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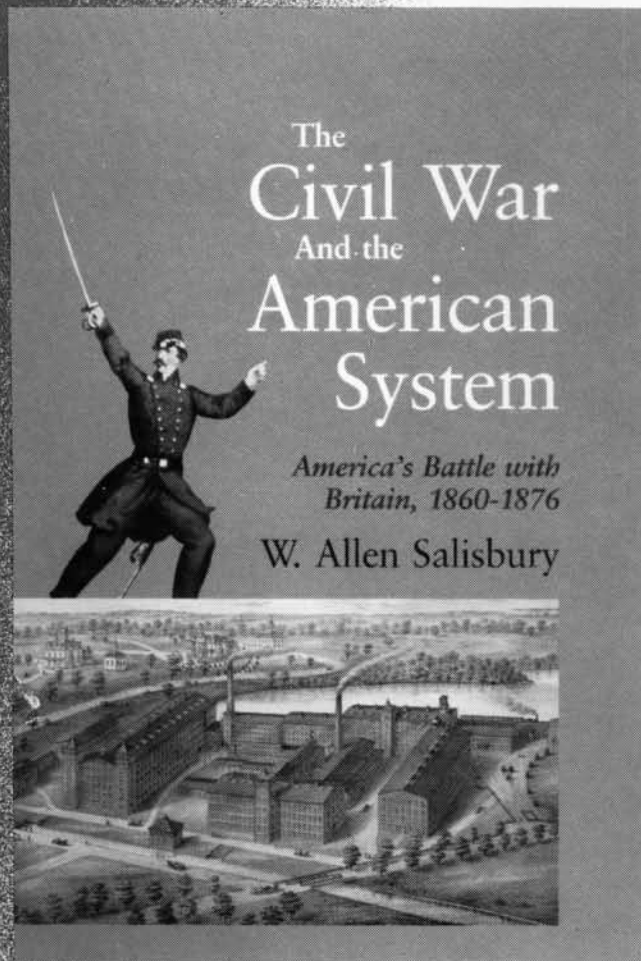
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From the Editor

This Oct. 12 marks the sixth anniversary of Lyndon LaRouche's speech at the Berlin Kempinski Bristol Hotel in 1988, where he presented a breathtaking vision of the future reunification of Germany, with a mission to rebuild the depleted economies of communist eastern Europe, particularly Poland. It was one of LaRouche's last major initiatives before he was sent to prison by his political enemies in January 1989.

In that Berlin address, he proposed that the United States and others launch a massive reconstruction program eastward as soon as the expected early economic collapse of the Soviet bloc erupted. On Oct. 14, 1988, he was indicted in the William Weld-led concert of action in Alexandria, Virginia, almost 94 years to the day following the indictment in the comparable Dreyfuss case (which, by the way, now marks its centennial).

About one year after LaRouche's prophetic address in Berlin, the Soviet system was crumbling. In December 1989, from prison, LaRouche detailed the actions which must be taken to deal with the fall of the Soviet system in eastern Europe. His proposal, worked out by telephone, was widely circulated by his colleagues throughout Europe as the "Productive Triangle" report. Yet meanwhile, Maggie Thatcher and her virtual ventriloquist's dummy, U.S. President George Bush, took a geopolitical tack directly opposite LaRouche's proposals. In 1989-90, Thatcher and Bush unleashed the policy of shock therapy to ensure that the economies of Central Europe and the former Soviet bloc collapse and stay collapsed forever.

Now we are coming to an inflection point in that historic process. The *Feature* this week is Muriel Mirak-Weissbach's analysis and firsthand report from Baghdad on the literal insanity of the ongoing embargo against Iraq, a heritage of the Bush-Thatcher era which endangers the entire Middle East peace process.

In *Economics*, we introduce the theme of the coming fall of the House of Windsor, which will be the subject of an *EIR* cover story now in preparation. Additionally, our intelligence staff is currently assembling, for publication later this month, a detailed account of the evolution of U.S. Russia policy as we mark the anniversary of Oct. 12, 1988. Next week, we'll have a report back from Chiapas, Mexico, scene of the recent terrorist uprising.

Nora Hamerman

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Royal panic breaks out in London financial center

by Our Special Correspondent

London's financial markets were the epicenter of a renewed round of volatility on international stock markets during the first week of October, as across-the-board plunges wiped out the effects of the short-lived summer rally, putting leading indexes at their lows for the year. As earlier in the year, Wall Street volatility, with the so-called summer rally undone, has been, thus far, on a somewhat lesser scale.

In market terms, Italy, France, and Germany have appeared to lead the way. But seasoned observers point to the tremors erupting in London as portending events of far greater significance.

As October opened, it was the shares of Britain's investment banks which took the biggest pummeling. The reason: successive announcements by S.G. Waburg and Hambros, two of the City's leading such houses, that their trading profits for the half-year would come in 50% below the levels they recorded just one year ago. Hambros chairman Sir Chips Keswick, in announcing the results, said they were not as bad as might be expected, since "bond markets have been rocked by the most turbulent conditions since the beginning of the First World War." Quite.

The investment banks' results reflect the underlying and ongoing collapse of the derivatives-dominated floating exchange monetary arrangements which have been in place since the early 1970s. As the Hollinger Corp.'s London *Daily Telegraph* put it on the morning after, "If you have tears to shed, prepare to shed them now. The good times in the City are drawing to a close." Shed them, the paