into place at faults and discontinuities in the crystal structure. Thus the field is trapped in the material, and, because it is a superconductor, the induced current will persist as long as it is kept cool.

In related work, Weinstein has set records for the highest trapped fields using Y-123. He has trapped 7 tesla at 55 K

and 2.25 T at 77 K (1 T = 10,000 gauss; the Earth's magnetic field is only 0.5 G). The magnetic fields used in the motor research are only a small fraction of this strength, on the order of 1,500 G.

Recently in Japan, Masato Murakami, at the Superconductivity Research Laboratory in Tokyo, has developed rare earth (RE) superconductors based on neodymium and samarium—Nd-123 and Sm-123—which are similar in structure to Y-123. These materials have shown high critical current densities in a high magnetic field; 15,000 A/cm² at 77 K in a 3 T field. The magnetic field is applied parallel to the c-axis or vertical direction of the crystal structure.

Murakami finds that these RE-123 compounds have higher pinning forces than Y-123, which means they should trap larger fields. He believes this is due to regions which have an excess of rare earth compared to barium, these regions are finely dispersed in a good RE-123 superconducting matrix. Although Murakami has yet to trap large fields, he is confident he will be able to trap over 3 T.

Dr. Masato Murakami, Director of Division VII, Superconductivity Research Laboratory of International Superconductivity Technology Center (ISTEC) in Tokyo, was interviewed by Mark Wilsey on April 5, 1994.

EIR: The laboratory press release reports high critical currents at high magnetic fields. Are your results close to record levels?

Murakami: This is a kind of record. Of course, field direction is important. In our achievement, the field was parallel to the c-axis—this is very important.

EIR: What role does this play in the current flow?

Murakami: The current is perpendicular to this direction. In order to increase the trapped field, critical current in this field direction is very important. Everybody in the world has been trying to increase critical current density in this direction.

EIR: How do your results apply to research into transmitting

higher currents and trapping larger fields?

Murakami: Our achievement will benefit both the transmission and trapped field.

EIR: Are these rare earth compounds, Nd-123 and Sm-123, new materials?

Murakami: Although they are of the family of yttrium, Y-123, we believe these are new. The crystal structure is very similar to that of Y-123. In normal material, there is a substitution between the rare earth and barium. Usually the rare earth goes to a barium site; this is bad, because critical temperature is lowered by this substitution. The new discovery, we believe, is this: By processing in the reduced oxygen atmosphere, barium goes to the rare earth site, which is good because critical temperature is increased.

We solidify crystals in a reduced oxygen atmosphere, called oxygen-controlled melt growth process, or OCMG. It is a very simple process. The oxygen partial pressure was 0.001 atmosphere. Now, zero resistivity has reached 96 K, this is the highest critical temperature in a 123 system.

EIR: You have ascribed the flux pinning in these materials to the fine dispersion of the substituted phases in the superconducting matrix. Could you elaborate further?

Murakami: In a neodymium or samarium system, there is a region where solid solution takes place, and those regions are not good superconductors. When we apply an external field, those regions will become normal conductors and act as very effective pinning centers. That's the idea.

EIR: These are the finely dispersed regions of what could be described as rare-earth-rich phases within the superconductive matrix?

Murakami: Yes, that's right.

EIR: Do you understand how the two phases are dispersed?

Murakami: No, not yet. We have done a lot of observations using different equipment, including electron microscopy. But right now it is very difficult to detect those, as you have mentioned, rare-earth-rich regions. We are planning to use finer techniques like scanning tunnelling microscopy, or other techniques to detect those fine regions, but we have succeeded in detecting them. However, X-ray photoelectron spectroscopy showed that there should be some substitution, but that's all.

EIR: What are the main questions regarding the RE-123 compound that you are trying to address?

Murakami: This new compound exhibits very good pinning behavior at 77 K.

Actually, it's too good, right now. We disclosed several findings to the public. Right now, we have better results, but it's too good to report. We are checking it very carefully.

I don't understand why this material shows such good pinning properties.

EIR: What is the highest trapped field that you have achieved with these materials?

Murakami: In the yttrium system we could trap 1.5 T at 77 K, but we would need to produce a larger sample of our material to trap such a high field. So far, we have not yet produced a large sample in these neodymium and samarium systems. The size is now only 2 centimeters. Therefore, the trapped field is less than 1 T. But, according to our calculation of critical current versus magnetic field properties, we believe we can trap at least 3 T.

EIR: Do you do any treatments to the materials, such as neutron or ion bombardment?

Murakami: No, we don't. It is a good technique, but I don't think it is a practical way to increase critical current.

EIR: What are the possible applications for trapped fields?

Murakami: As far as applications are concerned, one big project is a linear motor car. We started a collaboration with Japan Railways Technical Research Institute and several heavy industries to levitate a train using this new compound. We are trying to use the idea of a very high trapped field to levitate a train.

EIR: What materials would you use for the field trapping?

Murakami: For the first prototype we would probably use Y-123, because right now we can generate 1.5 T, and some think this field is high enough to levitate a heavy object. Probably we will first try to construct the first prototype using Y-123. We are now trying to make bigger neodymium- and samarium-123 systems, and if we can generate 3 T then we will replace Y-123 with new Nd-123 and Sm-123 superconductors. That's our plan.

EIR: What sort of timescale are you looking at for prototype development?

Murakami: Our plan is that in the first three years, which starts this year, we will focus on optimization of processing of the new compounds, Nd-123 and Sm-123. We will provide Y-123 to heavy industry companies, and they will check the electromagnetic properties of the Y-123 and design the prototype. It will not be a big train, but a small "train," probably 500 kg, or something like that. We will be trying to understand if the trapped field can really work as a substitute to conventional low critical temperature magnets. This will take three years. The next three years we will probably replace Y-123 with new compounds and design a bigger levitated train. Then we would begin to design a practical kind of levitated train. So, it is a nine-year project right now.

Thorium holds great promise for India's nuclear future

by Ramtanu Maitra

Thorium is several times more abundant in the Earth's crust than uranium. Most of the world's supply of thorium comes from a sandy mineral called monazite, and India has plenty of it. Monazite is essentially a mixture of phosphates of various rare earths, and is insoluble in water, so that grains of it tend to get concentrated along the banks of rivers and oceans when rock-bearing monazite mineral is eroded in water. In India, rich deposits of monazite are found in the beaches of Kerala State. India has little uranium, and the Indian nuclear program has all along been based upon making use of thorium. The element thorium (Th) was discovered by the Swedish scientist Jacob Berzelius in 1828. He named it after the nordic god Thor, who has been described in literature as a "powerful and helping god." The Indians hope that thorium may yet fulfill that promise.

Thorium, however, is not a fissile material, but it can be transformed into U^{233} , which is a man-made isotope, as is plutonium 239 (Pu^{239}). Both U^{233} and Pu^{239} are even better fission fuels than the naturally occurring U^{235} . Conversion of the fertile materials of Th^{232} and U^{238} to fissile materials through absorption of neutrons is a vital first step before energy can be derived from them. Th^{232} , which absorbs one neutron, goes through a series of transformations (radioactive decays). First, the unstable isotope Th^{233} is produced, which through beta decay (the emission of an electron) is transmuted into protactinium (Pa^{231}), and this in turn decays to U^{233} .

As a point of comparison, a similar sequence occurs when U^{238} is irradiated with neutrons. It absorbs one neutron to become U^{239} , and then decays to neptunium 239 (Np^{239}), and from there to Pu^{239} . (The emission of an electron transforms a neutron of virtually the same mass, although of course there is a shift in charge.) Nature is quite generous in providing us with both the fissile and fertile isotopes of uranium available in the natural state, but nature's generosity would have been more appreciated by nuclear engineers had U^{235} been available at 1.4% and not 0.7% in the natural state.

In order to use natural U^{235} as a fuel—which means generating a self-sustaining chain reaction—it is necessary either to use a moderator such as heavy water, or beryllium oxide

or graphite in order to absorb neutrons; or, if light water is used as the moderator, one needs to enrich the U^{235} by about 2-3%. While U^{233} and Pu^{239} are better fuels than U^{235} , they do not appear naturally; however, U^{235} cannot be regenerated, and hence is only properly used for starting a cycle which would include reprocessing the fuel.

There are basically two fuel cycles, depending on whether thorium or U^{238} is the input fertile material. These are referred to as the Th^{232} - U^{233} cycle and the uranium-plutonium cycle. While the uranium-plutonium cycle is more suited for fast neutron systems, it has been established that the Th - U^{233} cycle is better adapted to thermal reactors because of the nuclear properties of the nuclei involved.

Less waste than with plutonium

One of the long-term advantages of the Th - U^{233} cycle not commonly known, is that the magnitude of long-lived actinide waste generated in this type of fuel is 1 million times less than that produced in the uranium-plutonium cycle. This is because, starting from U^{233} , five additional neutrons are required to be captured in succession in order to reach U^{238} . The probability of each additional capture decreases by a factor of 10, leading to an overall decrement of actinide wastes. This is of importance when nuclear power will be the main source of electricity, making it necessary to have adequate disposal of the actinide wastes, which have long half-lives.

A special feature of the Th - U^{233} cycle is the problem arising from the penetrating gamma radiation emitted by certain daughter products of U^{233} . This is an isotope of uranium which slowly accumulates in small quantities due to reactions occurring in the thorium fuel. U^{232} cannot be chemically separated from U^{233} , and itself does not emit any gamma radiation when it decays; however, a few weeks after the chemical separation of the uranium, levels of the energetic gamma-emitting daughter products, bismuth 212 and titanium 298, build up. Because of this, fabrication of U^{233} requires the use of heavily shielded facilities and remote fabrication methods. This complicates the process, and increases the overall cost of fuel fabrication in the Th - U^{233} cycle.

Use in heavy water reactors

India's interest in the thorium cycle is based upon establishing U^{233} as the fissile fuel for the CANDU-type heavy water reactors. At this point in time, pressurized heavy water reactors (PHWRs) appear to be particularly well-suited for operation on the Th- U^{233} fuel cycle. Extensive studies carried out in Canada, India, and other countries on the feasibility of fuelling PHWRs with thorium have shown very encouraging results.

Two types of calculations have been carried out. In the first type, it is assumed that adequate quantities of U^{233} are available to commence operation with an optimized Th- U^{233} fuel. In such a case, the study indicates that a self-sufficient equilibrium cycle mode of operation is feasible; but this would require lower fuel residence times, lower fuel discharge burn-ups, and more frequent fuel reprocessing, with consequent higher fuelling costs. It would seem that operation in the near-breeder regime with a conversion ratio of close to 0.95 may be economically justified, according to Indian researchers.

In the second type of calculation, it is assumed that we commence with a natural uranium cycle, but then into a few channels we introduce thorium bundles enriched with Pu^{239} to an extent of 2.5%, in order to produce some U^{233} . This U^{233} is then recycled back into the reactor with more thorium and plutonium. The proportion of thorium-fuelled channels is increased with time, until the entire reactor is switched over, after about 20 years, to a self-sufficient cycle mode.

The Indian work in irradiating thorium to generate fissile U^{233} took place in the CIRUS reactor in Trombay. The fabrication and reprocessing technology of thorium mixed oxide fuels (Th-Pu oxides) has been developed here and successfully tested for small-scale jobs. In general terms, a power reactor experiment to establish the thorium fuel cycle and demonstrate breeding, is well advanced.

In addition, the Indian reactor, Purnima II—the first of its kind to use U^{233} —only became critical at the Bhabha Atomic Research Center (BARC) in 1984, and has provided an enormous amount of research data. The reactor went critical with about 440 grams of U^{233} . This reactor is a unique one, in that it is the only operational reactor in the world using U^{233} as a fuel. A solution of uranyl nitrate in light water is used both as fuel and moderator. The reactor configuration is optimized for minimum critical mass using beryllium oxide as a reflector and a zircalloy core alloy. Due to the alpha activity of U^{233} , the entire system is enclosed in glove boxes, and the solution is transferred to the core vessel using a peristaltic pump. The safety system is built around the Purnima (which means "full moon") facility, using the reflector drop and control blades as safety mechanisms.

The long-range program for nuclear power in the country is expected to be based on conversion of thorium to U^{233} and its use in thermal or fast reactors. The research program at BARC has concentrated on problems associated with the

A no-risk fuel

The importance of thorium as a future nuclear fuel is a subject of great importance in India; but it is also of strategic relevance, because by no stretch of the imagination could it produce a bomb-level fuel. A combination of high-temperature reactor design with the use of uranium-233 bred from thorium could short-circuit the present concerns about whether various nations are attempting to build nuclear generating facilities for dual-purpose, civilian-military use.

India is the place today where thorium breeding is most advanced. In this article, our New Delhi correspondent, Ramtanu Maitra, reports on the program there, in the context of the broader considerations which make the Indian program of world strategic import.

fabrication, irradiation, and reprocessing of thorium, and on the experimental neutronics associated with the use of U^{233} in reactor systems. This reactor is therefore considered to be the first stage in the utilization of thorium.

Thorium in fast breeder reactors

Another area of interest for the Indians is the use of the thorium cycle in fast breeder reactors (FBRs). Design strategy for FBRs centers on the selection of suitable coolant to remove the heat that is produced by the fast neutron chain reaction, as it will be when U^{233} is used.

An ideal coolant for FBRs is one which should enable the system to maintain a high breeding ratio and high specific power. Since it is essential to maintain the average energy of the neutrons carrying on the chain reaction as high as possible, common coolants such as water and heavy water rule themselves out of consideration. The coolants that deserve serious consideration are helium gas, liquid sodium, and sodium-potassium alloy. Liquid sodium has become almost the unanimous choice of FBR designers the world over, essentially because of its low neutron slowing-down power, low neutron capture, high boiling point, and excellent heat transfer properties.

Liquid sodium has yet another advantage. In case of a leak during reactor operation, the lower ambient temperature causes the sodium to freeze, automatically stopping the leak. Liquid sodium does have other problems, such as corrosion. Severe corrosion occurs if even a minute amount of oxygen finds its way into the dissolved sodium. Also, despite its slow neutron capture, sodium can become extremely radioactive,

emitting penetrating gamma rays. Finally, as is well known, sodium has a great affinity for water, and even a small amount of moisture in the atmosphere is enough to cause an instant fire.

Because the thorium-uranium cycle is superior in thermal reactors and satisfactory in fast ones, there are some advantages in introducing thorium, and possibly U^{233} , into fast reactors, particularly where a mixed system of fast reactors and high-conversion thermal reactors is anticipated.

Not well-suited for making bombs

In addition, the thorium-uranium cycle is preferred by some because it makes it difficult to convert recycled fuel for weapons. In order to dilute or "denature" it, measures have to be taken to dilute the fissile material either isotropically or radioactively. The first type of dilution is possible with only one of the fissile materials bred in a reactor. The most common material, plutonium, is considered as weapons material, and there is no suitable way of denaturing it isotropically—i.e., as U^{235} is naturally denatured by U^{238} . The alternative bred material, U^{233} , can be denatured by U^{238} . If the fissile content does not exceed 10% or so, conversion to weapons material requires an enrichment facility—even more of a commitment (at the present time) than reprocessing. Therefore, since the thorium-uranium cycle produces U^{233} , this cycle appears adaptable to a more proliferation-resistant form than the uranium-plutonium cycle. It should be kept in mind, however, that denaturing by U^{238} necessarily leads to production of some plutonium, which must be either used or disposed of.

It should also be kept in mind that by denaturing U^{233} with U^{238} , the fuel cycle is significantly altered. A pure thorium-uranium fuel cycle produces only U^{233} with no plutonium. The system could be started on highly enriched uranium (or even plutonium), and the principal recycle fuel is Th- U^{233} . Denaturing U^{233} , on the other hand, adds fertile U^{238} , which produces plutonium. How much? As a rough comparison with 3% enriched uranium, consider a U^{233} - U^{238} -Th²³² mixture in a ratio of 12:88:300, so that U^{233} is 3% of the mixture. Ignoring cross-section differences, one would expect that about 23% as much plutonium will be produced as would be the case with the ordinary 3% U^{235} -97% U^{238} fuel. In fact, because of differences in cross-section, the amount of plutonium produced would be smaller, but it is still a significant amount.

Use in gas-cooled reactors

In the Indian context, there is recognition that the thorium-uranium cycle will be appropriate for high temperature gas-cooled reactors (HTGRs). However, there is no indication at this point that the Indian program is in the process of prioritizing the HTGR with the Th- U^{233} fuel cycle. The program remains to establish the Th- U^{233} cycle for thermal power reactors, and to develop breeder reactors using the

same fuel cycle, while starting up the system with plutonium-uranium oxide fuel.

Nonetheless, there exists a host of literature on the HTGR using a thorium-uranium fuel cycle. In the 1970s, General Atomic, Bechtel, and Southern California Edison had a 4,000-megawatt design. Although the focus of the design was improvements in plant configuration—namely, in the design of the Prestressed Concrete Reactor Vessel support structure and fuel storage facility—the HTGR did take into consideration the thorium-uranium fuel cycle.

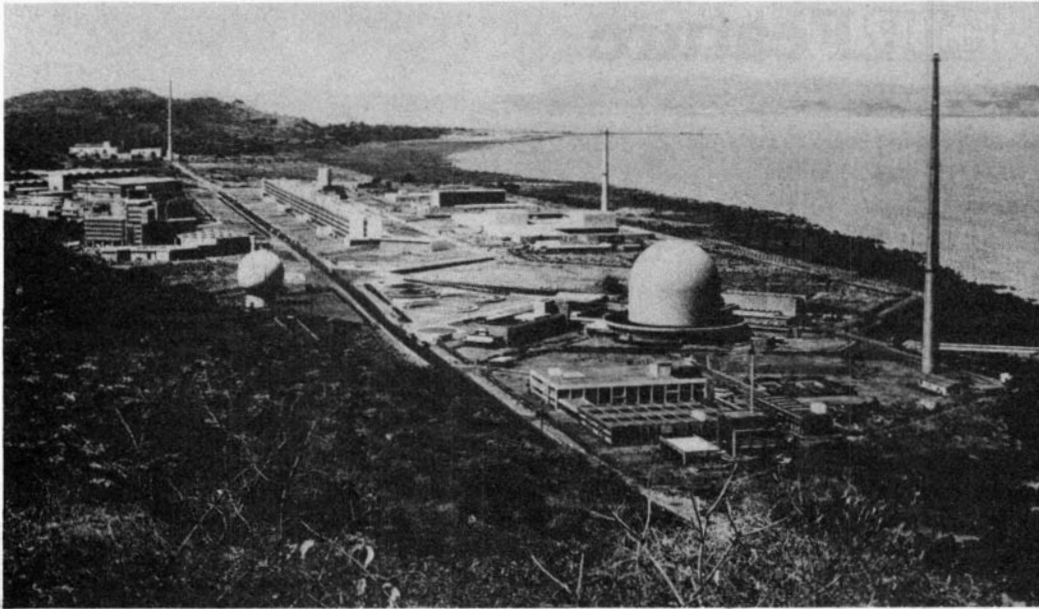
According to experts, the fuel cycle which results in the best uranium utilization and lowest fuel-cycle costs, is the high-enrichment uranium-thorium cycle. The use of fissile particles of high-enrichment uranium (HEU) and a thorium fertile particle, permits optimization to meet specific conditions. But the HEU used in the thorium cycle created potential front-end proliferation concerns. A variant of the thorium cycle, using medium-enriched uranium (MEU), e.g., 20%, and thorium appears to be a balance in meeting requirements for a low fuel-cycle cost, high proliferation resistance, and low U^{238} requirements. Intermediate enrichment of 30-40% is also being considered in order to improve resource utilization, while still being responsive to proliferation concerns.

Although the fuel development effort in the United States has focused on the HEU-Th cycle, most of the effort is also applicable to the MEU-Th cycle. Only the fissile particle is different: Fertile particles, fuel rods, and graphite remain the same. Thus, it appears that an incremental effort will be necessary to license and use MEU-Th fuels in the United States.

Several recycling options are available with the MEU-Th cycles: 1) Recycle only U^{233} , 2) recycle all uranium, and 3) recycle all uranium and plutonium. The U^{233} can be recycled either as bred in the thorium particle (highly enriched in U^{233}) or can be denatured by mixing it with U^{238} so that the enrichment is in the 10-15% range. These options exist because in the discharged fuel, the uranium particles, which contain unburned U^{238} and plutonium, can be mechanically separated from the thorium particles that contain all the bred U^{233} . The former could be stored indefinitely without chemical processing, while the latter could be processed to recover the fissile U^{233} .

Proliferation considerations

There are some inherent nonproliferation advantages in an HTGR using the MEU-Th cycle. In the discharged fuel, the plutonium is very diluted. About 200 elements would have to be processed in order to recover a critical mass of plutonium. Since the fuel elements are heavy and bulky, this would be a formidable diversion and chemical separation link. The particles themselves are a deterrent to diversion: It is a difficult process to crack open the coatings and recover the fissile fuel contained therein. As mentioned earlier, the plutonium-containing particles could be separated and stored



The Bhabha Atomic Research Center in Trombay.

without processing.

The presence of U^{233} is associated with strong gamma radiation—a consequence of the presence of a small amount of U^{232} . This activity level will deter diversion by making it easier to detect, and thus would facilitate safeguard procedures and greatly complicate bomb fabrication or assembly attempts. Moreover, the U^{233} could be denatured either *in situ* or in a reprocessing plant, making it an even less desirable nuclear material for clandestine processing.

Finally, total plutonium production is low. With 20% MEU, only about 60 kg of plutonium is discharged per GWe-year (gigawatt-electric-year; power multiplied by time is a measure of energy), and its enrichment is only 50-60%. If the enrichment of the initial fuel were increased to 40%, instead of 20%, the discharged plutonium would only be about 35-40 kg per year, and this would be distributed over more than 1,000 fuel elements. If refuelings were semiannual, rather than annual, then only about 15-20 kg would be contained in any single refueling batch—not much more than a single critical mass—and over 500 fuel elements would need to be processed in order to recover it. This approaches an ideal situation from the proliferation risk standpoint.

For the thorium cycle in the HTGR, there are two schemes: the separable thorium cycle, and the non-separable thorium cycle. In the separable thorium cycle, the fissile and fertile materials are used as separate individual kernels; the optimum fuel system has coated fissile uranium carbide (93% enriched U^{235}) and coated thorium kernels. The silicon carbide layer in the uranium coating serves as a means of separating bred fissile U^{233} from the U^{235} and its activation product U^{236} during reprocessing. In the non-separable thorium cycle, kernels of mixed oxide or carbide with either coating are used.

Fabrication of coated particle fuels involves two steps:

preparation of kernels and coating of the kernels. The preparation can be done through either a wet chemical process (sol-gel route) or a dry agglomeration method. The sol-gel and gel precipitation route is more suited for remote operations in the fabrication of recycled fuel. A stable thorium or uranyl nitrate solution containing a gelling agent is sprayed through a nozzle to form droplets, which are hardened by reaction first with gaseous ammonia. The gel spheres are then washed, dried, and sintered. If kernels of carbide or oxycarbide are to be made, adequate quantities of carbon black are added to the nitrate solution.

The most important aspect of assessing the irradiation performance of coated particle fuels is the integrity of the coating on the kernels. The mechanisms by which coatings may fail have been identified as: 1) mechanical failure of coating arising from internal build-up of fission gas pressure and from irradiation-induced stresses in the coating; 2) chemically induced failure of the coating due to fuel kernel migration toward the surface; and 3) chemically induced failure due to interaction of fission products with the coating.

The only operational Thorium High Temperature Reactor (THTR) was built, and since decommissioned, at Schmehausen in Germany. It was a 300 MWe prototype high-temperature gas cooled reactor, with a pebble-bed aftercore. The reactor reached criticality for the first time on Sept. 13, 1983, after the loading of some 200,000 spherical fuel and moderator elements. A further phase of fuel loading to the eventual full inventory of 675,000 elements, started later. The THTR project was begun in 1971, and was originally scheduled for completion in 1976. Delays, however, were caused mainly because of design changes called for by licensing authorities, and this project, along with the German SNR fast reactor, was subjected to repeated funding cuts.

Venezuela's fight to survive against Rockefeller coup

by Valerie Rush

The April 18 indictment of Venezuelan Labor Party (PLV) leader Alejandro Peña Esclusa on trumped-up charges of “incitement to crime” and “fomenting hatred” stunned many Venezuelans who had hoped that last May’s impeachment of President Carlos Andrés Pérez (known as CAP) called a halt to the political terror and corruption that was a hallmark of that regime. A flood of protests, both domestic and international, has challenged the continued influence over Venezuela’s courts of powerful criminal elements linked to CAP and his international mentors—David Rockefeller and his British banking friends—and are demanding that the persecution of Peña be ended, and his right to freedom of expression respected.

The judicial frameup of Peña, a longtime friend and associate of U.S. statesman Lyndon LaRouche and an outspoken critic of CAP and his coterie of embezzlers and thugs, is, however, part of a broader destabilization by the Rockefeller crowd of the Rafael Caldera government itself. Rocked by a devastating financial crisis inherited from Pérez’s administration (1989-93), Venezuela is today faced with a critical choice: It can surrender what remains of its sovereignty to the banking elites who have always viewed “little Venice” as their personal playground, or it can heed the voices of LaRouche and Peña, and implement the kind of nationalist, or Hamiltonian, economic program that can free it from CAP’s legacy, and from the banks’ stranglehold.

As the PLV noted in an April 27 statement, the purpose of the frameup is “to keep Peña out of politics and to discredit the PLV so that the government won’t even have access to the PLV’s proposals” to deal with the economic crisis.

Why is the Caldera government being targeted? Rafael Caldera is an “old-style” President, who still believes that it is the President—not the banks—who is elected to govern the country. He was elected to office as an independent, having broken with his own corrupted Copei party, and yet he brings with him the experience of his earlier presidency (1969-74). His denunciations of the CAP regime and its subservience to the banking elites won him the presidency, and put him on the black list of CAP’s



U.S. President George Bush and his Venezuelan counterpart Carlos Andrés Pérez, in 1990. Although Bush was voted out in 1992 and Pérez ousted for corruption in 1993, the remnants of their mafias are running the destabilization of Venezuela.

international banking protectors.

Indeed, it is precisely out of fear of President Caldera's increasing signs of independence—his refusal to sign with the International Monetary Fund, his refusal to back a United Nations-style "blue helmet" force for Ibero-America, his opposition to U.N. malthusian dictates being proposed for the upcoming Cairo depopulation conference, and, most recently, his ousting of Venezuela's "autonomous" central bank head—that the Rockefeller crowd is now conducting financial warfare against Venezuela at the same time that its minions inside the country are trying to make Peña a bloody example.

In the following pages, you will read how, in the words of one Venezuelan newspaper publisher, the case was "fabricated" against Peña by the multibillionaire financial and media empire of the Cisneros family—which flourished in the shadow of CAP's power—using the spurious testimony of "former" political police agents now on the Cisneros payroll. You will read the nearly illiterate "findings" of Judge Guillermo Heredia Rodríguez, who was temporarily appointed to Criminal Court 42 in Caracas just long enough to issue the indictment and arrest warrant against Peña.

The indictment against Peña claims that acts of violence against Cisneros properties were instigated by Peña's Feb. 16 nationally televised appeal to the Caldera government to investigate the Cisneros group's responsibility for the failure of Banco Latino, which stripped more than a million families of their life savings. And yet, the judge's findings offer nothing but the spectral evidence of "psychological anguish" on

the part of Cisneros employees, in order to hold Peña responsible for acts of arson and looting and for the bloodshed of the February 1989 "Caracazo" street riots triggered by CAP's austerity dictates which left thousands dead!

Lyndon LaRouche issued a statement on the Peña case on April 23, emphasizing that developments in Venezuela, "specifically what that overblown pipsqueak Cisneros is doing through the judiciary," are directly related to the accelerating crisis of the global monetary system.

"It is obvious to me, from knowing the characteristics of the operation [against Peña], that it originates with the same people who are orchestrating the Whitewater scandal against President Clinton, that is, that section of British intelligence; and that it is being run in coordination with a section of the U.S. intelligence community which was led by George Bush when he was Vice President and President, and which is still attached, at least nominally, to George Bush today.

"It is obvious that this is part of a strategic move. It has nothing to do with any action by Alejandro Peña, or anybody in the country. The purpose of the action is to destabilize the Caldera government, and the reason that Peña has been attacked, is because George Bush personally hates me—and so does Gustavo Cisneros.

"The important thing to note, is that if other countries do not rally to assist Venezuela in defending its sovereignty against this kind of disgusting, corrupt intervention by a person linked to the interests of the international drug traffickers, then no country in Central or South America is safe."

Venezuelan press exposes judicial corruption in Peña Esclusa case

A series of articles entitled “The Truth about the Case of Venevisión versus Peña Esclusa,” appearing in *Diario de Caracas* beginning April 23, detailed the judicial atrocities committed by the 42nd Criminal Court of Caracas in its case against Venezuelan Labor Party Secretary General Alejandro Peña, indicted on April 22 on fabricated charges of incitement to commit a crime, incitement to loot, and incitement to spread hatred among Venezuelans. Relevant sections of that series follow.

Imprisoned without evidence

The Diario de Caracas front-page article on April 23, entitled “Without Evidence. . . . The Cisneros Organization Imprisons Alejandro Peña Esclusa”:

In a lengthy journalistic report, *El Diario de Caracas* publishes—starting today—the truth about the case of Venevisión versus Alejandro Peña Esclusa. The file on the case—received anonymously by RCTV—reveals that Court 42, under the charge of Judge Noel Vera Sandoval, lent itself to mounting a trial against freedom of expression.

In tomorrow’s edition, our readers will learn what led up to the issuing of the arrest warrant.

Extracts from court’s March 21 interrogation of Alejandro Peña, headlined “Say Whether You Believe in Class Struggle”:

Q: Say whether you believe in the division of society in right, center, or left.

A: No [I don’t].

Q: Say whether you believe in class struggle.

A: No, I don’t.

Q: Say whether you believe in harmony of interests.

A: Yes, I do.

Q: Say whether you think that reaction, subversion, and anarchy will help the country out of its current crisis.

A: No, they won’t.

Q: Tell us how the Venezuelan Labor Party has financed its campaigns.

A: Through contributions by members and supporters.

Q: Tell us if you knew that the Lyndon LaRouche cult conspired against democratic institutions.

A: As far as I know the economist Lyndon LaRouche doesn’t lead a cult but a political and philosophical movement in the United States, and he has run for President several times there, all of which goes against anyone’s opinion that

Mr. LaRouche would conspire against democratic institutions.

Q: Tell us whether you have conspired against democratic institutions, people, and organizations in Venezuela.

A: No [I haven’t].

Q: Tell us whether you know Marcel Granier, and if so, how and where did you meet him?

A: Yes, I’ve seen him at various social events.

Q: Tell us whether you know Mr. Eladio Lares [sic], and if so, how and where did you meet him?

A: Likewise, I do know him and we have been at social events, and I’ve also been interviewed by the TV channel Mr. Lares [sic] runs.

Q: Tell us whether you know Messrs. Eduardo Sapene, Peter Bottome, Josué Fernández, Ezequiel Jiménez and Diego Bautista Urbaneja, and if so, how and when did you meet them?

A: I have seen Peter Bottome, Eduardo Sapene and Josué Fernández, but not the other two persons, on account of interviews they have made of me both on Channel 2 and *Diario de Caracas*.

Q: Tell us whether you know Messrs. Gustavo Cisneros and Ricardo Cisneros, and if so, how and when did you meet them?

A: No, I don’t know them.

Q: What has been the reason for your campaign against the Cisneros Organization?

A: There has been no campaign against the Cisneros Organization, rather [it was] a defense of free speech, which in my opinion was denied when the book *Dope, Inc.* was banned; I have also attempted to defend the interests of the thousands of Banco Latino savings account holders who have allegedly been defrauded by the bank’s board of directors, which includes Mr. Ricardo Cisneros Rendiles, whose arrest has apparently been ordered in connection to the Banco Latino case.

Q: Tell us who finances this campaign.

A: All of our activities are financed by members and supporters of the Venezuelan Labor Party, through their financial contributions.

Q: Tell us whether anyone from Radio Caracas Radio, Radio Caracas TV, or *Diario de Caracas* has financed your campaign.

A: No.

Q: Tell us whether you know Messrs. Thor Halvorsen, Ramiro Helmeyer, and Hugo Chávez.

A: Yes, I've met Halvorsen and Hugo Chávez, and I've known Helmeyer from our youth.

Q: Do you know of any conspiracy against U.S. President Bill Clinton, with the purpose of overthrowing the government of that country?

A: I've read about the Whitewatergate case, which apparently aims to destabilize the Clinton government.

Q: Do you know of any person or group of persons who are conspiring against U.S. President Bill Clinton?

A: No.

Fabricating a trial

The editorial of Diario de Caracas, entitled "How to Fabricate a Trial Against Freedom of Expression":

Radio Caracas Television yesterday formally notified the Attorney General's office and government of the voluminous envelope that was anonymously left on the doorstep of that television network, containing File 2321-94, currently assigned to the 42nd Criminal Court, under the charge of Dr. Noel Vera Sandoval, and whose alternate judge is Guillermo Heredia.

It would have been difficult to believe the contents had it not been read from a journalistic standpoint. If one should ever need instruction on how to fabricate a legal proceeding and manipulate a judge, to open up a political trial and involve the communications media in it, this specimen could serve as the model.

The file begins with the complaint presented to that court by an executive of Venevisión, who accuses Venezuelan Labor Party Secretary General Alejandro Peña Esclusa—against whom an arrest warrant was sworn out yesterday—of instigating a popular uprising against companies of the Diego Cisneros Organization and of instigating a civil war, thanks to the transmission of his statements on the case of Banco Latino, by *Diario de Caracas*, Radio Caracas Radio, Radio Caracas Television, and other communications media.

To prove this wild accusation, the Venevisión executive and a group of DISIP [Venezuelan political police] officials submitted in court a series of documents which seem to show that various crimes were committed under the Organic Law to Safeguard the Public Patrimony, the Law to Protect the Privacy of Communications, and the Criminal Code, with the further aggravating factor that they seek to violate the constitutional guarantee of freedom of expression. Among other documents, there is a confidential report by the DISIP. However, the 42nd Court did nothing to investigate the evidence crime of illegal use of information nor the crime of trafficking in influence.

There also appear in the file several long telephone conversations (some very personal and all of them irrelevant) presumably taped by state agencies or by some private securi-

ty agency, which appear to enjoy the complicity of public officials, since the tape recordings could not have been made otherwise.

And nonetheless, the court again did nothing with respect to this evidence of a crime as defined by the Law of Protection of Privacy of Communications, and accepted the documents as evidence.

There appear many other things which prove nothing, the majority of them internal memoranda of Venevisión, apocryphal political documents and pamphlets of the Labor Party, which have nothing to do with the case.

The documents—both legal and illegal—serve as such poor evidence that the judge, in order to issue the arrest warrant, was obliged to rely exclusively on the statements of six Venevisión executives, the majority of whom are DISIP agents hired by the Diego Cisneros Organization.

A file was fabricated. A case was—illegally—fabricated, manipulating the law and making use of agencies and officials of the Executive and of the Judiciary, for the very specific purpose—and this is what we denounce in this editorial—of harassing *Diario de Caracas*, Radio Caracas Television, and Radio Caracas Radio.

We will not be silenced.

An attack on freedom of expression

From an interview with Diario de Caracas President Marcel Granier which was headlined "It Is the Most Serious Attack Against Freedom of Expression," and had the kicker "Marcel Granier states that Judge Heredia lied to the public":

Manuel Granier, president of *El Diario de Caracas*, stated that the ruling of alternate judge Guillermo Heredia Rodríguez, of Criminal Court 42, to open up the Peña Esclusa case in which other communications media are also mentioned, is "the most serious attack against freedom of expression there has been in Venezuela."

"It is a monstrous ruling; I think it is the most serious attack against freedom of expression in Venezuela for many years. Every day, people demand proof of corruption, the people are choked up, they are overwhelmed by the corruption that has been unleashed upon Venezuela in recent years, and the people demand proof. Well, today we have concrete proof of what could be a perversion of justice, the manipulation of justice, trying to intimidate the communications media so that they don't denounce what is going on in this country." Granier stated that "Judge Heredia has made an outrageous ruling in which—by the testimony of six executives of the Cisneros Organization, the majority of them DISIP agents paid by Cisneros, and without considering any proof, has issued an arrest warrant and, what is worse, which allows him to jail any executive of ficer or journalist of *Diario de Caracas* or Radio Caracas Television.

"The judge lied to the public. In statements made on television, he said that he had subpoenaed Radio Caracas Television. This is untrue; at no time did the judge subpoena

anyone from Radio Caracas Television, such that at no time was he able to verify if the charges of the DISIP agents and the other Cisneros executives, are true. This is monstrous, this has no precedent in the history of Venezuela and we are not only going to defend our journalists and all of our executives, but we are going to denounce this before the relevant bodies, both national and international.

"We have already gone to the Attorney General's office, asking them to name a special investigator and to designate prosecutors to review this file."

Diario de Caracas President Marcel Granier asserted: "I am sure that both the attorney general of the republic and the interior minister will order investigations that have been asked for, and I am sure that the Council on Judicial Conduct, when it looks at the ruling and the file, will realize how justice has been perverted in our country. We Venezuelans have the right to express our free opinion, and there is no Cisneros who will silence the opinion of the people."

Q: Do you believe that the judge's measures responds to some maneuvers on the part of other agencies?

A: I don't know, because one must always presume that there is good faith. The results that we see are monstrous; that they deprive a person of his freedom and of his right to have an opinion, by the mere fact that six officers of a business organization, the majority of them DISIP agents paid by Cisneros, say so, is outrageous. I don't believe the country can allow this to happen and we are certainly going to fight against this, not only here but abroad. It is a violation of elementary and fundamental rights, such as the right to freedom of thought, freedom of expression, freedom to travel in the country, freedom to have access to the media, freedom to hold an opinion. These are rights which cannot be violated.

Q: The judge insists that these rights have not been violated, that subpoenas are being issued solely for testimony from Venezuelan citizens who happen to be owners of media, and that as a judge he is merely investigating a case that has come before his court.

A: In the ruling that he himself issued, the only evidence he has taken into account are the statements of the six officials of the Cisneros Organization and, I repeat, the majority of them are DISIP agents paid by Cisneros. We have seen in the

past few years how the police were perverted, how they were used for the political and business interests of the [ousted President Carlos Andrés] Pérez coterie. I believe that a stop must be put to this; the country cannot continue to tolerate the use of state police agencies to accuse someone who thinks differently from those who want to take control of the country.

Q: Is it anticipated that some executives of IBC companies will go before the court, or do they await a subpoena?

A: The court has not subpoenaed anyone and when persons are subpoenaed, they will go and give testimony.

Q: One of the rulings made by the judge was to issue arrest warrants. What do you think of that?

A: It is evident that they seek to harass the communications media, terrorize the journalists, so that nobody will dare to say what is happening in this country. The administration of justice, the police, have been corrupted during the past few years. Now they want to silence that, silence the scandal of the Banco Latino, where billions of bolivars were stolen from all Venezuelans. They don't want justice to be done in that case. . . . They didn't expect that one day a decent government would be elected in this country and that the authorities would confront this kind of problem. I am sure that both the attorney general of the republic and the interior minister will order investigations that have been asked for, and I am sure that the Council on Judicial Conduct, when it looks at the ruling and the file, will realize how justice has been perverted in our country. We Venezuelans have the right to express our free opinion, and there is no Cisneros who will silence the opinion of the people.

Crimes have been committed

Interview with Diario de Caracas executive, headlined "Eduardo Sapene Handed Documents over to Attorney General's Office":

Yesterday Eduardo Sapene Granier gave Attorney General Rubén Dario Badell a letter in which he states: "We have anonymously received a bulky envelope at the News Desk of Radio Caracas Television, which was left at the doors of the station: Everything leads us to suppose it contains the court transcript of case 2321-94 currently being heard in the 42nd Criminal Court, whose permanent judge is Noel Vera Sandoval and whose acting judge is Guillermo Heredia.

". . . Among the transcripts allegedly belonging to this case before the 42nd Criminal Court, there appear documents marked as confidential which ostensibly belong to files from the Intelligence and Enforcement Services Division (DISIP), a branch of the Interior Ministry. On the other hand, according to these same documents, such officials and private parties as purportedly gave testimony in this case were not required by the court to swear under oath as to the content of their statements, nor was proper authority obtained to take the depositions.

"In view of these circumstances the court above should have acted without delay, according to Article 74 of the

Criminal Procedural Code, to bring charges of *illegal use of information*, as mandated by Article 63 of the Organic Law of Public Property, as well as the crime of *influence peddling*, also described in that law. The first crime, to be punished by a sentence of two to six years prison, and the second, by five to ten.

"We would also add that both the permanent and substitute judges, as well as the clerk, bailiff, and administrative staff are all civil servants under obligation by Article 93, paragraph 2 of the Criminal Procedural Code to report 'whenever in the performance of their role they become aware of any act which is subject to public punishment.'

"Among the documents in the purported transcript are documents which seem to be a transcription of telephone conversations among various persons, which were apparently made by state agencies or by a 'para-police' organization which must have enjoyed the complicity of government officials, for we assume that it would have been technically impossible for private parties to do so. All of this defines the commission of crimes under the Privacy in Communications Act, which in Article 2 punishes with three to five years in prison anyone who arbitrarily, clandestinely, or fraudulently records or obtains recordings of communications among other persons."

Also subject to investigations is the possible commission of the crimes of *libel*, *perjury*, and *obstruction of justice* under articles 240, 241, 243, and 245 of the Criminal Code.

Ridiculous evidence

An article in the April 24 Diario de Caracas headlined "Evidence Accepted by 42nd Court Judge May Have Been Forged." The kicker read, "The 42nd Criminal Court which issued the arrest warrant against the secretary general of the Venezuelan Labor Party, allowed as evidence Venevisión memoranda, some of them from November 1994, which speak of bombs which were never found":

One of the first signs of guilt found by the 42nd Criminal Court against Alejandro Peña Esclusa which justified issuing an arrest warrant against him for "incitement to commit a crime and inducement to looting and destruction of property" was a statement by Commissioner Antonio José Díaz Rojas, who runs security for [Cisneros assets] Venevisión and CADA [supermarkets].

Díaz Rojas was suggested as a witness by Ricardo Koesling, who supposedly was counsel to plaintiff Pedro Durán, but since then has become a part of the trial.

Koesling uses not the name Díaz Rojas, but that of Efrén Díaz, a nonexistent witness, "to testify as to the threats received after Mr. Alejandro Peña Esclusa's public statements, when bombs were placed, facilities were overrun, and people were threatened in the Diego Cisneros Association."

The person showing up in court was Antonio José Díaz Rojas, who states that "given the unusual attacks made publicly, on TV screens and the printed press, by Mr. Alejandro Peña Esclusa, a number of phone calls, written threats sent

by fax, communications, etc. have occurred which upset the working environment for the employees of said company, I see this as a curtailment of the freedom to work.

"In my view there is a coincidence, a preestablished pattern, both in Alejandro Peña Esclusa's public attacks and in the psychological terror campaign which materialized through the threat of placing explosive devices as well as distributing pamphlets which attack the economic and working conditions of the company, and furthermore expose to public mockery those of us who carry out honorable, professional careers."

Also submitted was a series of memoranda, faxes, letters, all of which, as he stated, "threaten to set off bombs, withhold business from our companies, not buy the products advertised on TV, and take direct action against CADA throughout the country."

However, a cursory perusal of the materials submitted, which were also received anonymously by RCTV as part of the records currently before the 42nd Court, does not establish whether those threats indeed happened, and even less so whether bombs or other devices were placed at the headquarters of any Diego Cisneros Organization company.

Among the alleged proof of evidence, Díaz Rojas submits seven internal memoranda received by him from Braulio Gudino, chief of operations for Venevisión, all from November 1993, except for two dated November 1994 (sic!), where the alleged threats are reported. But every one of them concludes by stating that the "object in question"—bombs or explosive devices—was not found.

More alleged evidence is a hand-written, unsigned pamphlet, in black and white, against the "capitalist CAP-Cisneros-Tinoco, who starve the workers," distributed by a so-called "People's Struggle Committee," as well as other pamphlets in the same manner, with no signature or date, supposedly issued by the Red Flag Movement and one Committee to Recover National Dignity.

Also, the court attempts to establish a link between these alleged threats, which it calls "acts of terrorism," and Alejandro Peña Esclusa and Radio Caracas Television staff. A sampling of this kind of (inadmissible) evidence is published on this page.

There must be some flaw in the system

The Diario de Caracas April 24 editorial:

There are legal decisions which call attention because of their peculiarities, and which merit careful study. This is the case of the decision to issue an arrest warrant against citizen Alejandro Peña Esclusa, made by the temporary judge of the 42th criminal court, citizen Guillermo Heredia Rodríguez.

There are several elements which should be highlighted in this decision, and which make them worthy of appearing in an anthology of Venezuelan jurisprudence in a chapter entitled "The Worst Decisions Ever Made."

The arrest warrant is the result of the charges brought by citizen Pedro Durán Galvis, an employee of Venevisión,

PLV warns: Venezuela's future is at stake

The Venezuelan Labor Party issued the following statement on April 26, under the headline, "The Case Against Peña Esclusa Involves a Serious National Security Problem":

There are two levels to the legal suit which the Cisneros Group has filed against our secretary general, Alejandro Peña Esclusa.

On the first, and simplest level, this suit intends to destroy anyone who, like Peña Esclusa, attempts to question the Cisneros Group; particularly those who try to place some of the blame for the collapse of the Banco Latino on the Cisneros Group.

The second, and more important level, is clear for those who have read the open letter which Peña Esclusa addressed to President Rafael Caldera on Feb. 21 of this year.

In that letter, Peña warned that a pincers-type operation was under way against the Venezuelan government. Bankers, he indicated, "will do everything possible to collect the foreign debt by trying to prevent the government from altering payment conditions or from leaving the International Monetary Fund's framework. Hence the 'veiled threats' from the Americas Society; and the pressures from Standard and Poors rating agency on downgrading Venezuela's debt paper; and from this stem the fears expressed in the London *Independent's* editorial on Dec. 6, 1993, that your electoral victory could produce an 'ebb in the high tide of free trade.' The real fear is that you will decide to break with the false dilemma between

'neo-liberalism' and 'populism,' both dangerous options, and decide to implement a third 'Hamiltonian' or 'nationalist' alternative, coherent with the Social Doctrine of the Church."

"International bankers know very well," Peña added, "that you have the international prestige and the ability to launch a 'nationalist wave' on the model of Hamilton throughout Ibero-America. They know that you have the ability to rally all Ibero-American peoples in order to jointly change the onerous conditions for debt payment.

"Sooner or later, your government will be forced to take emergency measures and, in some way, leave the IMF's framework, not out of rebellion against the banks or for ideological reasons, but rather as an act of defense and security."

In the letter, Peña referenced the nationalist economic program which the Venezuelan Labor Party (PLV) has been proposing for several years as an alternative to populism and neo-liberalism.

It is the case that the financial and banking crisis created by Carlos Andrés Pérez and Pedro Tinoco with their evil "zero coupon" policy, and IMF ministers such as Miguelito Rodríguez, has exploded. It is also true that foreign bankers, friends of Gustavo Cisneros Rendiles, want the government only to have access to their neo-liberal recipes.

Thus the second objective of this case against Peña Esclusa—the second level—is to keep him out of politics and to discredit the PLV so that the government won't even have access to the PLV's proposals.

In our view, this legal suit has to be nullified immediately. Even more important, in fact indispensable, Peña Esclusa must be given access to a platform where he can explain in detail the PLV's economic program. Venezuela's future is at stake.

against Peña Esclusa for the presumed crime of inciting criminality and instigating looting and devastation. Citizen Durán Galvis is within his rights to make these charges; but it is the judge who knows the case who has to ensure that the body of evidence included in the charges and indications of guilt by the person committing the crime are based on fact.

Now, both the body of evidence and indications of guilt on which Judge Heredia based his decision stem from testimony of seven employees of companies owned by the Cisneros Organization, which is directly interested in establishing [Peña's] guilt. They say that a crime was committed and that Peña Esclusa is guilty without having provided a single piece of evidence worthy of the name. (Everything we say here will be proven as the details of the case are made public.)

Nonetheless, the judge found such biased testimony to

be perfectly acceptable. It's as if a judge had said to a citizen: "Some gentlemen stated here that statements that you made were the cause of the looting of their business. I won't deny that this is sufficient proof. You're under arrest."

If all judges followed Judge Heredia's example, the truth is that we could just do without them all and simply permit the same interested party to name the guilty one. The judge could stay around to transcribe what that party dictates to him.

It is worrisome that permanent judges can be so easily substituted by temporary ones who then make decisions of this kind. There must be some flaw in the norms which regulate the naming of temporary judges, if someone with the legal criteria used by Dr. Guillermo Heredia could be named to this position.

Judge rips up the law in Peña arrest order

The following is the complete text of an article that appeared in the daily Diario de Caracas on April 26, reprinting Judge Heredia's scandalous official decision. While the newspaper's Spanish text is littered with "sics," reflecting the crudeness and illiteracy of the original, we have cleaned it up a bit in the process of translation.

The document was run under the headline: "The decision of the 42nd Criminal Court, or how a judge views the 'overwhelming evidence' of a proceeding: Motivations of the Arrest Order Against Peña Esclusa."

Diario de Caracas provided the following laconic introduction: "The reasonings and testimony used by the temporary forty-second penal judge, Guillermo Heredia Rodríguez, to decree the arrest order against Alejandro Peña Esclusa, general secretary of the Venezuelan Labor Party, are contained in his ruling, which is reproduced textually and faithfully, as it was written by this tribunal of the Republic, including its lacunae and spelling mistakes, which are indicated with the well-known 'sic.' We leave it to the reader to judge the judicial quality of this document."

Having seen and studied all and each of the records and other documents related to the present proceeding, this Court proceeds to rule on the contents of the same, not before making the following observations:

First

The present Summary Judgment was initiated on the date March 10, 1994, by virtue of the accusation which was filed by the citizen PEDRO FELIPE DURAN GALVIS, before the 36th District Attorney's Office of the Public Ministry of this Judicial District, subsequently ratified and enlarged upon before this Office, where among other things he expounded the following: ". . . In recent days as a result of an investigation which is being carried out in the Courts of the Republic, the company where I have worked for many years has suffered a number of attacks by the press, although they have no relationship with the matters under investigation; in our company Venevisión and in the CADA firms we have received numerous telephone calls where they have warned that they are going to blow us up, because there would be some 'BOMBS' planted in order to thus eliminate and disappear our workplace. . . ." Pages 2 and 3 of the present proceeding.

On pages 6 to 18 of the present proceeding, there follows

the expansion of the accusation filed by the citizen PEDRO FELIPE DURAN GALVIS before this court."

On pages 238, 239 and their reverse of the present proceeding, there follows the declaration given by citizen DIAZ ROJAS ANTONIO JOSE, before this court, where among other things he stated the following: "I wish to make it known that because of the public appearances of Mr. ALEJANDRO PENA ESCLUSA, who functions as the General Secretary of the Venezuelan Labor Party, a series of deeds and events have been caused which have come to my attention, by virtue of the fact that the Departments of Security of the Organization, as well as those of Venevisión and CADA, report to my office. Given the unusual attacks which Mr. ALEJANDRO PENA ESCLUSA has presented before the public by means of television and the written press, there have coincidentally occurred a series of telephone calls, written threats via Fax, through ads, and so forth, which have disturbed the working tranquility of those of us who operate as employees of the abovementioned company. I consider that this damages our freedom to work because, independent of professional activity, the personnel are living under psychological pressure, at risk of the latent possibility that some of these threats could turn into reality. . . . The campaign of psychological terror carried out through the threat of placing explosive devices, as well as the distribution of leaflets attacking the economic and labor activity of the company, and even the exposure to public derision of those of us who conduct dignified professional activity, coincide and seem to follow a pre-established pattern with the public statements of Alejandro Peña Esclusa."

On pages 267 and 268 of the present proceeding, there follows the statement of citizen CARLOS ANEZ, before this court, in which having been duly sworn, he stated the following, among other things: "As Security Manager of CADA, food distributor, I present myself before this office to issue a statement on the televised and written statements of Mr. ASLEJANDRO [sic] PENA ESCLUSA against the Cisneros Organization, and this has contributed negatively toward the company inasmuch as the workers at the company feel the instability because they see this negative publicity toward them, since it is their place of employment . . . at the same time, in the area of security concretely there have been bomb threats in the supermarkets, threats of looting, where the statements of Mr. PENA ESCLUSA are mentioned, I have to take preventive measures in relation to these threats. . . ."

On pages 298 to 309 of the present proceeding, there follows the affidavit made by citizen GÓMEZ GODOY LUIS EMILIO, before this court, where having been duly sworn he states the following among other things: "At the end of the month of January of this year, at the beginning of the month of February, the citizen ALEJANDRO PENA ESCLUSA, availing himself of the position of General Secretary of the Venezuelan Labor Party, of doubtful democratic participation, has dedicated himself to unleashing a systematic campaign against the principal companies which make up the Cisneros Group, among

which I can single out S.A. Distribuidora de Alimentos CADA, MAXIS, and Venevisión itself. In effect this citizen has been calling on the public via certain communications media to make demonstrations against the aforementioned firms, which have contributed to events which occurred in the cities of Maracaibo, San Cristobal [sic] and Puerto La Cruz, specifically in front of the CADA stores in those cities. . . . In addition, because of the public statements of said citizen, countless telephone calls have been received at the offices of Venevisión announcing the placement of bombs in the Vene-

“The exposure to public derision of those of us who conduct dignified professional activity, coincide and seem to follow a pre-established pattern with the public statements of Alejandro Peña Esclusa,” claimed a Cisneros employee.

visión Building, with the logical consequences of alarms and destabilization among the Venevisión employees. . . .”

On page 304 and its reverse side of the present proceeding, there follows the declaration made by citizen BARDASANO PEREDA CARLOS RAUL, before this court, where having been duly sworn he states the following among other things: “As of the second half of the month of January of this year, on various occasions I saw the citizen ALEJANDRO PENA ESCLUSA on Radio Caracas Television, I heard him on Radio Caracas Radio and I read him in the *Diario de Caracas*, where this Mr. PENA ESCLUSA, was openly inciting persons to take over the CADA supermarkets and in general the companies of the Cisneros Group. This brought about the result that in the first place: there were acts in this sense, concretely in the city of San Cristobal and in other cities of the country such as Maracaibo and Puerto La Cruz, which led as a result to the destabilization of the companies. . . . Further all our personnel is living through moments of anxiety, of fright in the face of the insistent calls via the cited communications media for the people to take over the public workplaces of some of our companies. . . .”

On page 305 and its reverse of the present proceeding, there follows the declaration given by citizen ENNIO VELAZQUEZ LEONETT, before this court, where having been duly sworn he declared among other things the following: “In regard to the CADA company, which is where I work, on the basis of a series of written and televised press reports, a series of situations have been created which have brought confusion, unrest, and disquiet among the personnel of the company, persons related to the company and their families.

I don’t know what persons or person is promoting this series of situations, but I can perceive the unease which the same are causing. . . .”

On page 308 and its reverse of the present proceeding, there follows the affidavit given by citizen REGALADO MOLINA LUIS ANTONIO, before this court, where having been duly sworn he declared among other things the following: “Of the events of which I really have to relate, it is that we have received telephone calls with bomb threats in some markets through our Security Department, specifically via Comissar CARLOS ANEZ, who is the CADA security manager. We have picked up in the streets leaflets with negative messages against the company, where they advised people not to buy in our company, on certain occasions also persons have tried to loot our supermarkets, as is the case in San Rafael, in Maracaibo, in Puerto La Cruz, in San Cristobal, and an attempt which occurred in Caracas, at the Tamanaco Commercial Center.”

On pages 311 and its reverse of the present proceeding, there follows the affidavit of citizen CARLOS MIGUEL CHACIN RODRIGUEZ, before this court, where being duly sworn he declared among other things the following: “I am appearing before this Tribunal in view of the Subpoena which was served on me at five o’clock in the afternoon yesterday, with regard to the judicial proceedings concerning the citizen ALEJANDRO PENA ESCLUSA. In my condition as legal representative of the C.A. Distribuidora de Alimentos [CADA], I have had news on situations which have occurred in some markets as the result of a possible boycott against the company. In this sense situations of uncertainty and insecurity have affected the personnel of the company and the clients of the supermarkets in the face of anonymous threats on the placement of explosive devices on the premises of the markets. Moreover there have been situations of looting in markets of San Cristobal and Maracaibo. . . .”

Second

Juridical assessment

From the study of the records and other materials making up the present proceeding, this Court is fully convinced that in the facts which occupy us there is evidence of the perpetration of punishable acts, prosecutable by law and meriting imprisonment, as constituted by the crimes of INSTIGATION TO CRIME AND INCITING TO DEVASTATION AND LOOTING, as defined and punished in Articles 284, 286 and 294 respectively of the Criminal Code.

Third

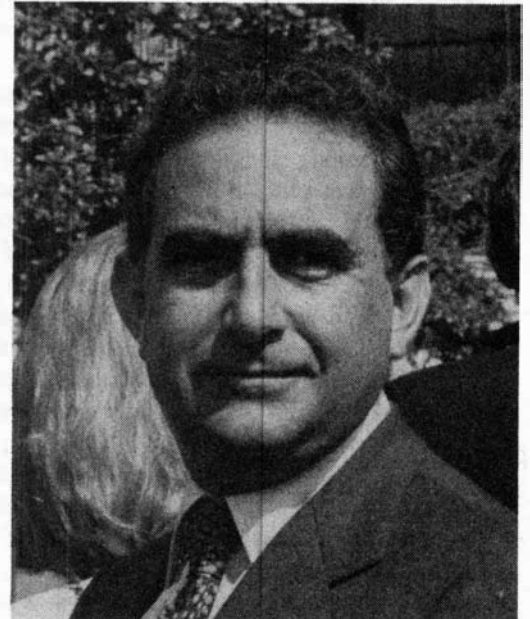
Corpus delicti

A basis for trial and conviction have been established by the following elements:

1. With the Accusation filed by the citizen: PEDRO FELIPE DURAN GALVIS, before the 36th District Attorney’s Office of the Public Ministry of this Judicial District, subsequently



Dr. Rafael Caldera (left): targeted for a coup. On the right is Gustavo Cisneros, whose corrupt financial and media empire is behind the fraudulent indictment of Alejandro Peña.



ratified and amplified before the seat of this Bureau, included on pages 2 and 3 of the present ruling, which is given as reproduced, having been transcribed in the First Chapter.

2. With the declaration given by citizen DIAZ ROJAS ANTONIO JOSE before this court, duly sworn, to be found on pages 238 and 239 of the present proceeding, which is given as reproduced, having been transcribed in the first Chapter.

3. With the declaration made by citizen CARLOS ANEZ before this court, duly sworn, to be found on pages 267 and 268 of the present proceeding, which is given as reproduced, having been transcribed in the First Chapter of the present decision.

4. With the declaration made by citizen GOMEZ GODOY LUIS EMILIO before this court, duly sworn, to be found on pages 299 and 300 of the present proceeding, the same being given as reproduced, having been transcribed in the First Chapter of the present decision.

5. With the declaration made by citizen BARDASANO PEREDA CARLOS RAUL before this court, duly sworn, to be found on pages 304 and its reverse, of the present proceeding, the same being given as reproduced, having been transcribed in the First Chapter of the present decision.

6. With the declaration made by citizen ENNIO VELAZQUEZ LEONETT before this court, duly sworn, to be found on page 305 of the present ruling, the same being given as reproduced, having been transcribed in the First Chapter of the present decision.

7. With the declaration made by citizen REGALADO MOLINA LUIS ANTONIO before this court, duly sworn, to be found on page 308 and its reverse of the present proceeding, which is given as reproduced, having been transcribed in the First

Chapter of the present decision.

8. With the declaration made by citizen CARLOS CHACIN RODRIGUEZ before this court, to be found on page 311 and its reverse of the present proceeding, which is given as reproduced, having been transcribed in the First Chapter of the present Decision.

In this manner the limits required by Article 115 of the Code of Criminal Indictment are fulfilled, as well as the proof of the Corpus Delicti.

Fourth

Evidence of guilt

The basis for trial and conviction is demonstration by the following:

1. With the declaration made by citizen DIAZ ROJAS ANTONIO JOSE before this court, duly sworn, where among other things he declares the following: "I wish to have it noted that because of the public appearances of Mr. ALEJANDRO PENA ESCLUSA, who functions as the General Secretary of the Venezuelan Labor Party, a series of deeds and events have been caused. . . . Given the unusual attacks which Mr. ALEJANDRO PENA ESCLUSA has presented before the public by means of television and the written press. . . . (Pages 238, 239 and its reverse).

2. With the statement given by citizen CARLOS ANEZ before this Court, where duly sworn, he states the following among other things: "As Security Manager of CADA, Food distributor, I present myself before this office to issue a statement on the televised and written statements of Mr. ASLEJANDRO [sic] PENA ESCLUSA against the Cisneros Organization. . . . At the same time, in the area of security concretely

there have been bomb threats in the supermarkets, threats of looting, where the statements of Mr. PENA ESCLUSA are mentioned. . . . (Pages 267 and 268 of the present proceeding).

3. With the statement given by citizen GOMEZ GODOY LUIS EMILIO before this Court, where duly sworn, he states the following among other things: "At the end of the month of January of this year, at the beginning of the month of February, the citizen ALEJANDRO PENA ESCLUSA, availing himself of the position of General Secretary of the Venezuelan Labor Party . . . has dedicated himself to unleashing a systematic campaign against the principal companies which make up the Cisneros Group. . . . In effect this citizen has been calling on the public via certain communications media to make demonstrations against the aforementioned firms. . . ."

4. With the statement given by citizen BARDASANO PEREDA CARLOS RAUL before this court, who finding himself duly sworn, stated the following among other things: "As of the second half of the month of January of this year, on various occasions I saw the citizen ALEJANDRO PENA ESCLUSA on Radio Caracas Television, I heard him on Radio Caracas Radio and [illegible] where this Mr. PENA ESCLUSA, was openly inciting persons to take over the CADA supermarkets and in general the companies of the Cisneros Group. . . ." (Pages 304 and its reverse of the current proceeding).

5. With the statement given by citizen ENNIO VELAZQUEZ LIONETT before this Court, where finding himself duly sworn, stated the following among other things: "In regard to the CADA company, which is where I work, on the basis of a series of written and televised press reports, a series of situations have been created which have brought confusion, unrest, and disquiet among the personnel of the company. . . ." (Pages 305 and its reverse of the present proceeding).

6. With the statement given by citizen REGALADO MOLINA LUIS ANTONIO before this Court, where finding himself duly sworn, stated the following among other things: "Of the events of which I really have to relate, it is that we have received telephone calls with bomb threats in some markets. . . . We have also picked up in the streets leaflets with negative messages against the company, where they advised people not to buy in our company, on certain occasions also persons have tried to loot our supermarkets. . . ." (Pages 308 and its reverse. . . .)

Now, after having closely analyzed each and every one of the records and other evidence which make up the present proceeding, this Court is fully convinced that the events before us give evidence of the perpetration of punishable acts, prosecutable by law and meriting imprisonment, and that action leading to trial is not evidently proscribed, being the crimes of *INSTIGATION TO CRIME AND INCITEMENT TO DEVASTATION AND LOOTING*, pointing to citizen ALEJANDRO PENA ESCLUSA as the material author of said crimes, as is evident from the record, availing himself [sic] of the position of

secretary general of the Venezuelan Labor Party, as is publicly known, by recent events which brought mourning to thousands of Venezuelan households as the result of the events that occurred in 1989, and the sequels of violence, looting and public disturbance, the product of social pressures, the susceptibility of the population to rumor, the incitement to disorder and instigation by sectors which have operated in the shadow of anonymity and the protection of impunity. Even now, there are relatives and friends of those who died in the violent events that shook the country, trying to locate their disappeared relatives, and many businessmen, be they merchants, industrialists or small producers, (who) haven't recovered from the material damages caused by the riots and street disturbances that made Venezuela a high-risk nation for investment and even today the crisis of social and political instability is latent, and daily, individuals of different sectors of the country's political and economic life show concern over possible social outbreaks which will force us back to the painful but recent events of violence and agitation. This judge finds that the conduct displayed by the citizen ALEJANDRO PENA ESCLUSA, and which is seen in the overwhelming evidence at hand in the proceeding which is the object of the present Summary Finding, is of the sort described in the Criminal Code, which punishes with jail acts of instigation, acts of incitement to devastation and looting and public peace [sic], by which reason it is necessary to rule and decree the judicial detention of said individual, in conformity with the guidelines laid out in the Code of Criminal Trial, Article 182, for fulfilling the extremes demanded by said code, as is evidenced by the testimony rendered before this court and which is part of the records, where the behavior and conduct displayed by the individual in the consummation of the acts that concern us and that are denounced in the opening of this investigation is made clear. Finally, this Court is obliged to warn of the gravity of situations such as that under investigation and which threatens public peace, political stability, and social tranquility. For each and every one of the reasons previously expressed, it falls to the person who here decides to observe that the most lawful procedure is TO DECREE THE JUDICIAL ARREST OF CITIZEN ALEJANDRO PENA ESCLUSA, in conformity with Article 182 of the Code of Criminal Trial, finding him liable for the crimes of *INSTIGATION TO CRIME AND INCITEMENT TO DEVASTATION AND LOOTING*, as defined and punished in Articles 284, 286, and 294, respectively, all from the Penal Code.

Regarding the participation of other possible citizens in the perpetration of the deeds that concern us, this Court AGREES TO CONTINUE ITS SUMMARY INVESTIGATION.

Issue the corresponding warrant for incarceration, which is annexed to this proceeding, to the citizen chief of the division of arrest of the technical squad of the judicial police, for the purpose of locating and remanding citizen ALEJANDRO PENA ESCLUSA to the Junquito detention center, where he shall be detained at the disposal of this Court.

World dignitaries ask justice for Peña

The following are excerpts from some of the many letters that have been sent to the Venezuelan government on behalf of Alejandro Peña Esclusa:

Argentina

Arturo Frondizi, former President of Argentina, letter to the Venezuelan ambassador to Argentina:

. . . It is in the name of that hopeful future for Ibero-America, that I take the liberty of requesting that you ask President Rafael Caldera to inform me of the current legal situation of my personal friend, and secretary general of the Venezuelan Labor Party, engineer Alejandro Peña Esclusa. . . .

I know Mr. Peña and I know his moral and intellectual qualifications and the high aims of his political struggle, which is totally identified with that of Mr. Lyndon LaRouche, currently free, and on whose behalf I interceded before His Holiness John Paul II and before President Clinton, along with other world personalities, to achieve justice in the name of individual liberties and human rights.

I share the struggle Mr. Peña is waging in favor of national sovereignty and the right to life with dignity, which is no more than successfully contributing to rebuilding democracy without corruption and with social justice, a task undertaken by Dr. Caldera.

I pray that you transmit to the President my concerns, and while I await your reply in this regard, I offer my best wishes to the current administration of Venezuela and reiterate that I remain at your disposal.

Colombia

Jorge Carrillo, former minister of labor, writing to Venezuelan President Caldera:

I am deeply concerned by the decision to issue an arrest warrant for Alejandro Peña Esclusa, which is an attack against the right to free speech. . . .

The only thing Peña has done is to contribute to the unity of the Venezuelan people by denouncing the crimes of corruption that the government of Venezuela wants to eradicate.

We hope that justice prevails. . . .

Pedro Rubio, United Federation of Workers of Bogotá and Cundinamarca-CUT, letter to President Caldera:

I have been informed about the decision taken by a judge

to incarcerate Alejandro Peña for having exposed the corrupt actions, not only of today, but going back several years, of several people who make up the Cisneros Group. . . .

Justice, Mr. President, should not fall into the hands of judges without a conscience, who are manipulated, because one runs the risk of committing errors that cannot be corrected. . . .

Mexico

Congressman Rufino Saucedo, letter to Dr. Andrés Caldera, minister of the Secretary of the Presidency, Venezuela:

With profound concern I have learned of the legal situation of engineer Alejandro Peña Esclusa, who, it appears, has been indicted for reasons that are not at all clear.

I would like to state that I have been given trustworthy references regarding Mr. Peña, which lead me to believe that he is a person who has dedicated himself to fighting in the service of his countrymen. The proceeding to which he is being subjected strikes me as unjust.

Therefore, I respectfully ask you, in my capacity as a member of the Human Rights Committee of the Congress of my country, to undertake a careful legal review of the case of Mr. Peña, and to consequently reinstate him, as men such as himself who have dedicated their lives to serving humanity deserve.

United States

Amelia Boynton Robinson, civil rights leader, vice chairman of the Schiller Institute, letter to the Venezuelan ambassador to the United States:

. . . Our leading associate in your nation, Alejandro Peña, has been unjustly and outrageously indicted for conspiracy and inciting to riot, because he dared to speak out against the power of the Cisneros family in Venezuela. I'm sure that you are aware of this situation and I ask that you move immediately to stop any further illegal action against Mr. Peña.

Time is of the essence in this matter. I trust you will do what is right.

Rev. James L. Bevel, civil rights leader, 1992 vice-presidential running mate of Lyndon LaRouche, letter to the Venezuelan ambassador to the United States:

It has been called to my attention that Alejandro Peña, the leader of the Schiller Institute in Venezuela, has been illegally indicted for crimes which he did not commit, and that his life has been placed in danger by the illegal actions of the Cisneros family in your nation. . . .

The charges against Mr. Peña are obviously and blatantly false. Mr. Peña has been fighting to rid Venezuela of the drug mob, and has called for justice for those who have been harmed by the bankruptcy of Cisneros' Banco Latino. It is for this that he has been unjustly targeted. . . .



Russian human rights activist Viktor Kuzin



Former Colombian Labor Minister Jorge Carrillo



U.S. civil rights leader Amelia Boynton Robinson

Russia

Viktor Kuzin, former Moscow city councilman, writing on behalf of the Bureau for Human Rights Defense Without Borders to Venezuela's ambassador to Moscow:

. . . A possible criminal persecution of A. Peña is without any legal basis, and risks bringing down on the courts accusations that they are being used as a tool of political persecution. . . . As a person who in the course of my human rights activities has quite comprehensively studied the activities of this "extremist" organization, I state: All its so-called extremism consists of its absolute intolerance for criminal behavior in the economy and politics, which the example of A. Peña, co-thinker with Lyndon LaRouche, also demonstrates. I think it would not only be immoral and unjust, but also a grave political mistake to allow the repression which is very likely being prepared against Peña, at the very moment when LaRouche and his partisans in the U.S.A., thanks to the good sense of American politicians, are coming out of prison one after the other. . . .

France

Roger Garaudy, former vice president of the French National Assembly, letter to the Venezuelan ambassador in France, with the request that it be sent to the relevant ministers:

I have the honor of joining the protest of a large number of Frenchmen against what we believe to be a denial of justice toward Mr. Alejandro Peña. He was initially accused of "inciting to crime," when the call to burn down a supermarket—as has been proven in the meantime—was the work of another person: Mr. Gaston Guisandes;

Mr. Peña was then accused of belonging to an "illegal association," when he was making democratic use of his freedom of expression, denouncing the responsibility of the Cisneros family in the difficulties of Banco Latino, and was defending the small depositors.

I would therefore be grateful to Your Excellency if you would communicate my protest to the relevant ministers, that of the Secretary of the Presidency, of Justice, and of Foreign Affairs.

My letter has no other aim than to prevent the image of Venezuela, which we love, from being tarnished by an attack on human rights. . . .

Sweden

Lars Andersson, member of parliament from the New Democracy Party (NYD), letter to President Caldera:

. . . As I understand, these people have committed no crime but only raised questions on the handling of the Venezuelan banking crisis. This is a very, very important issue, especially today when there are many worrying signs of crisis in the international financial system which raises the need for discussion of protective measures in every nation. I have myself tried to point to the danger to the financial system posed by the enormous speculation in derivatives.

I hope that the question of political motivations of those trying to silence this important discussion is not being allowed to influence these cases and ask the government of Venezuela to see to it that Alejandro Peña and the journalists are allowed the freedom of speech in the deliberations on the solutions for the country.

The war against the Caldera government

On Feb. 21, 1994, Venezuelan Labor Party Secretary General Alejandro Peña warned in an open letter to President Rafael Caldera that foreign banks, particularly the Rockefeller interests, had set into motion a “pincers movement” to destabilize his government, because of the independent stance it had adopted vis-à-vis the International Monetary Fund and the international banks.

Preparation for a destabilization of a Caldera regime began before Caldera had even won the presidential elections in December 1993. Two qualities demonstrated by Caldera had earned him the distrust of the financial gang which had so profited under the administration of former President Carlos Andrés Pérez. First, was his demonstrated opposition to the worst of the vicious free trade policies which Pérez had imposed upon Venezuela. Ever more worrisome, however, was Caldera’s independence of mind and well-known executive capabilities.

Caldera played a leading role in the nationalist rebellion which finally drove Pérez out of office in disgrace. A fervent globalist, Pérez had been George Bush’s leading agent in Ibero-America in the Thatcher-Bush project to install supra-national hemispheric government, known as the “new world order.” Caldera chose the other side; he put Venezuela’s interests first. Under current conditions of crisis, the British one worldists and their Washington errand boys view Caldera as much too unpredictable, and have thus set out to make the country ungovernable.

Exemplary of the pressures being brought against the country was the forum organized by the Americas Society in New York City on Feb. 17, on “Venezuela under the Rafael Caldera Administration,” barely two weeks after President Caldera took office. The message delivered there was that the new government would face a financial blow-out, should it step out of line. One of the speakers was William Perry, a Bush operative who had taken the point in the campaign against Caldera from before the elections.

Here was exposed the command center of the anti-Caldera operation. David Rockefeller is honorary chairman of the Americas Society, a twin operation with the Council of the Americas. Rockefeller’s leading business partner in Venezuela is the Cisneros group; Gustavo Cisneros serves on the International Advisory Boards of both Rockefeller’s Chase Manhattan Bank (along with Pérez’s foreign adviser,

Henry Kissinger) and the Americas Society. Joining Cisneros and Rockefeller on the latter council is Conrad M. Black, chairman and chief executive officer of the Hollinger Corp., which has functioned since its founding as a British intelligence proprietary operation, with special responsibility in the financial and media world. Rockefeller’s ally, Kissinger, is a Senior International Adviser to Hollinger Corp., as is Margaret Thatcher.

These Bush-Hollinger interests are the very group also leading the “Whitewatergate” attack against U.S. President Clinton.

William Perry (not to be confused with the U.S. defense secretary of the same name), is an Ibero-American specialist who worked closely with Henry Kissinger throughout his career. He describes himself as “the principal Latin Americanist for the 1988 and 1992 Bush-Quayle campaigns.” During the Reagan administration, he served as director of Latin American Affairs at the National Security Council. Perry founded the Institute for the Study of the Americas, which shares an office with Reagan NSC official Norman A. Bailey, but he continues to hold his long-time post as senior associate at the Center for Strategic and International Studies (CSIS) of Georgetown University (where Gustavo Cisneros is also on the board of directors).

It is noteworthy that, in a March 1994 English-language document entitled “The Truth about the Banco Latino Crisis and the Cisneros Group of Companies in Venezuela,” Gustavo Cisneros favorably cites Perry’s Venezuelan reports.

A chronology of destabilization

Aug. 1, 1993: William Perry issues the first of three reports on “The Venezuelan General Elections of 1993,” from his Institute for the Study of the Americas. Of the four main candidates for President, Caldera is singled out for special attack.

President Caldera is to be distrusted because he represents “one of the few remaining patriarchs” in Ibero-American politics, a “gentleman of the old statist-social welfare school of Venezuelan politics . . . quite sincerely opposed to the strong liberalization measures of the Pérez government. . . . He certainly could not be counted upon to move forward into the next logical areas for reform,” such as rewriting labor laws and opening Venezuela’s nationalized oil industry to private and foreign investment. “Even small steps backward could harm domestic and international business confidence.”

Dec. 5, 1993: Rafael Caldera is elected President.

Dec. 14, 1993: Fund manager for London’s Edinburgh Latin American Fund tells Inter-Press Service that Caldera is “the market’s enemy. . . . He is very nationalistic. . . . We certainly do not need [to invest in] Venezuela.”

Dec. 22, 1993: British news agency Reuters reports that

“international bankers and financiers” warn that if Caldera brings the issue of the legitimacy of the foreign debt before the World Court in the Hague, as had been proposed, “it will cause Venezuela more harm than good. . . . [It] will scare off potential investors.”

Dec. 29, 1993: Henry Kissinger, accompanied by Gustavo Cisneros, meets at length with Caldera. *El Mundo* newspaper reports that Cisneros sought to have Caldera hire Kissinger as a foreign adviser, as Pérez had done.

Jan. 13, 1994: Banco Latino collapses.

Jan. 16, 1994: Miguel Angel Burelli Rivas, later appointed foreign minister by Caldera, states that “the foreign debt calls the country’s sovereignty into question, because when a country is indebted to the degree that Venezuela is, it falls into the hands of IMF guidelines.”

Jan. 26, 1994: U.S. Assistant Secretary of State Alexander Watson, in Venezuela jointly with top State Department Ibero-American hand Luigi Einaudi, tells press that Caldera’s government must continue the economic reforms begun by Pérez, noting that the lack of certainty about their continuity has led to a sharp drop in capital flows to the country. He warns that if Caldera cancels the [IMF-demanded] Value-Added Tax as he had promised in the election, he must come up with “new sources of revenue.”

Jan. 29, 1994: President-elect Caldera cashier Pérez-allied defense minister, Vice Adm. Radamés Muñoz. Muñoz denounces Caldera’s government as “precarious.” Press reports that Muñoz had traveled to the United States in December on Banco Latino’s expense account; the trip had been organized by CSIS’s William Perry.

Feb. 2, 1994: Caldera is inaugurated as President.

Feb. 16, 1994: Alejandro Peña appears on nationwide television and calls on President Caldera to implement Hamiltonian banking as the alternative to the IMF.

Feb. 11, 1994: Perry issues final report on Venezuelan elections. Perry characterizes Caldera as “stubborn,” displaying “vindictive tendencies,” and “inclined to exercise dominating authority on a personal basis.” He complains that he has filled his cabinet with “Caldera loyalists . . . close friends and family who will clearly follow the lead of the president.”

Perry complains that Caldera “probably believes that the country’s most basic need at present is for restoration of faith in its government through the forthright exercise of its presidential authority—rather than the pursuit of any particular economic philosophy.”

Caldera’s opposition to the unpopular VAT tax, support for increasing the minimum wage and continuation of subsidies on food and gasoline, questioning of the foreign debt, lack of interest in an institutionalized “free trade” accord with the United States, and expected lack of speed on privatization of public industries (including the oil industry) are singled out for criticism by Perry. Perry threatens that Caldera’s “gratuitous” firing of Defense Minister Muñoz may come

back to haunt him, and warns that an anti-corruption campaign should not be used to “harass” the government’s “political adversaries.”

Feb. 17, 1994: Americas Society forum on Venezuela organizes against investment in the country, because of Caldera’s government. Perry delivers speech based on above document. J.P. Morgan representative James Nash argues that the future “doesn’t look particularly good” for Venezuela, and optimism about the country will plummet once details of economic policy are announced.

Feb. 21, 1994: Alejandro Peña Esclusa writes an open letter to President Caldera urging him to stand up against the threats.

Feb. 28, 1994: *El Nacional* publishes a World Bank document warning that if economic reforms are rolled back, the cooperation of the bank “will be limited to small support operations for social programs.” VAT tax and gas price hikes are specified as necessary for continued good relations, as well as a new agreement with the IMF.

Feb. 28, 1994: Chemical Bank evaluation of Caldera economic policy is published in Venezuelan press: It charges that the government displays “an absence of technical competence”; demands VAT tax, gas price hike to close fiscal deficit; and warns that if talk of “interventionist” policies such as price and exchange controls are adopted, capital flight will continue.

March 1, 1994: Government extends price controls on basic foods and medicines.

March 2, 1994: Judge issues arrest warrants against Banco Latino directors, including Pérez’s brother and Ricardo Cisneros.

March 10, 1994: *Cisneros v. Peña* case is opened.

March 15, 1994: British *Economy and Business* newsletter forecasts a major devaluation of the Venezuelan currency, the bolivar.

March 21, 1994: Foreign Report of London’s *Economist* magazine projects recession, capital flight, and a major devaluation as inevitable, unless Caldera restores the VAT tax and increases domestic gas prices.

April 10, 1994: A spokesman for the Caldera administration tells Spanish news agency EFE that it will not sign a new letter of intent with the International Monetary Fund, on the grounds that this would constitute “treason” against the people of Venezuela.

April 12, 1994: Sen. Juan José Caldera (Caldera’s son) accuses three Pérez ministers of directing a campaign against Venezuela from their posts at World Bank and IMF headquarters in Washington, D.C., with the intent of collapsing Caldera’s economic program, to thus argue that Pérez’s program was correct. Accused are former Planning Minister Miguel Rodríguez, Moisés Naim, and Gerver Torres.

April 27, 1994: Central Bank head Ruth de Krivoy, a free market hardliner, resigns in opposition to Caldera’s economic policy.

EIR petitions FCC to review Univision sale

EIR filed a motion with the Federal Communications Commission (FCC) on April 29 to reopen for review the transfer of control of Univision network to Perenchio Television, Inc. (PTI). Univision was sold nearly two years ago by Hallmark to PTI, a consortium made up of American television producer Jerrold Perenchio, Mexican television magnate Emilio Azacarraga, and the Venezuelan brothers Gustavo and Ricardo Cisneros.

The motion is based on new evidence showing that:

- “Banco Latino money, possibly including laundered drug money, provided the Cisneroses the financial means to purchase their part ownership in PCI [Perenchio Communications, Inc.] and PTI, the latter set up for the purpose of buying the largest Spanish-language media network in the United States, i.e., Univision;

- “Ricardo Cisneros, who is now a fugitive from Venezuelan justice and a member of the boards of both PCI and PTI, clearly is of questionable character, yet maintains his interest in the largest Spanish-language media network in the United States; and

- “Censorship of political opponents, by any means necessary, is a pattern and practice of the Cisneros family empire, Diego Cisneros Organization, which is in violation of the U.S. Constitution’s guarantee to freedom of press and speech.” The latest information shows that Cisneros has been using illegal wiretaps.

EIR requested that the FCC “reopen and enlarge the issues concerning the applications in this case. The Commission must revoke its approval of the PTI application, or at a minimum hold hearings to investigate these extremely grave, documented charges. In particular, Ricardo Cisneros and Gustavo Gómez López, both reportedly in the United States as fugitives from Venezuelan justice, should be subpoenaed for testimony on these issues. Not to do so, is tantamount to this Commission condoning the equivalent of an Ivan Boesky of the media.” The Univision sale, the largest ever in the history of U.S. broadcasting, was approved by the FCC in September 1992, during the Bush administration, without a hearing. In fact, the FCC never even met to discuss the sale, despite the fact that it was opposed by *EIR* and virtually every major U.S. Hispanic organization.

In the motion for reconsideration filed by editor Nora Hamerman, new evidence is presented that shows beyond a reasonable doubt that *EIR*’s original allegations were on the mark, and that Gustavo Cisneros, without candor, knowingly

and intentionally misinformed the commission.

EIR’s motion states that “the new information reveals that the Cisneroses are using illegal wiretaps, illegal police surveillance reports, fabricating evidence, suborning testimony, and manipulating the court system to prevent exposure of their questionable business practices.

“On April 21, 1994, Venezuela’s *Diario de Caracas* reported that the names of 42 journalists, editors and executives from the dailies *El Nacional*, *Ultimas Noticias*, *El Mundo*, *Diario de Caracas*, the television network Radio Caracas Television (RCTV), and the radio network Radio Caracas Radio (RCR) were listed in the court records in the case of the secretary general of the Venezuelan Labor Party (PLV), Alejandro Peña Esclusa. Mr. Peña Esclusa is a long-time political activist and friend and associate of U.S. economist and former presidential candidate Lyndon LaRouche. The Peña Esclusa case has been described as the ‘most serious attack on freedom of speech there has been in Venezuela,’ by Marcel Granier the publisher of *Diario de Caracas*.”

The file on the judicial case against Peña Esclusa instigated by the Cisneros Organization, was recently leaked to the media in Venezuela and was found to contain “the transcripts of over forty (40) telephone conversations that were illegally intercepted by the political police, DISIP. Some of the conversations were of a highly personal nature, between Peña Esclusa and his wife, and Peña Esclusa and his mother. Yet, these transcripts from illegal wiretaps, as well as other police documents clearly marked ‘confidential,’ got into the hands of Cisneros’s employees and agents.” These revelations about “wiretaps and the other confidential documents, show that there is a clear and present danger to the right of free speech and the right to privacy of American citizens if PTI, along with the Cisneros brothers, remain in control of Univision.”

Former U.S. Attorney General Ramsey Clark has written the Venezuelan government condemning the indictment and attempted arrest of Peña. Other prominent international figures have also denounced these oppressive tactics including: the former President of Argentina, Arturo Frondizi; the former Vice President of the French National Assembly, Roger Garaudy; Congressman Rufino Saucedo, a member of the Human Rights Committee of Mexico’s Congress; Congressman Miguel Pajares Ruiz of Peru; and Canadian Archbishop Bertrand Blanchet, of Quebec, as well as several elected officials in the United States, the motion states.

The motion also notes: “The Venezuelan Federation of Environmental Organizations denounced Cisneros-owned Venevisión for having produced a documentary in which some Venezuelan fishermen are shown killing a dolphin. It had been discovered that the administrator of a Cisneros-run entity, Bioma, paid to have the dolphins butchered in order to make a film for the Venevisión documentary. The program had been aired in November 1993 by Univision in the United States.”

British lead the charge for U.N. depopulation onslaught

by Mark Burdman

As the date approaches for the Sept. 5-13 United Nations International Conference on Population and Development in Cairo, Egypt, otherwise known as the Cairo Depopulation Conference or Cairo '94, the political mobilization to build support for the event, in Europe and elsewhere around the world, is being led, not surprisingly, by the British. Great Britain is truly living up to its centuries-old, brutal reputation as the country which spawned the genocidal Parson Thomas Malthus, and which perfected the art of depopulation as the British Empire rampaged over India, Ireland, large parts of Africa, and elsewhere in the world.

The pro-Cairo mobilization is being promoted by both the government and by the British monarchy. The British Overseas Development Administration, headed by senior civil servant Baroness Lynda Chalker, has created a "consultative forum," whereby the various U.N. malthusian non-governmental organizations (NGOs) involved in population issues can provide policy input to shape the British government's official position for Cairo.

Planned Parenthood role is key

The most active and influential of the NGOs is the group Population Concern, which emerged as a separate organization in 1991, after its personnel had served for many years as the "international desk" of the U.K. Family Planning Association. The latter is the U.K. national branch of the London-based International Planned Parenthood Federation (IPPF). According to Population Concern sources, the IPPF provides the vital organizational "glue" in organizing for Cairo, as it groups under its umbrella approximately 120 "national family planning associations" around the world. It is these associations, in each individual country, which are in the forefront of mobilizing for Cairo.

Population Concern operatives exult that the IPPF/Family Planning apparatus has recently begun to expand in formerly communist eastern Europe. The IPPF, which was founded earlier in this century as an outgrowth of the movement in favor of eugenics in Britain, today receives funding from various European governments, as well as from the United Nations Fund for Population Activities (UNFPA), the U.N. agency coordinating the Cairo event, and the World Bank.

The official patron of Population Concern is Prince Philip, Britain's royal consort. In early spring of this year, he addressed the British House of Commons All-Party Parliamentary Group on Population, eliciting support for the Cairo event. Prince Philip is also international president of the World Wide Fund for Nature (formerly World Wildlife Fund), which has been at the center of the global ecology movement since the early 1960s.

The president of Population Concern is British ecologist David Bellamy. Among its vice presidents are some of the real scoundrels of the British scene. One is Dr. Conor Cruise O'Brien, the Anglo-Irish scribbler who launched the propaganda campaign, beginning in late 1989, to depict the unified Germany as "the Fourth Reich." Earlier, in the mid-1960s, he had been a senior U.N. official during the international Congo crisis.

A second is Prof. Richard Dawkins, a kookish radical Darwinian with a big following in Britain. In the past months, Dawkins has become a spokesman for a British-led "Great Apes Project" that demands that great apes be granted rights equal to those granted to humans; he has argued that there is, in fact, no "species jump" between great apes and humans. In April 1992, Dawkins argued publicly that belief in God is equivalent to a virus. At the time, Lyndon LaRouche re-

sponded, in one of his prison writings, "On the Subject of God," with an incisive polemical attack on Dawkins's freakish philosophy. (See *Fidelio*, Spring 1993.)

A third vice president is Sir Crispin Cervantes Tickell, who now heads a Center on Environmental Policy at Green College, Oxford. Tickell was Great Britain's ambassador to the United Nations as the 1990-91 Persian Gulf war was unfolding. It was he who forged the diplomatic alliance of the U.N. Security Council "Permanent Five," which was crucial in conducting the U.N.'s first war of genocide and depopulation against a sovereign nation. On April 25, 1991, only a couple of months after the military slaughter against the Iraqi population had formally ended (the slaughter has continued down to the present day by other means, via the "U.N. sanctions" regime), Tickell gave a speech at the house of worship of the British royal family, St. George's Chapel, Windsor Castle, where, in the presence of Prince Philip, he warned that present-day civilization would "crash" unless it "reached a well-regulated steady state with population in balance with natural resources." He likened human population growth to the multiplication of microbes.

At Tickell's Green College at Oxford, one of the senior figures is Dr. Norman Myers, an advocate for the Venetian-authored concept of "carrying capacity." Myers claims that the optimal world population, at "current levels of affluence," is around 2 billion people. He is an adviser to the official British "country delegation" for Cairo. He also advises the World Bank, and the White House, State Department, and Pentagon in Washington.

Of British eugenics and Hitler

Another important British NGO is the Marie Stopes International, named after the late Marie Stopes, who died in 1957 after having been the main mover-and-shaker behind the "constructive birth control" movement in Great Britain. Informed British sources identify her as one of the key figures in this century's eugenics movement.

This contention is borne out by a passage in a 1992 biography, *Marie Stopes and the Sexual Revolution*, authored by June Rose. Rose writes:

"Marie was an elitist, an idealist, interested in creating a society in which only the best and the beautiful should survive. Brought up on the ideas of Darwin, she responded enthusiastically to the view that his theory of natural selection argued for the need to create a super breed of humans. She was in sympathy with the aims of the Eugenics Society, founded in 1908 by Darwin's cousin, Francis Galton, to encourage the prevalence of the more suitable races or strains of blood over the less suitable. Like writers of the caliber of [George Bernard] Shaw and H.G. Wells, Marie was inspired by the simplistic notion of human perfectability. Personally she was convinced that theories derived from research into the plant and animal kingdom could be applied to the complexities of the human situation. Her attitude to the problem

was entirely academic, reinforced by her own studies into the evolution of primitive plants. The First World War had advanced the cause of the eugenics lobby, since it had revealed widespread disease and disability among the lower classes. Marie believed passionately that if such people could be persuaded not to breed, society would benefit. She told the National Birth-Rate Commission in her evidence in 1919 that the simplest way of dealing with chronic causes of inherent disease, drunkenness or bad character would be to sterilize the parents.

"To our ears, in the aftermath of Hitler, there is something blood-chilling in her fearless quest for excellence, sacrificing ordinary humanity on the altar of The Race. But at the time, the notion of suppressing weaker members of the next generation, reducing the need for institutions such as prisons and hospitals, and relieving the burden on taxpayers was immensely attractive to many members of the wealthier classes. . . .

"Marie expounded her ideas on the class system in her book *Radiant Motherhood*. . . . She believed that 'the middle and superior artisan classes,' who had to pay taxes, were reduced by circumstances into 'the position of the ancient slave and allowed to rear but one or two children as the result perhaps of a lifetime of valuable service . . . while on the other hand society allows the diseased, the racially negligent, the careless, the feeble-minded, the very lowest and worst members of the community to produce innumerable tens of thousands of warped and inferior infants."

On Aug. 12, 1939, Stopes wrote a letter to "Herr Hitler," proclaiming that "Love is the greatest thing in the world: so will you accept from me these *Love Songs for Young Lovers* that you may allow the young people of your nation to have them? The young must learn love from the particular 'till they are wise enough for the universal."

When the Society for Constructive Birth Control was launched in 1921, Marie was president and H.G. Wells was one of the vice presidents.

Preparations in Germany

Population Concern, Marie Stopes International, and other British groups such as Save the Children (whose official patron is Princess Anne, daughter of the Queen and Prince Philip) and Action Aid, are mobilizing to pull together what they call the "European network for Cairo." Among their main collaborators in this effort on the European continent are France's Equilibrium and Population, founded in 1993 (see *EIR*, Jan. 7, 1994, "Malthusians Hit Paris with Drive for Depopulation and Genocide"); the German World Population Foundation, founded in 1991 by German members of the malthusian Club of Rome organization; and Holland's World Population Foundation, which has built an extensive array of sister organizations across Europe since its inception in the late 1980s. These and other groups are receiving backing from the bureaucracy and political apparatus of the Euro-

pean Union in Brussels.

The British population-control NGOs were very active during the just-concluded "Preparatory Committee 3" (Prepcom 3) meetings in New York City that were discussing the final draft document for Cairo. One of these NGOs' pre-occupations was to combat the representation of the Holy See from Rome, and the Vatican's backers in Ibero-America and francophone Africa, who regard the Cairo conference as an abomination.

During the Prepcom 3 meetings in New York, the European NGOs had a strategy planning session with the Greek ambassador to the EU, acting in this capacity because Greece currently occupies the EU presidency.

On July 1, Germany assumes the EU presidency. Germany will, therefore, be a central focus of pro-Cairo activity in Europe. The malthusian organizations in Germany are gearing up for this moment. One of these is the German Family Planning Association. A second is the German World Population Foundation, headquartered in Hanover, where it is accorded tax-exempt status by the Lower Saxony state government. The latter includes on its board of trustees two influential malthusians in Germany. One, Ralf Seelmann-Eggebert, is senior correspondent of the Norddeutsche Rundfunk (NDR) television network and chairman of the malthusian "One World Group of Broadcasters." The second, Dr. Ernst-Ulrich von Weiszäcker, is nephew of German President Richard von Weiszäcker and is himself president of the Wuppertal Institute of Climate, Environment and Energy, one of the main institutes promoting the "ozone hole" and "greenhouse effect" hoaxes. The foundation's board of directors includes two prominent parliamentarians, Dr. Volkmar Köhler of the ruling Christian Democratic Union and Brigitte Schulte of the SPD. Schulte is chairman of the NATO Assembly Civil Affairs Committee, which is striving to make issues of the environment and population into "strategic" issues.

Over June 14-15, the German World Population Foundation, together with the German Foundation for the United Nations and the German World Famine Aid organization, will be sponsoring public hearings in Bonn on Cairo, at which leading national politicians are expected to speak out in favor of population control measures. Schulte, meanwhile, is pulling together an "all-party parliamentary group" for Cairo, and hearings on the Cairo event will be held in the German Bundestag (parliament) in mid-May. Inside the government, the "infrastructure" for official participation in, and support for, the Cairo conference is centered in the ministries of Economic Cooperation and the Interior, with advisory input from a so-called "National Commission for Issues of Population and Development."

In early summer, the Germans will be subjected to an intense barrage of pro-Cairo conference propaganda, when the Anglophile Seelmann-Eggebert and his One World Group of Broadcasters will be releasing a number of nationwide TV broadcasts in favor of population control.

South Africa now faces new tests

by Linda de Hoyos

In one of the most historic moments in African history, the citizens of the Republic of South Africa voted on April 26-29 in the first national multiracial elections to be held in that country. Despite enormous logistical difficulties preparing a vote for millions who have never before cast a ballot, despite long lines that wound as long as five kilometers and three voters abreast in some areas, the South Africans voted in an atmosphere unseared by violence and unrest, as millions of black and white voters queued up in an affirmation that ends forever the institutional divisions of apartheid. The patience exhibited by the voters, said Nelson Mandela, leader of the African National Congress and widely expected to be the country's first black President, is a "message of reconciliation" for South Africa.

The historic milestone marked by the occasion is instantly reminiscent of Nov. 10, 1989, which saw the bringing down of the Berlin Wall and the demise of communist tyranny in eastern Europe. The parallel also evokes the question: Will South Africa's leaders have the vision and the courage to realize a new South Africa, or, as occurred in Europe, will victory over tyranny turn bitter, at the hands of the International Monetary Fund and the global financial oligarchy's demand for "free trade" annihilation of nations?

For South Africa, the question is very concrete. Will South Africa, the only country on the African continent with a sizable industrial sector and high-technology agriculture, become the powerhouse for the urgently required development of southern Africa, or will it, under International Monetary Fund (IMF) conditionalities, head for deindustrialization—as has already occurred in the two British Commonwealth countries Australia and Zimbabwe—and become a mere exporter of raw materials and minerals at rock-bottom prices?

The British gameplan

The latter option is Britain's plan for South Africa—a fact any South African patriot must recognize. British enforcers are already on the scene in the form of the major mining companies of DeBeers, Lonrho, and Anglo-American, which combined control most of the South African stock exchange and news media. It is this grouping that has fostered and nurtured the South African Communist Party—the brain

of the ANC—as a divisive attack force in the last 10 years, resulting in over 20,000 killings since the 1990 release from prison of Nelson Mandela.

British interest in the elections in South Africa as a step toward London's gameplans was underscored by the presence in South Africa of former U.S. Secretary of State Henry Kissinger and Great Britain's Lord Peter Carrington the week before the vote, to exact the entry of Inkatha Freedom Party leader Mangosuthu Buthelezi into the elections. The two are both presently on the international advisory board of the Hollinger Corp., a global proprietary of British intelligence.

The British design is to put South Africa under strict International Monetary Fund austerity on top of an economy already collapsed, and to induce political chaos and violence, thereby provoking an accelerated exodus of the skilled white population.

This final act of the Boer War will leave South Africa free in name only, as it reverts to the status of a British semi-colony used only for raw resources extraction.

Dirty tricks, assassinations

London's plans for South Africa came through loud and clear in the week of the elections. On April 28, the first day after the major voting had taken place, the press in the United States highlighted jubilant black African leaders and hailed the lack of violence during election day. In contrast, the British *Financial Times* declared, rubbing its hands over hoped-for trouble to come, in its lead headline: "Polling Complaints Cast Shadow Over S. Africa Election."

The governments of Britain, Denmark, and Portugal have reportedly already drawn up plans for the air evacuation of their nationals in case South Africa should explode in violence after the elections.

Rumors are also afoot of an imminent assassination of Nelson Mandela after the elections. An intelligence source in Europe told this news service on April 26 that he had received "100% reliable information" of a plan to ensure that "Nelson Mandela joins Martin Luther King, within a week after the elections." He said that "big, big money was coming out of Great Britain" to arrange the assassination, and drew attention especially to the role of "friends of Henry Kissinger." The killing of Mandela, reported the source, would "kill two birds with one stone. Obviously, the murder will be blamed on the extremist Boers and white supremacists. This would instantly cause a civil war. This would give the pretext for the declaration of martial law."

A plausible scenario

Across the political spectrum in South Africa, a hit on Mandela is seen as a plausible scenario, given Britain's record in Africa. "That would definitely be what would be required to spark civil war," said one source. "I am afraid the next few months are going to be very dicey."

Even those who believe that the preponderance of force

held by the South African Defense Forces would preclude total civil war, any attempt on Mandela would spark a new spiral of violence.

The pattern of car-bombings in downtown Johannesburg and at the Johannesburg international airport leading up to the elections—which were featured prominently in the western news media—also point to such a scenario. An assortment of 32 ultra-right-wingers has been arrested for the pre-election bombing spree. Reliable sources indicate that the bombs were definitely planted by the right-wing Boer Commandos and other "loners" involved with them. The grouping is a radical split-off from Eugene Terreblanche's AWB. This grouping—an easy target for intelligence deployment in what is known in intelligence circles as a derivative assassination—is expected to move again after the elections.

Politically, the assassination of Mandela would likely lead to the breakup of the African National Congress, since Mandela has held together the party—now composed of Xhosas, Zulus, Christians, Muslims, animists, and communists. In particular, it would strengthen the hand of the hard-core South African Communist Party leadership of the African National Congress, grouped around Lithuanian Joe Slovo, the key recalcitrant in the negotiations leading up to the elections.

Holding the country together

The next hurdle after the polling is the popular acceptance of the election results. The Independent Electoral Commission—aided by 25,000 foreign observers on the scene—has up to 10 days to validate the election as free and fair. Although results from the urban areas will come in quickly once counting starts on April 30, the vote could be significantly changed by later results coming from the rural areas.

Sources in South Africa during the week of the elections refused to predict the outcome of the balloting in discussion with *EIR*. Aside from the ANC, the National Party, the Inkatha Freedom Party, the Freedom Front, the Pan-African Congress, and the African Christian Democratic Party (which is believed to command up to 2 million voters), are the major contending parties. Regional, racial, tribal, religious, and political factors will all play a role in whom people ultimately vote for.

All parties taking part in the elections have pledged to accept the results, but there is concern that the African National Congress may not accede if it were to win less than the plurality it expects, or that other parties will not accept the result if the ANC wins overwhelmingly, thereby making the Communist Party-dominated Congress the dominant power in South Africa.

One thing is certain: No matter what the government becomes, it will not stand for long, if South Africa's leaders follow the prescriptions for "free trade" and promises of foreign investment coming from the likes of Kissinger and Carrington.

Vatican takes lead against Cairo agenda

by Nora Hamerman and
Warren Hamerman

Pope John Paul II, who has been sharply criticizing the genocidal agenda of the United Nations-sponsored International Conference on Population and Development slated for Cairo next September, escalated his attacks on abortion in an address delivered at Vatican City on April 24. In March, the pontiff had sent a letter to heads of state calling the draft resolution for Cairo a grave setback for humanity (*EIR*, April 8, 1994, p. 18). The White House also reported, according to Reuter wire service, that the pope made a rare telephone call to President Clinton on Friday, April 22, to discuss the abortion issue.

The pontiff's latest remarks were made at a ceremony beatifying Gianna Beretta Molla, an Italian pediatrician who died in 1962 after refusing to have an operation which might have saved her life, but would have resulted in the death of her unborn child. Beatification is the first step toward sainthood.

Molla died at the age of 39 of complications from a uterine tumor, days after she gave birth to her fourth child. Dr. Molla had decided against life-saving surgery after doctors told her any surgery would pose a grave risk to the fetus she was carrying. The Catholic Church's teaching has never condemned an operation to save the mother's life, when the death of the child is an unintended secondary effect in such cases as the removal of a cancerous uterus or ending an ectopic pregnancy; nor does it consider this as an abortion. (Molla did not refuse a "therapeutic abortion" as most media have misrepresented the story, but sacrificed her life for her child's in an exceptional act of courageous love.)

The one-world geopoliticians planning Cairo are appealing to women's health concerns by using such language as "reproductive rights," "family planning" and "safe motherhood," in order to impose a 20-year plan to limit population to 7.27 billion by the year 2050, by spreading abortion, sterilization, and other ruthless means to promote what is in fact an agenda of Nazi-modeled eugenics and euthanasia, as *EIR* has recently proven (see April 8 and April 29 issues).

In his April 24 address, the pope suggested that abortion

is the work of the devil. He said that women today were suffering "attacks against the life they are about to bring into the world," and he prayed for divine help to defend "every human being in the maternal womb who is threatened."

He invoked the protection of St. Michael the Archangel (who expelled Satan from Paradise, in the Apocalypse) over women, mothers, families, and the unborn. The pope prayed: "St. Michael the Archangel, protect us in our battle against evils and the snare of the devil." He invited the faithful to say the prayer "to obtain the help needed in the battle against the forces of evil."

Final draft is blocked

Although the Holy See has observer status, and no voting rights at the United Nations, the pope's intervention did succeed in blocking the approval of the final draft coming out of the last three-week-long preparation meeting for Cairo in New York in April.

A high-level delegation of Vatican family and population experts was sent to New York. It was led by Irishman Msgr. Diarmuid Martin, who was quoted in the press saying that the U.N. draft resolution "does not seem to take into consideration, or fully grasp, the extent to which cultural, ethical, spiritual, and religious values are deeply rooted in the traditions of other peoples, especially developing countries."

Wire services reported on April 25 that Nicaragua, Honduras, Guatemala, Costa Rica, Ecuador and, to a lesser extent, Argentina and Venezuela, backed Vatican positions on outlawing abortion under any circumstances and circumscribing family planning to married couples. This group was supported by Malta, Benin, and Mali and at times Morocco and the Ivory Coast. Nicaragua went further than the Vatican by insisting the word "reproduction" be replaced by "procreation."

Timothy Wirth, minister of globaloney

At the last population conference 10 years ago in Mexico City, the United States refused to support any family planning programs that offered abortion. George "New World Order" Bush, a lifelong population-control fanatic, eroded the Mexico City policy de facto while maintaining it de jure; and since President Clinton assumed office, the United States reversed these policies. Although Clinton promised in his presidential campaign to make abortions "safe, legal, and rare," the U.S. State Department's instructions to its delegates to the New York Cairo preparatory meeting make it clear that abortion will be anything but rare under the U.N. new world order.

As quoted in newspapers, the telegram instructing U.S. delegates reads in part: "The priority issues for the United States include assuring family planning and reproductive health services . . . and access to safe abortion." And, "The department wishes to reiterate . . . that the Clinton adminis-

tration views international population policy as a major issue in U.S. foreign policy. Accordingly, the advancement of U.S. policy interests will require senior diplomatic interventions. . . . The United States believes that access to safe, legal, and voluntary abortion is a fundamental right of all women. . . . The United States delegation will also be working for stronger language on the importance of access to abortion services.”

Former senator from Colorado Timothy Wirth, the State Department’s new undersecretary of global affairs, is the pointman for these British-inspired policies. Asked by a journalist at an April 25 State Department press briefing whether the Vatican “has singled out the United States a particular target,” Wirth said that he expects the Vatican to lose the battle.

“The Vatican clearly is not going to agree with any kind of language related to abortion,” Wirth said. “As I pointed out, 172 out of 189 countries in the world allow abortion in some point, and there is language in the document that will clearly lay out the responsibilities of states to make their own rules on this. The Vatican, by the way, insisted on bracketing that language. The Holy See is represented in New York, and the Vatican had bracketed language that referred to condoms, bracketed all language that referred to family planning, and had bracketed the language related to safe motherhood. *And I think that those brackets will come out* [emphasis added].

“There are very few countries that, as I pointed out earlier, do not agree. I think that the countries in New York that were most visible, opposed to the general consensus, were Malta, Benin, Côte d’Ivoire, Nicaragua, although that policy changed in Honduras, and that it was hard to find others who were aggressively opposing the consensus in New York.”

A yuppie Parson Malthus

Wirth then burst into an incoherent rant portraying human population growth as the biggest threat to democracy, jobs, and Mother Earth—a yuppie version of the disproven theories of the British East India Company’s Parson Malthus: “If we do nothing about the population problem, the current world population is at 5.7 billion, it’s growing at the equivalent of 100 million a year, or a China every decade. If we do not stabilize the world’s population, one, chances that governments have to maintain any sort of opportunities for their peoples will be dashed, the population growing much faster than most economies are growing, so if—as population grows, you see declining standards of living, and I don’t think governments want to see that happen for their citizens. Second, the political instability that results is clearly reflected around the world, where you have large populations of unemployed and individuals with no opportunities for the future. And third, if we are going to be—if we are serious about the environment and as some—myself included—have said, the preservation of God’s creation.”



Pope John Paul II: “Protect us from the snare of the devil.”

“Development,” part of the title of the Cairo conference, will not be a subject until the programs to cull the human herd have been put in place, Wirth makes clear. “It was said 20 years ago that economic development is the best contraceptive, and that was an idea that sounded good if we said it fast enough, but . . . if you look carefully at what’s going on in terms of population growth, it is on a very up—in many countries on an upward increase and the economies are going very level, and that gap between the population and the economy grows and grows and grows, so therefore you have a relative decline in standards of living.

“This is no longer a north-south, rich-poor, you know, white-non-white, whatever it may be. Almost every country in the world is today committed to population stabilization and are asking for help. . . . There is major consensus that this is a serious, serious issue demanding attention with great urgency at the highest level everywhere around the world.”

Such a “consensus” will be won by crushing constitutional governments. The Lima daily *La República* reported on April 27 that Peruvian Congressman Enrique Chirinos Soto sent his country’s foreign minister an open letter demanding the “disauthorization” and “replacement” of the Peruvian delegation to the New York preparatory meeting for Cairo, headed by Carmen López, president of the National Population Council of Peru, for “having assumed an openly abortionist position” in violation of the Peruvian Constitution’s Article 2, which defines abortion as a crime.

Peruvian columnist on 'The battle for life'

*The following column appeared in the Lima, Peru daily Ex-
preso on Sunday, April 24. The author, Patricio Ricketts Rey
de Castro, is one of Peru's most respected journalists, and
an outspoken critic of the Shining Path narco-terrorists, who
firebombed his home earlier this year.*

In September, five months from now, one of the greatest battles in our era, if not in history, will be waged in Cairo. No detonation will be heard in it, except words, but the consequences will be felt around the world and especially in the poorest countries.

They could be so exceptionally serious that His Holiness John Paul II has come out in person to face the manipulators of the U.N.O., to prevent a defeat for man and the family and of the civilization which has been sustained for centuries upon this foundation, we would add.

Once again it is a question of blocking the way of the empires and in particular of the United States, which is up to its old tricks behind the U.N.O.'s ski mask. Not content with using it to promote the strange insolence of "limited sovereignty," which, if we allow it will bring colonialism back to the world, now it proposes to herd peoples like a flock of sheep, abiding by fertility quotas which are fixed according to imperial convenience.

In this respect, the pope directed a devastating message to Nafis Sadik, the general secretary of the United Nations International Conference on Population and Development. It takes up a page and a half in *Osservatore Romano* and there is not a line that is not an inspiration. His Holiness has also written to President Clinton. He opposes the agenda of the Cairo conference which was released to him by the U.S. embassy. The pontiff calls the document "a disquieting surprise," and asks Clinton to reflect "deeply and conscientiously" on the proposals concerning sexuality, marriage, and abortion, which they wish to take to Cairo.

John Paul II denounces what there is of the unfounded, tendentious, and harmful in the "graphic" proposal for Cairo, called "perverse" by Cardinal Antonio Querracino. And he does it by hoisting high the moral banner which should reign over any analysis of the human condition, regarding demographics or any other focus.

The situation is very complex, the pope thinks, and if anything, this should encourage solidarity with the developing world, given that the growing abyss between rich and

poor is a threat to peace. But what no one can disregard is this: Every person has an unconditional and inalienable dignity and value; human life is sacred from conception until death; human rights are innate and transcend every constitutional order; and the unity of the human race requires from everyone the commitment to build a community free from injustices which promotes the common good.

Development programs, he adds, must be based on justice and equality, so that people can live in a dignified, peaceful, and harmonious way. They must also respect the cultural heritage of peoples and make men and women into active protagonists of their own development. Demographic questions must be seen in this context and not in consideration of simple "sexual rights."

They must also be related to the family, "the natural and fundamental cell of society," according to words which John Paul II cited with acumen from the Universal Declaration of Human Rights, disdained by the United States since 1946. This is what today is being defended: the family. If its protection is not guaranteed, the pope notes, "the noblest ideals of the United Nations will be betrayed." To protect the family is to safeguard the freedom of the husband and wife for procreation within responsible parenthood.

What is unacceptable are the pressures for control over parents or peoples, such as sterilization and abortion. "We must go back to considering the family as the sanctuary of life," says the pope. "Against the so-called culture of death, the family constitutes the seat of the culture of life."

The draft of the Cairo document, John Paul II indicates, "ignores, brushes aside, or contradicts such basic principles." "Political or ideological considerations," he adds, "cannot constitute in themselves the basis of essential decisions for the future of our society. Here, the very future of humanity is at stake." The promotion of abortion-on-demand and contempt for marriage, as if it were something from the past, are mentioned as particularly grave threats. Unions between sodomites and lesbians have made them out of date.

Not only John Paul II is ready to take up this battle. The entire church, hierarchy and faithful, are with him. The Committee of Pro-Life Catholic Bishops rejected the pessimistic focus of the Cairo preparatory document. For sure, the Peruvian Bishops Conference is backing the pope and asks the government not to allow itself to be persuaded.

But this is not all. Voices of protest are starting to be raised on all sides. Rep. Chris Smith (New Jersey) is asking leaders of the underdeveloped world to resist and reject these proposals. "Do not let your governments be intimidated nor manipulated," he advises. "The State Department," he explains, "is instructing its embassies to pressure governments in favor of the pro-abortion plans of Cairo."

Here, fortunately, everything is clear. The Constitution approved by the Congress and the country completely coincides with the pope. We want family, not weddings between pansies. The vote in Cairo can only be one: "No!"

Britain, United Nations itching for nuclear crisis in Korea

by Kathy Wolfe

The demands coming from much of the U.S. press that Clinton "go to the brink" on North Korea are just a cover for a contrived nuclear crisis scenario being run out of the U.N. International Atomic Energy Agency (IAEA) and the British Foreign and Defense Ministries, an *EIR* investigation has revealed.

Why the panic over North Korea? It was not Pentagon hawks or South Korean militarists, but the British Defense Ministry which originally "determined" that North Korea was building nuclear weapons expressly in order to invade South Korea, a London defense official told *EIR* recently. "Our message is that North Korean dictator Kim Il Sung, who is 82, has vowed to invade South Korea before he dies," he asserted. "And it's probable; they will take Seoul within hours. Kim has built nuclear, chemical, and biological weapons, so that when he invades, the United States will be deterred from using nuclear weapons to defend the South."

The leading British defense journal *Jane's Intelligence Review* published a special report on March 22 announcing that North Korea has begun to produce enough fuel for 10 nuclear warheads per year and is set to invade the South in a "surprise attack."

"Now there will have to be sanctions against the North," a source at *Jane's* told *EIR*. "We may well see a Cuban missile crisis-style military blockade. Remember 1961, sitting on the edge of your chair, waiting for war? Every ship approaching North Korea will have to be stopped; we'll be on the brink!"

Under this "Dr. Strangelove" logic, the Anglophile U.S. press, led by the *Washington Times* and *Washington Post* columnist Lally Weymouth, are pressuring President Clinton to "use force" to disarm Pyongyang, as Weymouth wrote on April 12.

Every time North Korea, South Korea, and the United States calm down and negotiate, "the U.N.'s IAEA makes some hostile announcement or provokes the North, and the crisis escalates again," as one South Korean church official pointed out to *EIR* on April 21.

Yet they all admit that nothing short of the unthinkable—incinerating 20 million North Koreans—could force Kim Il Sung to give up the bomb.

A Korean 'Camp David'

Is nuclear war in Asia really inevitable? Certainly not. Not only has North Korea no plan for invasion, say South Korean patriots in the best position to know, but the real issue is that South and North Korea during the last year have made substantial progress in peaceful reunification talks. Under a program drafted in 1991 by highly industrialized South Korea, reunification would be effected through the South helping to economically develop the depressed North. "South Koreans do not view North Korea as Germans viewed East Germany, as a foreign-occupied client state," one South Korean official told *EIR*. "We want to work with them."

In fact, President Clinton and his closest advisers are cooperating behind the scenes to bring a peace settlement to the Korean peninsula, Korean sources say, modeled on Clinton's role in the Mideast accords.

And that is what London seeks to stop at all costs, just as former British Prime Minister Margaret Thatcher attempted to block the reunification of Germany. In London's view, a modern, unified Korean economy, with Japan, could develop all of Asia if left to itself.

More broadly, the same "neo-conservative" Anglophile U.S. media which are attacking President Clinton in "White-watergate," led by the *Washington Times*, Weymouth, and A.M. Rosenthal of the *New York Times*, are shouting most loudly for President Clinton to "drop the bomb" on Pyongyang. London means the Korea crisis to be one more policy disaster to help destroy the U.S. presidency and turn chunks of the world over to U.N. police control.

"It's time for a new day in Korea, just as in the Middle East," a Korean Christian leader told *EIR* on April 21. President Clinton is trying to take U.S. Korea policy off autopilot from the Bush administration's policy of "bomb first and talk later," he said.

"I've spoken with President Clinton several times, and he is totally different from the Bush hawks and the American media on the issue. Just as Clinton brought together the PLO [Palestine Liberation Organization] and Israel on the White House lawn, Clinton may be edging toward a Camp David conference with North and South Korea. Clinton wants it; he has firm moral convictions for Korean reunification, as do

the whole Korean people. Clinton's new Korea negotiator, Assistant Secretary of State Robert Galucci, is also much more reasonable than past negotiators."

Clinton administration Defense Secretary William Perry, while playing to the hawks in public talk, did take action on April 20 to cool off the crisis in Seoul. Perry and his South Korean counterpart Rhee Byoung-tae met and announced to the press that they were suspending the controversial "Team Spirit" war games against North Korea, provided the North reopens its nuclear sites to U.N. inspection.

"The door remains open to dialogue with North Korea to resolve the nuclear question. I have never believed during this roller-coaster period that we are in danger of an imminent military confrontation with North Korea," Perry told reporters.

"This tense situation is not a military crisis, but rather a political crisis," South Korea Deputy Defense Minister Chung Jung-ho told reporters, adding that "the military situation is much more stable than it appears from the outside."

Will Clinton split with the IAEA?

The British-run IAEA has played the role of on-the-ground wrecker in all these peace discussions, a Washington Korean affairs analyst told *EIR* on April 20. "The U.S. press won't tell you this, but the problem in March when the Korean nuclear talks broke down was *not* that North Korea kicked out the poor IAEA," he said. "The problem is that when they got there, the IAEA demanded 'special inspections.' IAEA 'special inspections' are police inspections, under which U.N. officials go anywhere, anytime, unannounced. Not only can they go anywhere in your military facilities without warning, but they can walk into the President's home, for example.

"Such a thing has never before been demanded of any country except Iraq, which surrendered in war. By treating North Korea like Iraq, as though they had no rights, the IAEA makes negotiation impossible."

"Clinton in fact is close to a split with the IAEA; his position is totally different from that of the IAEA," the South Korean church leader said.

On April 21, a source close to the Clinton administration told *EIR* that "privately, the United States is telling the IAEA to back off from this total demand for blanket inspections. The IAEA must make clear and in writing beforehand where and when they'll inspect, so North Korea can agree and all is clear."

"This administration is in principle committed to the South Korean plan for peaceful reunification; the South does not want chaos and a sudden collapse of North Korea, but a gradual diplomatic process, and we agree," the Clinton man said.

The source reported a battle inside the administration between Clinton appointees and Bush holdovers over whether Cable News Network and other U.S. journalists should go to North Korea to interview North Korean dictator Kim Il

Sung. The fact that they did so April 15, and that Kim told them that he would like to visit the United States, was a "breakthrough," the official said.

"Meanwhile, we have to be publicly insisting on U.N. inspections before we can move diplomatically, because we're in a situation where we really have to worry about U.S. public opinion," he concluded, in reference to the Whitewater barrage against the President and First Lady. "It would be wildly unpopular if the U.S. made diplomatic concessions without demanding that North Korea has to move first on the nuclear issue. Hopefully we can restart the talks with the North in New York soon and work out some arrangement."

Korea needs nuclear energy

Chinese Premier Li Peng told then Japanese Premier Morihiro Hosokawa in Beijing on March 20 that "it is also important to give the North Koreans what they want." The idea that "what they want" is a suicidal military adventure to invade the South is absurd, analysts in Seoul, Tokyo, and Washington say. Rather, a group of westernizers in North Korea have proposed a diplomatic and economic development plan which Kim Il Sung himself endorsed in his April 15 U.S. press interview.

Carnegie Foundation analyst Selig Harrison, the first U.S. journalist to visit North Korea in 1972, described this in a speech April 20 to the 1994 Ecumenical Conference on Peace and Reunification of Korea at Washington's American University. Under North Korea's three-point "package solution," he said, Pyongyang would allow full IAEA inspections in exchange for: 1) U.S. and other nations' diplomatic recognition; 2) a U.S. pledge not to use nuclear weapons in Korea, which the United States constantly reiterates it reserves the right to do; and 3) a major financial package to swap all the North's dirty 1950s Soviet-style graphite nuclear reactors and plutonium reprocessors, for modern light water nuclear reactors. North Korea has no domestic energy supply, and like Japan and South Korea, it wants energy independence. Once they have new reactors, there will be no plutonium issue, and the IAEA will be welcome anywhere, any time, the North says.

Harrison pointed out that the United States has just offered Ukraine \$5 billion for a much less sweeping nuclear agreement, and another large sum to Kazakhstan. The North Korean swap would run \$2-3 billion.

A Clinton appointee told *EIR* that the administration is quietly working with Japan on the whole package. Asked "Why not do it and solve the crisis?" he responded, "We can't do it—but the Japanese *can*. They've amassed quite a kitty in World War II reparations they owe North Korea, and they'd love to build all those light water reactors. My friends in Greenpeace and the anti-nuclear lobby will howl and say 'Let them eat coal,' but we all know North Korea can't run an economy on coal. It will depend on negotiating the whole package."

Australian oligarchs slander LaRouche

by Bruce Jacobs

Conrad Black's major Australian newspapers, *The Age* and the *Sydney Morning Herald*, have devoted their lead magazine supplement article to an attack on the Citizens Electoral Councils (CEC) and its American associate, Lyndon LaRouche. The article, headlined "The New Right Rises," is written by Dr. Gerard Henderson, executive director of the Sydney Institute, a rabidly pro-free trade think-tank.

Henderson's attack is primarily aimed at the CEC, but is part of a wider campaign to introduce a "Racial Vilification" law into the next session of parliament. This campaign is being orchestrated by Isi Leibler, co-chairman of the World Jewish Congress. The latest issue of the CEC's widely distributed newspaper, the *New Citizen*, has attacked the need for such "vilification" laws, and Leibler, who in recent years promoted a farcical Nazi war crimes witchhunt amongst immigrant communities in Australia, is now frantically organizing to push the laws through parliament.

Henderson's article recites the usual slanders of Dennis King, a pro-drug lobby scribbler whom he claims is an authority on LaRouche. He also cites British-born Australian agent provocateur David Greason, a founder of a variety of neo-Nazi organizations in Australia. Greason now consorts with Australia's extreme left, and in the past three years has led a widespread media slander campaign against LaRouche's associates. During that time, he has been on the payroll of companies run by Robert Maxwell, Conrad Black, Isi Leibler, and now another media mogul, Rupert Murdoch.

Henderson is a highly paid columnist with the Conrad Black chain, and has attacked Lyndon LaRouche on a number of occasions, and his Sydney Institute is a main prop of neo-conservative ideology. It is part of an "up-market" network desperately defending dirty money interests and free-trade looting, and is heavily financed by Rod Adler, head of FAI Insurance and owner of the *Australian Jewish News*. Rod Adler has publicly bragged of his daily contact with the currency speculator George Soros, who went to the same school as Adler's father in Budapest, Hungary, and holds 10% of Adler's FAI. Another source of funds for Henderson is the wealthy Smorgon family, itself linked to questionable financial deals.

The Sydney Institute is at the center of policymaking for

Australia's financial and political establishment, and has led the charge to smash trade unions and to downgrade working conditions. Recent guest speakers at events sponsored by the institute have included spokesmen from the Bank of England, the *Wall Street Journal*, the U.S. State Department, the Australian central bank, other private banks and financial institutions, and financial and media interests associated with the *Australia-Israel Review* and the *Australian Jewish News*.

Henderson is a regular columnist with the Hollinger-run *The Age* and *Sydney Morning Herald*, and, when not advocating deregulation of the labor market, he is a strident defender of British geopolitical ambitions. He has been especially galled at the CEC's "strident opposition to all things British." In recent articles, Henderson has defended Winston Churchill, has praised the incompetent World War I military leader Gen. Sir Douglas Haig (see *EIR*, Oct. 18, 1991, p. 54 for a review of Haig's career), and has claimed that World War I was a worthwhile adventure.

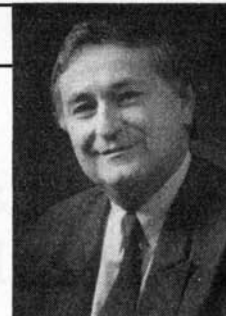
The Smorgon and Adler families are also represented on Isi Leibler's Australian Institute of Jewish Affairs, an organization modelled on the London Institute of Jewish Affairs. Isi Leibler is the wealthy owner of Jetset Tours.

Leibler pushes hate

Isi Leibler has also announced in the *Australian Jewish News* that pushing through the race hate law is his top priority, and he claims to have recently organized networks within the Federation of Ethnic Community Councils of Australia to promote the law. The *Australian Jewish News* has also launched a broadside against the *New Citizen*, falsely claiming that it is "anti-Semitic." The *News* article pointed out that as a result of the letterboxing of the newspaper into a predominantly Jewish area, the Anti-Defamation Commission of B'nai B'rith was "investigating the paper and its distribution." It quoted the head of the Australian ADC, Prof. Bernard Rechter, who claimed that "the publication has a reputation for making attacks on the Anti-Defamation League in America and the Anti-Defamation Commission of B'nai B'rith in Australia."

The *Australian Jewish News* is owned by the Adler family, which funds Henderson's Sydney Institute. The paper's editor is Sam Lipski, who was also the first editor of the *Australia-Israel Review*, itself a major source of attacks on LaRouche forces in recent years. Lipski has also appeared as a guest speaker at Henderson's Sydney Institute.

Leibler's frantic new push for race vilification laws, and the attack on the *New Citizen*, are a direct response to a planned CEC-sponsored tour by Rev. James Bevel, a veteran of the 1960s civil rights campaigns of Martin Luther King and a former vice-presidential running-mate with Lyndon LaRouche. Bevel will tour Australia to promote a "harmony of interests" among all people—a major threat to the ethnic discord which Isi Leibler has been sowing over the past 20 years.



The threat to the French nation comes from London

Jacques Cheminade is the leader of the New Solidarity political movement, which ran candidates in the March regional elections in a number of places in France. An author and journalist, he has published a book called The True History of France, and is the author of a newsletter called Le Commentaire. This interview was first published in the German newspaper Neue Solidarität.

Q: The political movement that you head is now celebrating its 20th anniversary, and you yourself know French politics inside out: How would you describe the state of France?

Cheminade: The French nation-state is under the threat of deep destabilization. This is basically an operation that originated in London and has been partially taken over by American investment houses, such as Paine Webber, Shearson Lehman, Goldman Sachs, and so forth; its purpose is to eradicate any influence of the independent policies originated during the Gaullist era.

First the Socialist governments, specifically with their deregulation measures of the 1985-86 period, paved the way for foreign financial interests to take over the French markets. As a result, more than one-third of the French foreign debt is now in foreign hands, and about one-third of the capitalization of the French stock market is controlled by the same interests. This creates an extreme vulnerability in the country to any rush of capital. At the same time, the policies of those Socialist governments were monetarist and anti-labor, leading to an unprecedented rise in the French stock market and decrease in the purchasing power of all wage-earners.

Second, the right-wing governments of 1986-88 and 1993-94, although nominally Gaullist, had policies which were in fact just the opposite. The Edouard Balladur government of 1993-94 has continued and furthered the monetarist commitment of the Pierre Bérégovoy government, the last Socialist one. Balladur and the Treasury department of the Finance Ministry, supported by such people as Ernest-Antoine Seillère, the number two man in the French employers' association, the CNPF, have totally opened up the Paris markets to the most extreme forms of speculation. Seillère, president of the Paris Euromarket Association (Paris Europlace) sums up the situation by saying: "Fortunately, Paris is becoming the most attractive of all European financial mar-

kets." Concretely, this means that every week or so, like the new cults during the sunset of the Roman Empire, a new financial house or cult disembarks in Paris to play on derivatives. For example, Paine Webber is making Paris its European center for "risk markets" such as futures on interest rates and market indexes. Goldman Sachs "believes in Paris" as the European center for interest rate markets, and is "joining the club of the organizers in the trading of the French foreign debt and T-bonds." Such leading French banks as Paribas and the Société Générale are becoming notorious for their speculation in derivatives, not only on a European, but also an international level.

This is therefore like a process of colonization or neo-colonization. Worse, French civil servants are getting the bad habit, in order to succeed in their careers, of not serving the French government first, but rather "getting trained" at such institutions as the International Monetary Fund, the World Bank, the General Agreement on Tariffs and Trade (GATT), or even the United Nations. Neo-gaullist leader Jacques Chirac has denounced this process of "benign neglect" of the nation-state, but proposed no alternative.

This is reflected in neo-malthusian social policies (lowering of social security payments, reduction of retirement pensions, wage cuts) and in a sharp increase of the unemployment rate. Firms prefer to invest in short-term profitable financial operations rather than in industry or research, and reduce their work forces. Executives and workers alike are being laid off at ages 45 or 50, while no young workers or executives are hired to take their places. Therefore, the knowledge and experience of the nation (middle-aged executives), together with its dynamism (the young) are both sacrificed, and only the immediately productive ones are kept employed. This is not only an economic but a social disaster, destroying the sense of hope in the population.

Moreover, instead of fighting against this, the nomenclature of the nation is accepting it and adapting to it. This in turn is reflected in French foreign policy, so disastrous and submissive to the U.N. in Bosnia. France is unfortunately behaving as an accomplice in genocide committed once again in Europe, today, at the same time that its courts are judging some of the perpetrators of the genocide of 1940-45. It is very sad for me to say so, but the French elites seem to have



A Paris demonstration by Cheminade's New Solidarity movement in September 1993, calls for lifting the arms embargo to Bosnia. "More than half of the French population, and more than two-thirds of the youth know that there is genocide going on and it has to be stopped."

learned nothing from the lessons of Munich, the Resistance, and General de Gaulle.

If you look at France's elites and their policies, you will see that the state of France is deplorable. Nonetheless, and I am very happy to say so, there is a mounting resistance to this disaster from the depths of the nation, inspired by the mark that de Gaulle left. As a political leader, I see my responsibility as being to inspire that Resistance, to give it a mission and a perspective. First within the necessary framework of the French-German alliance, not as a mere sentimental souvenir, but with an active content: to fight the British monetarist, neo-darwinian policy, to fight the hypocritical hoax of the U.N. (what de Gaulle used to call a *machin*, a thingamajig), to fight the colonization of our countries, to fight all ideologies of blood and soil. Second, and interconnectedly, my key commitment is as part of the international movement of Lyndon LaRouche's friends. One of my closest political supporters just told me half an hour ago: "If we want to put France back in shape, we need at least two new de Gaulles, one in the U.S. and another here."

Q: What is behind the collapse of France's largest state-owned bank, Crédit Lyonnais?

Cheminade: This is extremely dangerous; it is precisely the fact that the French elites indulged in money games and deregulation policies, in the same way that Molière's Bourgeois Gentilhomme thought he could become a Turk if he could wear all the right ribbons. Well, now they are caught: The British hold them by the nose. There is now a Parliamentary Inquiry Commission which is going to investigate the

case: billions of francs (probably 70 billion or more) have been wasted in real estate, the Hollywood movie industry, derivatives, and other speculation. This leads us into drug money and the secret services (Parretti, Maxwell, and so forth). So we are issuing a petition to that Parliamentary Inquiry Commission, saying that the investigation has to be carried to its ultimate consequences. If this is not done, it will remain on the French-to-French level, with terrible consequences such as mutual denunciations, internecine warfare, and everybody saying that the culprit is the nationalized status of the bank, the "solution" being to privatize it. It could be very similar to what has happened in Italy, with a similar result: the spoliation of the French state.

The only way to turn things around, is to point the finger at the real cause: the British, London and New York, and the policies of financial deregulation imposed upon France. This has to be made clear; the French "collaborators" have to be ousted; and new policies of national banking and credit issuance implemented, in the framework of a French, Franco-German, and European infrastructure development plan. It is the only way out.

Q: News broadcasts are reporting on mass demonstrations by French farmers, students, and other layers, who were protesting with admirable energy against certain social injustices. Can you tell us more about that?

Cheminade: There are, as I said before, processes of resistance in the nation against the consequences of the neo-colonization policy. The problem is that the final cause of that neo-colonization is not understood, and that the diverse pro-

cesses are leaderless ones. Therefore, they have fallen into the hands of British agents of influence or ideological manipulation. Former Socialist Defense Minister Jean-Pierre Chevènement, for example, has just launched a pro-dirigist Citizens' Movement against monetarist policies, the Europe of Maastricht, GATT, and the supranational powers. But he does not call off the British game, and supports, although mildly, the Serbian cause! Philippe de Villiers, the supposedly arch-Catholic leader and patriot, has launched a slate for the European elections against Maastricht, GATT, drug liberalization, etc. But he is financed by the number two person on his slate, none other than Sir Jimmy Goldsmith, the anti-nuclear magnate of the Hollinger stable! So what you have is various types of grass-roots revolts, coopted or controlled by unsavory fellows. This admirable energy has to be organized and the enemy named: the British-U.N.-New York neo-colonial policies. Short of that, the resistance fighters are subject to being misled.

Q: Your own policy concerning the war in the Balkans is markedly different to that of the French government, which is reportedly opposed also by large parts of the French population.

Cheminade: More than half of the French population, and more than two-thirds of the youth are like me: They know that there is genocide going on, and it has to be stopped. Not only for the sake of its victims, but also for one's own human dignity. The French elites and leaders have themselves lost that dignity, and that is why they indulge in all kinds of Entente Cordiale operations with London. For example, French Research Minister François Fillion, a nominal Gaullist, has declared on France-Inter, the national radio, that "the real question is whether the young Frenchmen of age 18 are willing to die for Gorazde." Interestingly enough, Marcel Deat, who would become a pro-Nazi French leader, had said in 1939 that no Frenchmen were willing "to die for Danzig." It is sad, very sad to see supposed Gaullists speaking today like the worst appeasers of Hitler in 1939, or of Stalin in 1945. Worse, if possible, is that the Socialists and diverse leftist groups are calling for "peace now," but in a vague way. Nobody among the Socialist opposition has raised his voice in the French National Assembly to attack the government's policy in a real way, and when they were in power, all supported the pro-Serb policy of President Mitterrand. As for the Communists, they are overtly pro-Serb. I and my friends are the only ones who are clean on this issue, together with the population and a minority of active informal organizations, such as the Association Against Ethnic Cleansing.

Q: Is there really a new Entente Cordiale between France and Great Britain?

Cheminade: There is no new Entente Cordiale between France and Great Britain, but there are various postures or positions of many leading French politicians engaged in vari-

ous forms of the old intercourse. It may be more opportunism than true pleasure involved, but the results of the performance are visible in Rwanda, Bosnia, or wherever the U.N.O. is active. A friend of mine told me that the French politicians consider their British counterparts as infected with some sort of AIDS, and that therefore they wear Parizers when they deal with them, and believe the propaganda according to which that makes them safe.

Q: Another hot issue: D-Day celebrations. What significance do they have for Frenchmen?

Cheminade: They are the celebration of freedom, the country freed from Nazism. And not only the country, but all Europe, including Germany. That is why I personally insisted that all members of the German Resistance fighters, their relatives and descendants, should be invited to the ceremony of the 50th anniversary. Also, if German soldiers could not be invited to the celebrations themselves, for obvious reasons, my conception was to organize on the same day, in the same place, for example at Caen's Peace Memorial, a second celebration for the future of peace in the world, with all those who fought then in all armies. The celebration of the fight against Nazism would then have been linked to the notion of forgiveness and brotherhood for the future.

This would have been a way to give to this anniversary a perspective of human solidarity and peace. This, unfortunately, was not done. I must add that the present behavior of most notably the British, but also the French and American governments in Bosnia, is an insult to all those who died for freedom in Normandy or elsewhere, and to the generations to come.

Q: You travel quite often to Poland, another country that is so important for Europe. How do you think we can best win over especially young people in Poland, France, and Germany to the cause of friendship and cooperation among our nations?

Cheminade: By linking clearly the resistance against both Nazism and Stalinism yesterday, to the resistance against the British policies of today and those which destroyed Poland in the "winter of the 19th century." Also, our great common poetry, great music, and great science should be shared in a permanent, impromptu way, to give it back to the whole world. We should show them that this is what it means to be human, not a dog-against-dog fight for a position in society. We should help young people in Poland, France, and Germany to be reintroduced to that society of old European friends who wrote for us, painted for us, and composed for us many centuries ago, so that the youth find a purpose, and become happier, filled with discoveries. A good approach to it is what the Polish architects did, in the most difficult and adverse environment, to rebuild or restore the old centers of their cities destroyed by World War II, knowing that often to care for an old grandmother is what keeps you young.

Haunted by the ghosts of the 1980s

George Bush's Iran-Contra scandal left a trail of bodies that still overshadows politics in Germany.

It may well be that the liberal Free Democratic Party (FDP) will be catapulted out of the parliament in the mid-October elections. Latest opinion polls indicate that the FDP will have big problems in garnering 5% of the vote, which is the minimum needed for a seat in the national parliament. Recent elections on the municipal and state levels have placed the FDP below 5%.

The party has entered a process of accelerated decline since the chairmanship was turned over from Hans-Dietrich Genscher to Klaus Kinkel two years ago. Should the FDP fail to reenter the parliament, it would imply that some of the party's leaders who occupied influential government posts during the 1980s, will be hit by the renewed interest in the "Iran-Contra" affair, which the Bush team hoped would remain buried.

Under German law, politicians who have no government post have no immunity, implying that once the investigation into the Iran-Contra affair from the 1980s turns to Germany's prominent role, questions will be posed, for example, to political figures who were involved or had privileged information about those deals. Genscher, foreign minister at that time, and Kinkel, head of the foreign intelligence agency during the crucial months in 1980 when the "arms for hostages" deal between the U.S. and Iran was, to a significant extent, negotiated on German soil, will have to tell what was going on at that time.

There are more figures involved, including some who did not survive the 1980s. There is the spectacular

case of Uwe Barschel, the Christian Democratic governor of the northern state of Schleswig-Holstein, who had numerous secret diplomatic contacts with East German agencies such as IMES that were also involved in the "arms for hostages" deal.

Barschel, who survived a suspicious air crash in May 1987, was assassinated in a Geneva hotel room in October; the German government, which had to have known better, insisted that it was a "suicide."

Uwe Barschel's cousin Bernd Barschel, a leading employee of the Zeiss-Jena plant in East Germany that was involved in a number of illegal, secret transfers of dual-use high-technology products from the West to the East, died of a heart attack in late 1990.

Another politician who had contacts with the people in East Germany that ran that IMES operation, such as East German foreign intelligence Col. Alexander Schalck-Golodkowski, was Franz Josef Strauss, the Christian Democratic governor of the state of Bavaria—his plane nearly crashed on his way back from Bulgaria in August 1988, and he died several weeks later of a mysterious heart attack. Strauss's wife Marianne had died in a suspicious car crash four years earlier.

Shortly after the untimely death of Strauss, another German politician, Philipp Jenninger, was victimized by a chain of mysterious events. In his role as head of the chancellor's office, Jenninger was engaged in secret talks in the early 1980s with Schalck-Golodkowski over a number of sensitive East-West affairs, including intelli-

gence matters and monetary and other preparations for a potential reunification of the two Germanys in case of expected economic and political emergencies in the East in the 1990s. Later, he was ousted as speaker of the parliament in a black propaganda operation over an allegedly anti-Semitic speech he gave in November 1988 on the 50th anniversary of the Nazi pogroms against the Jews in Germany (which Jenninger denounced). Although the charges were clearly phony, he was instantly replaced—a "political death" that had no precedent in postwar German history.

Jenninger survived his "political death" and serves Germany as ambassador to Austria, but all government files on his secret talks with the East Germans have "disappeared"—this at least is the official line.

Next is Detley Rohwedder, chairman of the West German Hoesch Steel Corp. which, together with a Swiss-East German "special" firm called Intrac, ran a joint venture in another East German high-tech firm, FUBA, in the 1980s. Intrac and FUBA worked with Schalck-Golodkowski's IMES. Rohwedder, who became chairman of the Berlin Treuhand Agency that controlled the East German state-sector industry after unification in autumn 1990, was killed by a sniper in April 1991.

Wolfgang Schäuble, who replaced Jenninger in the chancellor's office in November 1984, continued the secret diplomacy with "envoy" Schalck-Golodkowski and arranged to minimize the West German role in President Reagan's Strategic Defense Initiative program in exchange for political and human rights concessions by the East German regime in spring 1986. Schäuble survived an attack by a gunman in summer 1990, but has been confined to a wheelchair ever since.

International Intelligence

Peru's Fujimori rejects retrial of terrorists

During a visit to the maximum security prison where many of Peru's top terrorists are held, President Alberto Fujimori on April 15 slammed those who are demanding that Peru retry all the terrorists under civilian courts, on the grounds that military trials are a violation of human rights.

Interference into the process of pacifying Peru "under the masquerade of human rights" will not be permitted, he stated. "It is incoherent that people seek to recommend measures to the government, when for 12 years, no international organization or defender of human rights denounced opportunely the violations committed by Shining Path and the MRTA." For those same 12 years, the governments of Europe and the Americas permitted Shining Path to carry out its proselytizing in their countries, he added.

Fujimori's remarks were a response to the so-called Goldman Commission, a group of four jurists formed last year at the instigation of the Inter-American Dialogue agent at the U.S. National Security Council, Richard Feinberg. The commission released its final report in early April, including demands for 15 major changes in Peru's judicial system, beginning with civilian trials for all terrorists.

Russia's Grachov wants new CIS 'defense union'

Russian Defense Minister Pavel Grachov has called on all 12 members of the Community of Independent States to unite their armed forces as a first step toward a "defense union," far tighter than the existing Collective Security Treaty, of which Russia and seven other CIS States are members.

Grachov declared at the CIS summit in Moscow on April 15: "The strategic future is the united armed forces of the CIS States, and the creation of a defense union." His call included unification of the military industry of the entire CIS: "Together we will

defend, arm ourselves, and produce military equipment." Since last summer, a "joint" armed force under Russian command has been operating in Tajikistan.

The CIS summit resolved to maintain this force in Tajikistan, and signed a special memorandum to deploy CIS Border Troops along all the CIS outer borders in Central Asia. Boris Yeltsin at the summit referred to the possibility of reaching similar agreements with Belarus, Ukraine, Moldova, Armenia, and Georgia. This has already been effected in Georgia through the Russia-Georgia Treaty of Feb. 3, 1994, while in Armenia, Russian forces patrol and control its border with Turkey.

At the summit, Georgian President Eduard Shevardnadze abandoned his earlier proposals for troops of the U.N. or the Conference on Security and Cooperation in Europe (CSCE) to serve as "peacekeepers" in the Caucasus, saying, "we will have to install order by our own forces." Georgian Deputy Defense Minister Guram Nikolashvili said that he prefers Russian troops because they can exercise "very strong influence, including the use of force."

Croatian opposition forces launch new party

The party of Croatian Independent Democrats (HND) was officially initiated in the Croatian capital of Zagreb on April 20, by opponents of President Franjo Tudjman. At a press conference, Stipe Mesic (speaker of the House of Representatives) and Josip Manolic (speaker of the House of States) announced their final split from Tudjman's HDZ party.

Tudjman has come under fire because of his surrender of large chunks of Croatian sovereignty to both Serbia and to the United Nations, at the same time as he conducts direct negotiations with the Belgrade-controlled quisling regime of the Serbian-occupied areas of Croatia, headed by Mate Boban.

The new party is expected to rally enough HDZ members who are discontented with the government's policy, to com-

mand a significant number of seats in both houses of parliament, so that the HDZ-led government will no longer be able to implement the agreements which it has signed with the United Nations and International Monetary Fund.

Early elections for parliament are likely, and it is rather uncertain whether Tudjman will manage to keep his post in the face of the growing opposition in Croatia, until the next scheduled presidential elections in 1996. The formation of the HND is widely evaluated as the "beginning of the end of the Tudjman era."

Oxford historian sees onset of 'new Dark Age'

Oxford University historian Norman Stone, in an article in the London *Sunday Times* on April 17 titled "The New Dark Age," pointed to "disturbing parallels between the early Middle Ages and life today."

"The modern world that was invented around 1500 is coming to an end," Stone wrote. "It was then, roughly, when America was discovered, that everything you associate with the modern era came to pass: printing, law, the nation-state. Now, all of that is at an end. We are back to the medieval world of beggars, plagues, conflagrations, and superstitions.

"Strange, hostile, oriental civilizations, claiming mandates of heaven, are obviously superior, and even threaten to put the West out of business. To the East, Slavonic and other tribes ululate and pullulate in the great steppes, and migrate in mafia-ridden droves towards the rotting capitals of the Roman Empire of the West. In the chaos, robber barons set up areas outside the law. There is a shadowy centralized empire, but its writ does not run very far, and its coinage is rubbish. It cannot even control its own cities, areas of which are unmanageable, and there is a revolution of illiteracy."

Englishman Stone sees Italy as emblematic for the processes involved: Earlier, Italy "inherited Rome, the empire, and the universal church, she got the Renaissance going. In 1500, she fell apart. . . . In modern

Briefly

times, with an effort and some fraud, she produced a nation-state. It is now falling apart again. . . . Italy, as ever, leads the way—this time, into disintegration. The north will split off, the south will be run by the mafia, and a city-state, Rome, will be left, living off links with the Middle East and Libya. . . . Italy leads the way—collapsing, in chaos, into mini-states and robber barons.”

The fact that Italy's political disintegration has been significantly the result of British destabilization operations, Stone did not mention.

German colonel scores Operation Desert Storm

Col. Jürgen Hübschen, a military attaché at the West German Embassy in Baghdad from 1986-89, wrote a harsh critique of the 1991 war against Iraq published in the April issue of *Europäische Sicherheit*, journal of the Society for European Security.

“Iraq, a secular state with an education system that had a model character for the region, good infrastructure, a recognition of the status of women that is amazing for the Arab world, a country without hunger and unemployment, was bombed back into the pre-industrial age,” he wrote. The Iraqi population has been victimized in the place of Saddam Hussein, whom the West could not hurt, and there is no serious effort to prepare a peace agreement, at least for the time after Saddam. “Revenge, punishment, reparations and isolation cannot provide a basis for a lasting peace,” Hübschen warned, pointing out that whoever may replace Saddam one day, will not accept the downgrading of Iraq and its exclusion from the Persian Gulf.

Geopolitically, the war against Iraq destroyed “a factor of counterbalance against the rising regional power Iran,” he wrote. This contributed to the creation of an “Islamic bastion” with Iran, Afghanistan, and Pakistan at its core, enlarged by the former Soviet republics of Azerbaijan, Kyrgyzstan, Tajikistan, Uzbekistan, and Turkmenistan. This all-Islamic alliance, which also includes Turkey, through the Economic Co-

operation Organization, of which Iran and Pakistan are members, has gained a weight of “worldwide dimensions,” as it merges those states into a “fundamentalist arc” that will exert maximum pressure on the “archaic states of the Gulf.”

Morally, the West played with false cards, using black propaganda to justify the war in the first place, while the main motive was to gain control of the oil wells and of the states in the region. The war against Iraq never was a “just war” nor even a “justified war,” because it lacked the basic preconditions for that; it never envisioned a peace agreement based on direct talks between the warring parties in the postwar period, concluded Hübschen.

Brandt's widow attacks 'political correctness'

Mainstream “political correctness” is establishing a mind-control regime that favors opportunism in politics, not only in the United States, but also in Germany, wrote Brigitte Seebacher-Brandt, the widow of former Chancellor Willy Brandt, in the daily *Frankfurter Allgemeine Zeitung* on April 18.

“The prescription is simple,” she wrote: “Divert from the prevalent stream of opinion only a little, and never too much. Because the bigger the distance, the smaller the chance to be taken at all seriously and taken notice of. Calm and settled, the stream of opinion floats on, carrying with it all the prejudices that are a must in the fourth year of [German] unity.

“Fie on he who that lays his hand on that and tries to change direction. He will be drawn downward in the maelstrom, and if he doesn't go under, he'll be famous, or rather—infamous, and will be punished. Rude and most rude arguments are used, like *anti-Semitic*, *anti-western*, *right-wing*—which is the same as *right-wing extremist*. . . .

“To claim what must not be claimed according to prevalent opinion is a sacrilege. An opinion that is not within the stream is not envisioned in today's Germany.”

● **A GERMAN** parliamentary delegation will visit Baghdad in June, to explore options for lifting the international embargo. Hans Stercken, chairman of the parliament's committee on foreign relations, said that the visit is to probe ways of “restoring relations between the international community of nations and Iraq.”

● **KING HUSSEIN** on April 16 banned the Palestinian radical group Hamas, announcing that it has “no legal status” in Jordan. “We do not recognize or accept to cooperate with anybody representing or professing to represent our Palestinian brothers except the Palestine Liberation Organization,” the king said. He refused to say whether Jordan would take action against members of the group.

● **JAILED ARGENTINE** nationalist Col. Mohamed Alí Seineldín stated before Federal Judge Gustavo Adolfo Literas on April 18 that he has information about an assassination plot against him. He said that he has received death threats, and that a sector of the government has been planting false information about a “Liberation Command,” whose objective would be the seizure of the Magdalena Prison to facilitate his escape. This would provide cover for killing him, “while attempting to flee.”

● **MEXICAN ARCHBISHOP** Carlos Quintero Arce blamed Bishop Samuel Ruiz for the uprising in Chiapas, according to the newspaper *El Imparcial* of April 17. Speaking at a meeting of the Mexican Bishops Conference about Ruiz's role in spreading Marxist ideology, the archbishop added, “It is not the church in general, nor the hierarchy, but just certain members who went over to the other side.”

● **THE KHMER ROUGE** has retaken its headquarters in Pailin, Cambodia, Agence France Presse reported on April 19. The genocidal group, which ruled Cambodia from 1975 to 1979, killed an estimated 3 million Cambodians.

Richard Nixon: a smart, but not a wise President

by Mel Klenetsky

Richard Milhous Nixon, the 37th President of the United States, died on April 22. His presidency has come to be known for ending the war in Vietnam, opening up diplomatic relations with China, détente with Moscow, the “shuttle diplomacy” policies of Henry Kissinger, and, of course, the Watergate scandal that led to his resignation on Aug. 9, 1974.

Almost 20 years after his resignation, the former President continued to show a keen interest in international affairs, as demonstrated by his trip to Moscow in March of this year. Nixon had a resiliency, a keen intellect, and some genuine insight into Russian-American affairs; but he never came to understand the larger British geopolitical game which has dominated politics since the 1963 Kennedy assassination, has destroyed both the United States and Russia as superpowers, and which threatens the world today with global conflaguration. Nixon played ball with these gamemasters, and never really understood why they acted to dump him on the political garbage-heap in 1974.

Insights into IMF destruction of Russia

To his credit, Nixon was among the first establishment political figures to criticize the shock therapy policies of the International Monetary Fund (IMF) toward Russia. More than one year ago, in a March 5 *New York Times* commentary, Nixon wrote that Russia was going through an economic downturn worse than the Great Depression of the 1930s in the United States. Almost seven months before Yeltsin turned his artillery on the Russian Parliament, Nixon gave warning, describing the turmoil in Russia at that time, which included a 25% inflation rate, a 50% drop in living standards, and separatist and nationalist conflicts that threatened to tear the region apart.

Nixon had met with President Bill Clinton, and advised

him to call for an emergency meeting of the Group of Seven nations to recommend a 15-year rescheduling of the \$84 billion debt that Yeltsin had inherited from Gorbachov. He called for increasing aid to Russia, and went after the IMF: “We should demand that the bureaucrats running the International Monetary Fund not treat Russia like a Third World country.” The Group of Seven did in fact meet; but the Russian debt was not rescheduled, and the IMF approach prevailed.

Later in 1993, after Yeltsin had disbanded the Parliament, Clinton’s special deputy on Russian matters, Strobe Talbott, now the deputy secretary of state, called for “less shock and more therapy.” According to Nixon’s chief of staff, the former President, along with Sen. Bob Dole (R-Kan.), considered himself to be in bi-partisan support of the Clinton’s administration efforts to end IMF shock therapy and conditionalities. Nixon traveled to Moscow in March of this year on a fact-finding mission to speak with broader political layers, beyond Yeltsin, such as Rutskoi, the former Russian vice president, who had been just been released from prison where Yeltsin had put him for his role in the October so-called coup attempt.

It is not clear whether Nixon was aiming at some sort of “Marshall Plan” approach that would preserve Russia’s industrial capabilities. Yet his questioning of IMF policy caused great consternation among the same London financial crowd which dumped Nixon, and which would now like to do the same thing to the Clinton presidency.

Watergate in perspective

The British-inspired assault on the U.S. presidency goes back to the 1963 assassination of President John F. Kennedy. As the Kennedy space program was dismantled, the U.S. economy underwent a radical restructuring; under the guise

of “post-industrialism,” the United States was transformed from an industrial and agricultural superpower into a financial, speculative power caught up in real estate, currency, and commodities futures, and later in junk bonds and derivatives.

The 1969-74 Nixon administration presided over some of the most dramatic financial ratchet-steps in that process of collapse. The first big lurch came during the spring of 1970, with a serious stock market slump and the bankruptcy of Penn Central railway, which had been run into the ground through lack of investment into rail maintenance and rolling stock. Then, on Aug. 15, 1971, after a period of international monetary turmoil, Nixon “pulled the plug” on the U.S. dollar, unlinking its value from that of gold. As economist Lyndon LaRouche emphasized at the time, Nixon’s action spelled the end of the post-war Bretton Woods era of orderly monetary affairs and “built-in stabilizers,” and ushered in a new era characterized by one monetarist stopgap measure after another, each one worse and more dangerous than the preceding one, leading eventually to a full-scale depression collapse. As LaRouche wrote on Aug. 30, 1971 in the bi-weekly *New Solidarity* newspaper, “Although it is not impossible that a new Great Depression could be delayed for even months, provided a new set of parities is quickly rigged, Nixon’s chattering about a new period of prosperity is simply buncombe.”

Nixon did succeed in patching something together. In December 1971, the U.S. dollar was devalued by 11%, and in 1972 a “floating exchange rates” regimen was adopted at a monetary meeting in the Azores. But far from solving anything, this merely set the stage for the first round of massive speculation, centered in the ballooning “eurodollar” market.

Nixon also fulfilled another forecast made by LaRouche in same article, namely, that “Whether actual world depression can be postponed for a few months has little fundamental bearing on the situation as a whole. Only total regimentation along the lines of wartime or fascist regimes could postpone inevitable collapse for a significant period.” It was Nixon who launched the first big round of “belt-tightening” austerity. Trade unions were targeted for eventual extinction, using the growing ranks of the employed, who were to be “recycled” through slave-labor “workfare” schemes. Federal Reserve Chairman Arthur Burns, in a ludicrous attempt to clothe this austerity in patriotic garb, even recommended that every American contribute to the “cause” by going without meat one day each week.

Nixon’s approach was diametrically opposite to that being recommended by LaRouche, who in 1971 widely circulated a draft “Emergency Reconstruction Program.” Under the subtitle “How to Take Over an Economy in a Day,” LaRouche recommended “that the machinery of the U.S. Treasury and Federal Reserve System be used to assimilate all regional and local financial institutions into a single, nationalized national banking system,” and that there be a general recall and revaluation of all existing paper assets, which

would then be used as the basis for issuance of credit by the nationalized banking system.

London sends in Henry Kissinger

On strategic policy, Kennedy had defined a policy toward Russia that was based on American strength, offering joint ventures in space and other joint projects, but only from that position of strength. That all changed with Nixon’s secretary of state and national security adviser Henry Kissinger. Kissinger imposed a new policy, more conducive to the British position of weakening the U.S. as the dominant superpower. The 1972 Strategic Arms Limitations Treaty (SALT) was passed, limiting the use of defensive weapons known as anti-ballistic missiles. Thanks to SALT, during the following decade the Soviet Union caught up to the United States strategically, and even began to surpass it in certain areas, while the United States began to lose its industrial and military edge.

By the end of the decade, Nixon began to express doubts about SALT. In his 1980 book *The Real War*, he wrote that “We have been engaged in SALT for a decade and have practiced strategic arms restraint longer. . . . The benefits have not materialized. In fact, our strategic situation has steadily deteriorated.” In an implicit attack on Kissinger, he wrote, “We should never negotiate from weakness. No further arms control talks, for example, should be held until the United States has firmly in place a credible program for restoring the military balance, vis-à-vis the Soviets, across the board. Otherwise, the Soviet leaders will be looking down our throats.”

But while Nixon was belatedly ruminating about SALT, Lyndon LaRouche was already actively engaged in back-channel negotiations with the Soviet Union, aimed at junking the “disarmament” and establishing peace on the basis of a joint crash program for defensive weapons development. As LaRouche argued in his 1980 book *Why Revival of ‘SALT’ Won’t Stop War*, “Disarmament comes after peace, and only then.”

Why was Nixon watergated? Perhaps the answer can be best understood by comparing the stubborn Nixon with the successor fraudulently elected in 1976: Jimmy Carter, the pathetic puppet of David Rockefeller and Cyrus Vance’s Trilateral Commission. With Carter and his New Age White House zoo, the financial elites finally had a President they truly deserved.

It should also be recalled after Nixon resigned and Gerald Ford replaced him, none other than Nelson Rockefeller (affectionately known in certain circles as “Fang”) applied for Ford’s job—and got it. As an Aug. 10, 1974 press release by LaRouche’s U.S. Labor Party put it: “Nixon’s resignation, combined with Rockefeller’s dash for the vice presidency, has been widely viewed by the nation as powerful corroboration of our analysis of the Watergate conspiracy against the office of the presidency—as well as our analyses on related matters, especially the attempts by Rockefeller’s camp to impose liberal-fascist economic legislation upon the country.”

Clinton's anti-drug strategy: some good ideas, but no plan

by Jeffrey Steinberg

One of the best things that can be said of the Clinton administration's anti-drug effort to date, is that the dope lobby is not particularly happy. After four years of George Bush's phony "war on drugs," the pro-dope crowd had hoped that Clinton would be swept up in the liberal backlash against the Bush policy failure, and would dismantle the entire anti-drug effort. At their annual convention in Washington, D.C. just weeks after the 1992 presidential elections, the Drug Policy Foundation cautiously predicted that Clinton would adopt a policy of "benign neglect" that would provide the foot in the door for eventual legalization.

But in contrast to that intoxicating forecast, President Clinton and his White House drug czar, Dr. Lee Brown, have consistently put their foot down against any consideration of legalization, decriminalization, "harm reduction," prohibition repeal, or any of the other fancy doublespeak terms devised by the pro-drug crowd in recent years.

Holding fast against decriminalization

Last December, writing in the Drug Policy Foundation's newsletter, the group's two top officers, Arnold Trebach and Kevin Zeese, complained bitterly about President Clinton and Brown's "gratuitous swipes at legalization." At the very outset of Brown's September 1993 interim report, he had warned of the danger of reduced public attention to the drug plague:

"The loss of public focus has allowed the voices of those who would promote legalization to ring more loudly and be heard more clearly. The declines thus far in the use of drugs are in part because they are illegal. Legalization is a formula for self-destruction. The administration is unequivocally opposed to any 'reform' that is certain to increase drug use."

After Surgeon General Joycelyn Elders mouthed off last year about the desirability of a serious study of the potential benefits of legalization of some illicit drugs, both Clinton and Brown were driven to restate the administration's position even more forcefully.

Then, later in 1993, when statistics on drug use by Americans were tallied, the administration was confronted with yet another unpleasant reality: Drug use among the nation's teenagers is on the rise once again—especially marijuana and

LSD use—while drug-related violence is skyrocketing.

On Feb. 1, 1994, President Clinton issued the annual National Drug Control Strategy, titled "Reclaiming Our Communities From Drugs and Violence." The 135-page report contained some horrifying new statistics about the continuing growth of drug use and availability in America, at the same time as burgeoning new markets for illegal narcotic drugs are opening up in eastern Europe and the territories of the former Soviet Union.

Drugs mean violence

Some of the report's findings are worth summarizing here:

- For the fifth year in a row, the murder rate in the United States has increased by over 5% to a total of 22,540 murders, according to the Federal Bureau of Investigation's Uniform Crime Report. An estimated 53% of all murders in America were drug-related.

- Marijuana use by 8th, 10th, and 12th graders, which purportedly fell in 1992, reached an all-time high last year. According to the Institute for Social Research at the University of Michigan's Monitoring the Future survey, 5.1% of 8th graders, 10.9% of 10th graders, and 15.5% of 12th graders surveyed had smoked marijuana at least once in the 30 days preceding the survey. While such precise statistics were not available for other drugs, the survey also confirmed a marked rise in the use of hallucinogenic drugs, especially LSD, by high school students. These statistics only reflect children actually attending school; the actual rates of drug use among teenagers is significantly higher.

- Emergency room cases involving cocaine and heroin use have also jumped in recent years. Although the 1993 statistics were not available at the time the White House report was issued, the 1992 statistics showed a nearly 20% increase in cocaine-related emergencies, with 119,843 cases reported. In 1991, there were 101,189 cases logged, while in 1990, the figure was officially only 80,355. (Severe cutbacks in hospital funding during 1990 raise serious questions about the accuracy of the figures for that year, according to Drug Enforcement Administration officials familiar with DEA's Drug Abuse Warning Network (DAWN) statistics.)

In 1992, DAWN reported that drugs were linked to nearly 752,000 emergency room cases.

- The White House report, while claiming a leveling-off in production of heroin and cocaine, forecast a significant increase in production of both drugs in the next several years due to a bumper crop of young coca plants in Peru and other Ibero-American countries that are due to hit peak yields soon. Colombia is now producing enough opium to supply the entire U.S. heroin market, and the estimated 1992 cocaine yield of over 1,165 metric tons of pure cocaine was more than enough to supply the U.S. markets and still service a growing European and Central Asian "growth area."

How big is the U.S. dope market?

Notably missing from the Drug Control Strategy report were any statistics on the domestic marijuana crop. As of two years ago, the United States was producing an estimated \$50 billion worth of illegal marijuana, predominantly in state and federal forests.

One of the most puzzling statistics presented in the White House study came from a private contractor, Abt Associates, Inc., which said that Americans spent \$48.6 billion on illegal drugs in 1991 (more current statistics were not included). With \$50 billion a year in domestic marijuana cultivation alone, the Abt Associates figure is ludicrous.

According to a study conducted by *EIR* in November 1990 (see *EIR* feature, Nov. 9, 1990, pp. 28-41), which was based on more reliable DEA drug production statistics, the 1989 figure was \$558 billion in global illegal drugs sales, with approximately half of those sales occurring in the United States. Factoring in an average annual growth rate of 18% (as documented in the *EIR* study), the actual 1991 U.S. figure would have been in the ballpark of \$389 billion.

Some serious thinking

During the four years of the Bush presidency, the annual National Drug Control Strategy reports were filled with hypocritical propaganda and slogans, and made no attempt to fulfill the congressional mandate contained in the Anti-Drug Abuse Act of 1988: to spell out a strategy for combatting the spread of illegal drugs and set short-term goals by which to measure progress.

The 1994 report represents at least a serious effort to take up that congressional challenge. The report spelled out a number of new initiatives, and pointed to a number of serious holes in the existing anti-drug effort. Whether the ideas presented are viable or not, remains to be seen. The fact that the report contained a number of new initiatives is significant in itself.

Among the points highlighted:

- The Secretary of the Treasury and the Attorney General are mandated to develop an interagency plan for integrating the anti-drug efforts of a half-dozen federal agencies. In the past, the DEA, the FBI, the U.S. Customs Service, the CIA,

the Defense Intelligence Agency, and the Immigration and Naturalization Service have more often than not worked at cross-purposes. The plan is to be released during the first half of 1994.

- Over the next five years, 100,000 new police officers will be hired, trained, and assigned to street patrols. This represents a 16% increase.

- New laws are moving through Congress that will toughen the federal government's efforts to catch and prosecute drug money launderers. So far, however, these efforts appear to be focused on streamlining reporting procedures by banks and other financial institutions to enable such units as the Treasury Department's Financial Crimes Enforcement Network (FinCEN) and the DEA's Multi-Agency Financial Investigations Center (MAFIC) to hone in on crucial data. No all-out effort was proposed to close all the gaping holes in the country's banking laws, or to place top priority on the money-laundering choke-point in the Dope, Inc. global infrastructure.

- International interdiction efforts will be focused on shutting down cocaine production and processing. The White House plan will downgrade in-transit interdiction, and will dramatically escalate cooperation with and pressure on Colombia, Bolivia, Peru, Venezuela, Ecuador, and Brazil to shut down the drugs at the source. All of these countries are either production centers for coca, manufacturing centers for the base chemicals needed to produce the pure cocaine, or mafia centers where the money laundering is coordinated.

This shift in supply reduction strategy is controversial, and could be dangerously abused by those inside the Clinton administration who are associated with the Inter-American Dialogue and are committed to the dismantling of the armed forces and sovereignty of Ibero-American nations and in favor of United Nations-dominated regional government structures. The Inter-American Dialogue is also on record favoring legalization of drugs.

The total anti-drug budget for fiscal year 1995 is \$13.2 billion, a 9% increase over the previous year and the largest drug war budget in history. Nevertheless, even with the number of innovations and an apparently serious approach to the drug plague, the Clinton administration plan does not hold a candle to the Hemispheric War on Drugs proposal put forward by Lyndon LaRouche at an anti-drug conference in Mexico City on March 9, 1985. LaRouche's plan called for an all-out effort drawing upon the full technological resources of the United States, including our satellite reconnaissance systems, and for a wartime alliance with all the other sovereign states of the hemisphere. The 15-point LaRouche plan placed special emphasis on the role of the major international financial institutions in laundering the Dope, Inc. profits, and proposed a no-holds-barred crack-down on the money trail. LaRouche also stressed the added benefit that such a war would have in improving hemispheric relations on many other matters.

Carlo Bergonzi sings farewell in New York

by Jerry Pyenson

Lovers of Classical singing witnessed a truly extraordinary presentation of Italian song and opera selections at the farewell recital of Italian tenor Carlo Bergonzi, held on April 17 in New York's Carnegie Hall. The hall was filled to capacity, with about 50 people seated on the stage, and the audience's response was unlike anything this listener has experienced. It was not just that the audience loved this singer and his ability to shape the musical line; but as was clear from discussions overheard, many of them knew all too well that the qualities which Bergonzi displays are becoming increasingly rare. Even before Bergonzi, who dominated the Metropolitan Opera for many years, began to sing, he was greeted with not one, but two standing ovations.

The quality of his singing belied the nearly 70 years that Bergonzi has reached. One heard musical phrase after phrase dominated by the conscious intent to communicate the overarching idea associated with each song. The high notes were there, the *forte* notes were there; but, more impressively, so were the swelled notes, the *messa di voce*, the floated octave jumps into a "piano" head voice—all of which revealed a secure *bel canto* technique on which Bergonzi leaned throughout the evening. His pronunciation of the text was absolutely clear, while his voice remained elevated, never guttural. One had the sense that Bergonzi sang without expelling breath—an effect which is associated with the Italian phrase, *inalzare la voce*. One can go to concerts or operas for three months and not hear such high quality vocalism. But there was more.

Singing from the mind

Bergonzi's singing can be characterized by a beautiful voice guided by intelligence and a special kind of "courage." Many singers have mastered their voices up to the point of producing a consistently beautiful tone on every vowel; but in simply producing one beautiful sound after another, they soon become boring. Bergonzi is clearly of a different mind. What one remembers of the evening is not this or that particular note, nor even particular passages, but the intelligent care that each song and aria received, being guided and directed by a conception of the composition as a whole, so that the idea of the song be better communicated.

His concert opened with three songs composed by Giuseppe Verdi, the second of which, "Non t'accostare all'urna," puts demands on both the singer and the audience. Here was displayed the courage and intelligence with which Bergonzi approached the song. The singer represents the thought of one who, after he is dead and interred, addresses those who mourn his death:

"I detest your anguish, I decline your hyacinths; what value to the dead are two tears or two flowers? Cruel one! You should have tendered help to me when life led me to anguish and sighs. Why should your fruitless weeping deafen the forest?" Verdi, through the singer, leads the audience to reflect on the unique importance of the individual, and so Bergonzi's honest rendering of the musical conception matched and amplified the poetical idea.

Two short songs of Vincenzo Bellini followed, in which the beauty of the musical line was matched through very subtle gradations of intensity to communicate the ideas. The second song, "Ma rendi pur contento," was sung twice, the repeat in a quiet half-voice. The words: "Great happiness, O love, to my beloved's heart, and I shall pardon you, if my own heart grieves. I fear her anguish more than my own, for I exist more in her than in myself." Rossini's song "La danza (Tarantella napoletana)," Donizetti's song "Me voglio fa 'na casa," and a song by Franz Schubert, sung in Italian as "Mille cherubini in coro," were each exceptional.

Three arias from three Verdi operas rounded out the Classical section of the evening. Here again, the thoughtful listener is led to develop an idea of the aria, not through excessive emotional outbursts, but through the careful coloring of the voice to create the idea of the piece as a whole. That Bergonzi is not merely singing "naturally" with no scientific knowledge of what he is doing, was clear from the fact that in the Verdi selections, he adopted a darker, more "covered" sound, in contrast with with the earlier Bellini and Schubert pieces. As he sang the arias, one heard him place his voice increasingly in a covered position, especially as he ascended into his head voice. As Bergonzi put it in an interview in the April 16 issue of *Opera News*, explaining why he never sang the role of Othello in Verdi's so-named opera, "For Othello I would have had to prepare for at least two years, singing nothing else. The voice you need is like no other. It must be a covered, dark tone."

Just over one year ago, on April 8, 1993, Carlo Bergonzi courageously took up his vocal principles for the campaign of Lyndon LaRouche and the Schiller Institute to lower the official tuning to the scientifically based C=256 Hz. He insisted that not only is this necessary to protect and develop young people's voices for Classical singing, but that the departure from that natural standard is responsible for increasing rareness of truly "Verdian" voices—especially tenors. At that time, he claimed that when he had started there were 200 first-class tenors in the world. Now, he said, there are two and a half. On April 17, we heard one of them.

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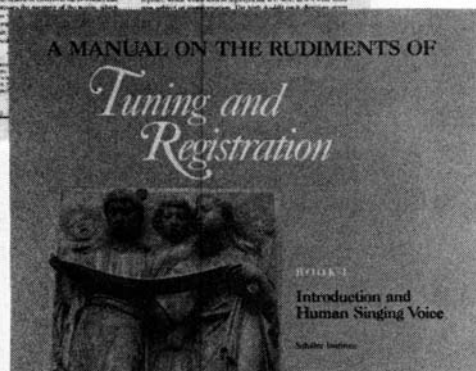
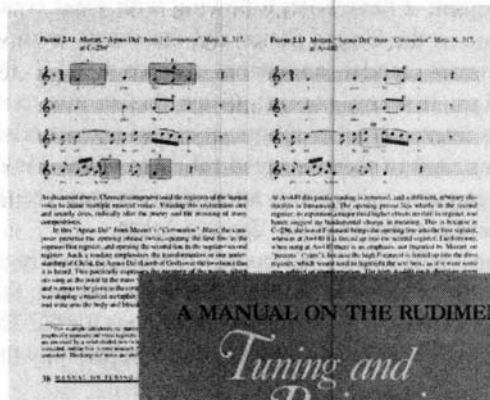
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—Carlo Bergonzi



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British geopolitics is behind Whitewater

Mr. Formigoni is one of the foremost Catholic political leaders in Europe, former vice president of the European Parliament, president for many years of the biggest Catholic youth organization in Italy, the Popular Movement, and a member of the new Italian Parliament. He has been for six months president for Europe of the International Parliamentarians against Genocide in Bosnia, which is fighting the Owen-Stoltenberg plan for partition of Bosnia. He was interviewed by Liliana Celani.

EIR: What is your view of the so-called Whitewater affair in the United States?

Formigoni: I have been following with great concern the situation in the United States and the events leading to the Whitewater scandal, an attempt to force the U.S. President to resign. It seems obvious to me that in this moment of serious international economic crisis, of serious crisis in the Balkans, and of the attempted sabotage of the Middle East peace process, whoever is attempting to paralyze the U.S. presidency is also trying to damage peace.

The whole world, particularly Europe, is looking to President Clinton to solve the problems we are facing: for example, the derivatives speculation which has hit our European Monetary System, and which can be stopped only through a

concerted action among Europe, the United States, and Japan. Even more important is the role which must be played by the United States in the present negotiations in the Balkans, which otherwise risk ending up with a "new Yalta" agreement based on the Owen-Stoltenberg plan for partition of Bosnia. The present government and parliament of Bosnia-Herzegovina are multi-ethnic and multi-religious. This shows that the coexistence of different communities in that country is perfectly possible, and that the ethnic-racial partition of the territory envisaged by the Owen-Stoltenberg plan is an ethical-juridical abomination, as well as a social, political, and historical one.

I therefore ask myself whether those who launched the Whitewater scandal in the British press are the same spokesmen of the British geopolitical thought which promoted this war in the Balkans, encouraging the Serbian aggression. The fact that all newspapers which demanded Clinton's resignation, both in Great Britain and the U.S., belong to the Hollinger group, which is linked to British interests, can only make one suspicious.

Suspicious also is the fact that the attack against Clinton, echoed in the U.S. Congress and Senate by the neo-conservative group close to Bush, coincided with the important recognition, on the side of President Clinton, that the International Monetary Fund's "shock therapy" toward Russia and eastern Europe is aggravating the economic sickness rather than curing it. Important for Europe, and certainly negatively perceived in the City of London (which was directly involved in all speculation operations hitting our European currencies, the lira included) is also President Clinton's decision to demand greater controls on the Federal Reserve.

I therefore hope that the American people will react to this political attack by defending their democratic institutions which, in the U.S. as in Europe, are often targets of scandals.



President William Clinton at the White House signing of the NAFTA treaty in 1993. Henry Kissinger, part of the British geopolitical network which seeks to weaken or overthrow Clinton, sits second from the left in the background.

Kissinger Watch

by M.T. Upharsin

British promote Henry to 'help out' Clinton

The pundits of London's Fleet Street are putting out the line that because the U.S. presidency is "hobbled" by the Whitewater scandal, what is needed is a role for Henry Kissinger in the Clinton administration.

On April 14, the *Daily Telegraph*, owned by the Hollinger Corp., published an article by Washington correspondent Stephen Robinson, titled "Prospect of Hobbled President Worries U.S." At the heart of the matter, he wrote, "there is only one interesting question about the Whitewater affair: Will it lead to the destruction of the Clinton presidency?"

It was the Hollinger Corp. that launched the Whitewater scandal, in a British intelligence bid to wreck the U.S. presidency.

Also on April 14, a column appeared in the London *Times* by Lord William Rees-Mogg, a business partner of Hollinger Corp. international advisory board member Sir James Goldsmith. Under the headline "A Trapped President: The Sheer Weight of Scandal Has Left the White House Practically Powerless," Rees-Mogg wrote that Kissinger should enter the Clinton administration in a high-level position, perhaps replacing Secretary of State Warren Christopher.

"A president who has been put on the defensive becomes a weak president in political terms," explained Rees-Mogg. This would be exploited by the Republican Party, which would prefer "to keep Bill Clinton hanging in the wind" rather than help bring in a Gore presidency.

As a result of the Whitewater scandal and its fall-out, Rees-Mogg said,

there is a growing foreign policy crisis for the United States, caused both by the "beleaguered president himself" and by Warren Christopher. He concluded: "Many people in the foreign policy establishment in Washington would like to see a new secretary of state, both to deal with these relationships and to restore the battered morale of the State Department. As the president is under such concentrated fire, somebody is needed to hold U.S. foreign policy together, as Henry Kissinger did during Watergate. Warren Christopher is not thought to be capable of doing that; indeed, he is regarded as the least impressive secretary of state for a long time."

The drum for Kissinger is beating throughout Anglophile networks and being amplified into the White House. The message was again sent on April 19, when the foreign affairs editor of the Hollinger-owned British *Spectator*, Anne Applebaum, wrote a feature in Hollinger's *Daily Telegraph* calling for a "new Kissinger" to "run the White House." Applebaum made no bones about the takeover scenario: "President Nixon had Henry Kissinger, but who does President Clinton have? The question is not merely academic. As Watergate intensified, Kissinger, for better or for worse, was there to run the White House, and to keep America's foreign policy going in more or less the same direction."

Did Dr. K give Colosio the kiss of death?

Developments surrounding the March 24 murder of Mexican presidential candidate Luis Donaldo Colosio give some good reasons why Clinton should keep Kissinger as far as possi-

ble away from the White House.

Kissinger's British masters want to castrate the strong Mexican presidency, just as they want to weaken the U.S. White House. In Kissinger's April 5 syndicated column, "Mexico's Moment of Truth," the former secretary of state wrote, "I saw Luis Donaldo Colosio, the Mexican presidential candidate, 10 days before his assassination." Kissinger said he also met other Manuel Camacho Solís, Colosio's leading rival.

Kissinger hailed Camacho, the government mediator with the Zapatistas who staged a violent secessionist uprising in the southern state of Chiapas; Camacho has awarded major concessions to the narco-terrorist band. The naming of Camacho to lead the talks is "a harbinger of a new, uncharted era," Henry wrote.

Colosio's murder can lead to "some good," if it reminds Mexican democrats that democracies are "sustained by reconciliations," Kissinger concluded.

A source in the Inter-Action Council founded by former West German chancellor Helmut Schmidt lamented to *EIR* that "Clinton will never listen to Kissinger." If that's so, it's to the President's credit.

Kissinger's record of "advice" to national leaders is lethal. In his days as U.S. national security adviser, Dr. K told Pakistan's Prime Minister Bhutto he would make a "terrible example" of him if he persisted with his nation's independent nuclear capability; Bhutto was later hanged. He warned Italian Christian Democratic leader Aldo Moro to stop building a national unity government; Moro wound up kidnapped and murdered by terrorists.

House passes crime bill

The House passed on April 21 a \$28 billion crime bill by a vote of 282-141, upping the Senate spending figure by \$6 billion. The House legislation would put 50,000 more police on the streets (half of what the Senate called for), add \$13.5 billion for building state prisons (three times the Senate proposal), and authorize \$7 billion for crime prevention, which would include funding "night basketball" programs throughout the country. The House bill, attacked by Republicans for not being tough enough, would expand the federal death penalty from 2 to 65 crimes (15 more than the Senate bill) and would impose a life sentence for those convicted of three violent or drug-related crimes.

The Senate bill includes a ban on semi-automatic weapons, which will probably be kept in conference. The House narrowly upheld (217-212) on April 20, a provision that would allow defendants to use statistical evidence to challenge death sentences as racially discriminatory. This provision, together with the \$7 billion for crime prevention, helped to bring a majority of the Congressional Black Caucus behind the bill. Neither of the bills contains a Republican-backed provision which would have shortened the time period for death row appeals.

Group lobbies for U.N. control of U.S. forces

The United Nations Association of the U.S.A. (UNA-USA) is lobbying for a decision soon by the Clinton administration and Congress, to cement U.S. military forces into the U.N. command structure. The U.N. group, funded by various foundations, hopes to get around widespread suspicion

and hostility against the U.N. by Americans, by implementing a new doctrine of international military integration now being circulated in government ranks as Presidential Decision Document 13.

There is speculation that Morton Halperin, whose nomination to a Department of Defense post was rejected by Congress, and who is now at the National Security Council, wrote PDD-13. Halperin has declined to discuss the matter.

Under PDD-13, the U.S. military "would not have to have their units come under the command of some Turk, say, who didn't care if he sent American troops in to be butchered. U.S. forces would be under American commanders—at the battalion level," a UNA-USA representative recently noted. Of course, overall decisions on the commitment of troops would be in the hands of the U.N. The spokesman did not elaborate on how a dispute might be resolved involving a lower level officer "more protective of his men" than were his superior officers. He said that once the U.N. really controls its own military forces, it would be appropriate for the U.N. to have "shock troops" that could be brought in at an instant's notice to prevent trouble from breaking out anywhere on the globe.

On April 25, the *New York Times* editorialized that the U.S. role in the U.N. could be "strengthened" in several ways. "Although the armed services are updating their doctrine . . . for peacekeeping, they have been reluctant to sign an agreement with the U.N. designating specific American units to be committed to [U.N.-controlled] peacekeeping. [Such] designation would be useful to improve the readiness of the units and allow them to engage in joint training with other nationals." The *Times* added that under the doctrine now being debated,

the President "could withdraw" U.S. troops "from engagements that failed to serve American interests."

Gonzalez seeks data on Federal Reserve SWAPs

In a letter to Federal Reserve Chairman Alan Greenspan on April 20, House Banking Committee Chairman Henry B. Gonzalez (D-Tex.) called on Greenspan to "release to me all of the complete transcripts of FOMC [Federal Open Market Committee] meetings in its [the Fed's] possession." Gonzalez particularly targeted a recent move by the Fed to establish a \$6 billion SWAP fund to shore up the Mexican peso.

The Fed set up the SWAP fund together with the Treasury Department, but whereas the Treasury's Exchange Stabilization Fund is scrutinized regularly for Congress by the General Accounting Office, the Fed's exchange operations are not, since the Fed's SWAP fund does not receive its budgetary authority from Congress. Legislation introduced by Gonzalez, the "Federal Reserve System Accountability Act of 1993," would change that.

"What is the basis for your entry into the foreign exchange markets and your ability to grant loans without congressionally authorized funds?" Gonzalez inquired of Greenspan. "What is the legislative basis and the constitutional basis?" He also asked Greenspan if it's "still the practice of the Federal Reserve to use private commercial banks in the United States and in foreign countries in carrying out foreign currency interventions as described in the Federal Reserve literature." If indeed that is the case, Gonzalez asked Greenspan to "describe the nature of these operations and list

the private banks used by the Federal Reserve for these transactions in the last five years." Gonzalez also asked for a listing of the "loans, SWAPs, and extension of credit arrangements that have been made in the last 10 years without Treasury participation."

Tougher sanctions sought against Haiti

In a press conference on April 19, five liberal Democratic senators led by Christopher Dodd (D-Conn.), chairman of the Senate Foreign Relations subcommittee on hemispheric affairs, attacked the Clinton administration's Haiti policy, claiming that it had no chance of restoring democracy in Haiti. Instead, they are calling for legislation to impose new sanctions against Haiti's military rulers.

The bill would impose a complete commercial trade ban on Haiti, cut off air links with the United States, deny visas to members of the Haitian Armed Forces and their civilian backers, and freeze any assets they have in the United States. It would also block continuation of current U.S. refugee policy, in which boats with Haitian refugees are turned back at sea to return to Haiti. The bill would accomplish this by barring funds for the return of any boat people who are denied a proper hearing on their claims for political asylum in the United States.

The bill would cut off U.S. aid funds to any country that refuses to cooperate with the embargo. The legislation calls on the United States to move in the United Nations to impose U.N. sanctions against Haiti. The bill is meant to pressure the administration to reinstall ousted President Jean-Bertrand Aristide, a person who has advocated "necklacing" against his politi-

cal opponents.

Joining Dodd were Tom Harkin (D-Iowa), Carol Moseley-Braun (D-Ill.), Paul Wellstone (D-Minn.), and Russ Feingold (D-Wisc.). The bill is similar to one introduced in the House by members of the Congressional Black Caucus, which now has 65 co-sponsors.

Russian-U.S. space station may not fly

The attempt by the Clinton administration to transform the space station program into an integral part of Russian-U.S. collaboration, thus making its future dependent on continued stability in Russia, ran into heavy objections in a hearing of the Space Subcommittee of the House Science, Space, and Technology Committee on April 20.

James Sensenbrenner (R-Wisc.), the ranking Republican on the subcommittee, said that such a policy was "like surrendering the U.S. ability to build the station without Russia. . . . This is a deal we wouldn't have agreed to with our strongest allies" during the Cold War period, Sensenbrenner said. The United States would be at a disadvantage by hanging everything on the Russian collaboration, while the Russians on the other hand "can bail out and put Mir II into orbit."

Administration witness James Collins, senior coordinator in the office of the ambassador-at-large for the Community of Independent States, claimed that there was no "substantial possibility" that turmoil between Russia and Ukraine or between Russia and Kazakhstan would disrupt cooperation. Asked how much chance there was that the Russians would experience a total economic collapse during the period of the building of the space station, Collins

responded, "They have as good a chance at making it as not."

End arms embargo against Bosnia, says Dole

Senate Minority Leader Robert Dole (R-Kan.) called for lifting the arms embargo against Bosnia on April 21. Appearing with Bosnian Vice President Ejup Ganic, who was visiting Washington, Dole said, "We have a moral obligation and if we don't do anything else, we should let the Bosnians defend themselves."

The proposal to lift the arms embargo is gaining momentum, and leading Democrats such as Rep. Frank McCloskey (D-Ind.) and Sen. Joseph Biden (D-Del.) have renewed their calls for similar measures. Appearing on "Nightline" on April 17, McCloskey called for strategic bombing of Serb positions by NATO in order to stop the Serb aggression against Gorazde and other "safe havens." The call was seconded by Biden, chairman of the Senate Judiciary Committee.

On April 18, President Clinton indicated that this was his preferred option, but that he was not prepared to act unilaterally.

On April 18 on the CBS "This Morning" show, Sen. Richard Lugar (R-Ind.) commented, "What is at stake is the credibility of NATO, the credibility of U.S. foreign policy. And we have some interests there that I think are substantial with regard to stability of Europe, quite apart from humanitarian interests; that ethnic cleansing ought not to stand, that the holocaust situation that we have condemned ought not to occur right before our eyes in this time. . . . But the President . . . has to indicate the leadership that's required. And the American people will come along, at least if they understand our interests."

National News

'Municipal derivatives' fest ruined by reality

The campaign of Mark Calney for California governor intervened into a Santa Monica seminar on "municipal derivatives" sponsored by the Lehman Brothers brokerage on April 21. The sponsors charged municipal officials and others \$295 each to be brainwashed into the insane practice of having cash-strapped local communities invest their funds in financial derivatives. Nearby Orange County has already been made one such victim.

Two campaign organizers presented seminar attendees with information packets that included a statement from Calney denouncing derivatives as a "ticking time-bomb." "Major financial institutions, such as Crédit Lyonnais of France, have already collapsed as a result of such practices," said Calney. The derivatives-based speculative bubble has grown from \$1-2 trillion in 1988 to \$16 trillion today.

A distraught organizer for the seminar confronted the Calney volunteers, screaming, "I can't believe you did that! You ruined everything!"

In a related development, the Riverside County Coalition for Family Values has officially endorsed Calney, who is a LaRouche Democrat. The coalition, comprised of Catholics, Jews, Mormons, and Protestants, will be including their endorsement in a 200,000-run pamphlet for distribution to county voters.

Gary Graham wins right to seek new trial

In a breakthrough on April 20, the Texas Court of Criminal Appeals, in a ruling in the case of death-row inmate Gary Graham, voided the so-called "30-day rule." The law, variants of which exist in several states, prevented new evidence of innocence from being used to win a new trial in capital cases more than 30 days after sentencing. It was this rule which was implicitly held up by the

U.S. Supreme Court in its 1993 *Herrera* ruling, and which sent Leonel Torres Herrera, who was probably innocent, to his death.

However, the 5-4 Texas ruling set an extremely high standard for ordering a new trial: "The *habeas* judge must hold a hearing to determine whether the newly discovered evidence, when considered in light of the entire record before the jury that convicted him, shows that no rational trier of fact could find proof of guilt beyond a reasonable doubt."

Graham, still under death sentence, can now apply for a new trial, based on the fact that several witnesses to the slaying for which he was convicted came forward after the trial to say that Graham was innocent.

Religious scholars meet one year after Waco

Sixteen religious scholars met near Waco, Texas on April 17 and announced the formation of a "Religion-Crisis Task Force" prior to commemorative activities on the first anniversary of the FBI assault against the Branch Davidians that killed 86 people in a firestorm. Leaders of the group included Dr. J. Phillip Arnold of Houston and Dr. James Tabor of the University of North Carolina-Charlotte, who were involved in attempting to arrange a peaceful conclusion to the standoff between the FBI and the Branch Davidians.

In their press release, the organizing committee said, "In the pursuit of objective, even-handed reporting and analysis of the facts by the media and government agencies, the Religion-Crisis Task Force urges a moratorium on the use of the word(s) 'cult,' 'cultists,' or 'heretic' in reference to the Branch Davidians, specifically, and non-mainstream religions generally. . . .

Referring specifically to the Branch Davidians, the scholars continued, "Although their faith differs from traditional Judaism and Christianity, their beliefs and practices possess all the characteristics of a church community. For this reason, and others, the Branch Davidians must be recognized as a religious community—a church—and a moratorium on the use of the word 'cult'

must be declared."

Self-proclaimed experts from the Cult Awareness Network played a major role in inflaming the month-long standoff between the FBI and the Branch Davidians.

'American gulag' proposed in Virginia

In Virginia, the Governor's Commission on Parole Abolition and Sentencing Reform presented its "Proposal X" on April 19, the most comprehensive revision of the state justice system ever attempted. The plan intends to make criminals serve an average of 85% of their sentences (they now serve an average of 30%), and ends parole for violent criminals. The roughly half of the state's 20,000 prisoners who are non-violent will be housed in "cost-efficient, secure facilities with job/work requirements" for which they will be made to pay themselves.

States which have already moved in this direction have found that more prisons simply make for more prisoners, but not less crime, according to studies published recently in the *Richmond Times-Dispatch*. In Texas, where more people are imprisoned and put to death per capita than any other state, it is estimated that by the year 2000, one in every 21 adults will be under the control of the criminal justice system.

In Florida, where parole has been abolished, violent criminals are being released early from overcrowded facilities, because the state has been under federal court order since 1980 not to allow overcrowding. Even with the toughest criminal justice system, in Florida today 12% of the population is involved in illegal drugs.

Census study shows lack of health care coverage

A study by the U.S. Census shows that, in addition to the estimated 40 million Americans who lack any health insurance, 25% of Americans or 60 million people had lapses in their coverage some time between February 1990 to September 1992. The study found that those most likely to lose their

Briefly

health coverage were living at or near the poverty line, worked part-time, or were between the ages of 18 and 24. Those who lose coverage and later regain it are usually forced to pay higher premiums and to comply with new six-month waiting periods before the coverage becomes active, making the possibility of regaining coverage slimmer with each successive lapse in insurance.

The Clinton administration estimates that there are 81 million families in which members have preexisting medical conditions, making them very vulnerable to loss of coverage.

The Census Bureau survey found that 52% of those living in poverty for just one month during the 32-month period studied lost health coverage; 47% of those who participated even briefly in assistance programs such as welfare, general assistance, Social Security, food stamps, or housing assistance, lacked continuous coverage; and 46% of those whose income was between the poverty level and twice that amount also lacked continuous coverage.

The study, based on the monthly Survey of Income and Program Participation, found that 48% of Hispanics lacked coverage, as compared to 37% of African-Americans and 24% of whites.

Kansas wants 'bidding for beds' for Medicaid

The Kansas Department of Social Rehabilitation Services (SRS) has asked the federal government to waive certain Medicaid rules so the state can open competitive bidding among the state's nursing facilities for contracts to serve elderly Medicaid patients. About half the nursing home patients in Kansas depend on Medicaid, the federal-state plan that finances health care for the poor.

Families of patients are alarmed that their relatives can be shipped off to the lowest bidder anywhere in the state, and maybe even out of the state, if the waiver is approved. The Kansas Health Care Association that represents the state's 300 nursing home facilities, says the "bidding for beds" scheme will create immeasurable suffering

for chronically ill and infirm patients if they are bounced yearly from one facility to next year's lowest bidder. SRS calculates it will save up to one-half of 1% in Medicaid expenditures.

With the waiver, SRS plans to limit the number of nursing home beds designated for Medicaid. Yet, SRS, the University of Kansas, and other groups that produced the Kansas Long-Term Care Action Committee Report, estimate that the number of Kansans who are at least 85 years old will grow by 50% by 1995.

Midwest hit by new round of flooding

Spring flooding, fed by heavy rains and snowmelt, is revisiting some areas of the Midwest ravaged last year, as well as new areas this year. While not as bad as last year's massive flooding, the spring floods of 1994 are aggravated by the fact that critical infrastructure damaged in 1993 has not been repaired. Flooding was blamed for four deaths in Missouri, and one each in Illinois and Oklahoma.

The Merrimac River in Missouri crested at 38 feet, 22 feet above flood stage. In southern Illinois, several families were taken to safety by helicopter after the Mississippi River pushed through a levee near Miller City. In Oklahoma, the Neosho River crested more than 10 feet above flood stage on April 14. In St. Louis, the Mississippi crested at 6.5 feet over flood stage.

The United States is even less prepared to handle a flood this year than it was last. Many levees, destroyed last year, have still not been rebuilt.

Last year, the Midwest suffered \$15-25 billion in damage to farm crops, homes, infrastructure, and industry, as a result of lack of flood control infrastructure on the Mississippi above Cairo, Illinois. After the floods, the Army Corps of Engineers was prevented by budget-cutting insanity from rebuilding what infrastructure existed. Now, the Federal Emergency Management Agency is pushing for programs that will not repair last year's damage, but allow the Mississippi to run free.

● **THE AMERICAN Cusanus Society** recommended to its members the collection of English translations of Cardinal Nicolaus of Cusa's works that was published by the Schiller Institute in 1993. According to the society, the book contains the only available English translation of *De Coniecturis*, which will be the subject of an Oct. 5 biennial conference.

● **THE ROSEMONT-APPLE Valley School district** in Minnesota, which pioneered the brainwashing curriculum known as "outcome-based education" in the state, has decided to drop the program. School "reformers" from the Humphrey Institute have been quoted in the press fearing that other districts will now also be encouraged to scrutinize OBE.

● **THE ANTI-DEFAMATION League** "expressed disappointment that the Sixth Circuit Court of Appeals denied an appeal for the entire court to determine whether the U.S. Justice Department's Office of Special Investigations acted improperly in the Demjanjuk case. The League reaffirmed its support for OSI's efforts to have Demjanjuk deported," in the latest issue of its newsletter. The ADL colluded with the Justice Department and the Soviet KGB in the frameup of Demjanjuk.

● **160 JEWISH** "writers, intellectuals, rabbis, [and] community activists" published a full-page ad in the *New York Times* on April 17 calling for Israel to dismantle the settlements in the Occupied Territories. The signers said they "were outraged at the massacre of Palestinians at a mosque in Hebron by an American Jewish settler and at the subsequent glorification of that carnage by other Israeli settlers."

● **LAROCHE** Democratic candidate for Senator from Virginia Nancy Spannaus will top the June 14 Democratic primary ballot, because she was the first in the field of four to turn in her petition signatures.

Editorial

Henry Kissinger was Nixon's Iago

On assessing Richard Nixon's time in the White House, it is of interest that many Americans appear to dismiss the whole issue of Watergate as irrelevant. This may be a charitable impulse, or perhaps recognition of a positive role which Nixon has played as elder statesman, particularly since President Clinton took office. It is also a reading on popular disgust with the present farce of "Whitewatergate."

However, eulogies to former President Nixon's role as a statesman and man of peace are off the mark. It is not Watergate for which he should be held to account in the pages of history books, but his trust in that villainous creature, Henry Kissinger. Kissinger's tenure as national security adviser and secretary of state under Nixon, and as national security adviser under President Ford, set the stage for all that is wrong in our foreign policy today.

Shakespeare's tragedy *Othello* describes the situation of a noble ruler who was deliberately destroyed by his trusted adviser, the vicious Iago. Iago played upon Othello's fears that his wife did not love him; Kissinger catered to Nixon's illusions about his own potential greatness as a statesman. The end result in both instances was disaster.

It was Kissinger who implemented the policy of perpetuating instability in the Middle East; Kissinger who advocated a policy of turning the war in Vietnam into a fruitless slaughter, and extending it to Cambodia as a means of helping Pol Pot come to power; Kissinger who enforced International Monetary Fund and World Bank power over developing sector economies, by ruthlessly eliminating all political opposition in those lands.

It is well to note that George Bush, who bequeathed the "new world order" to Clinton, was ambassador to the United Nations, while Nixon was President. His boss was Henry Kissinger. Many of President Clinton's problems today can be laid directly to his failure to break decisively with the policies of his predecessor.

Kissinger admits that he has modeled his public role on that of the Austrian Prince Klemens Metternich. He was the architect of the Holy Alliance system of police states in Europe imposed at the 1815 Congress

of Vienna, which strengthened empires against nation-states, just as the United States is supposed to do for Britain today.

On May 10, 1982, Henry Kissinger addressed the Royal Institute of International Affairs at Chatham House. Here he spilled the beans about how during his period in office, under Presidents Nixon and Ford, he was taking his orders from the British Foreign Office. He puts it a bit more delicately, but the point is obvious. We quote from his speech:

"The British were so matter-of-factly helpful that they became a participant in internal American deliberations, to a degree probably never before practiced between sovereign nations. In my period in office, the British played a seminal part in certain bilateral negotiations with the Soviet Union—indeed, they helped draft the key document. In my White House incarnation then, I kept the British Foreign Office better informed and more closely engaged than I did the American State Department—a practice which, with all affection for things British, I would not recommend be made permanent. But it was symptomatic."

In the Balkans, the British quashed President Clinton's laudable impulse to oppose Serbian genocide with necessary force, and imposed instead their own policy of thinly disguised support of the Serbs. Just as in their early support of Hitler as a tool whom they could use to maintain the balance of power in Europe, so today they seek to use the Serbs.

Kissinger, in his Chatham House speech, reported that during and after World War II, the British saw the Americans as "naive, moralistic, and evading responsibility for helping secure the global equilibrium. The dispute was resolved according to American preferences—in my view, to the detriment of postwar security. . . . Fortunately, Britain had a decisive influence over America's rapid awakening to maturity in the years following."

Let us remember Richard Nixon, tragic figure though he was, with a certain affection. But let us not forget his foolishly trusted Iago, Henry Kissinger, who still lusts for power today.

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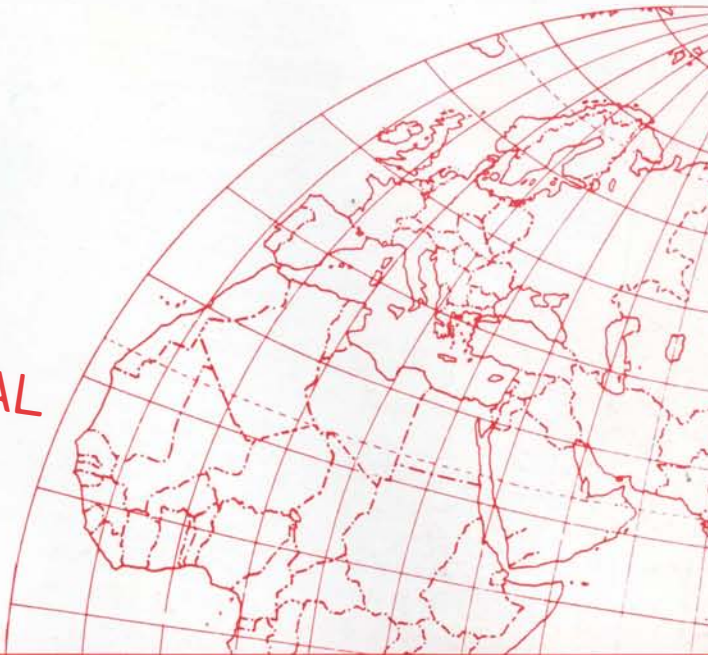
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ALERT



September 23, 1993 **EIR Alert** quotes Lyndon LaRouche on the Russian crisis: "Yeltsin may have lost his head, he has engaged in what we call, in military terms, flight forward."

October 4, 1993 Boris Yeltsin orders assault on the Russian Parliament, killing hundreds and jailing opponents.

January 4-6, 1994 **EIR Alert** describes the Jan. 1 uprising in Chiapas, Mexico as a foreign-run assault on the nation-state, a "Sendero Luminoso North."

March 23, 1994 Mexican presidential candidate Luis Donaldo Colosio is assassinated, plunging the nation into crisis.

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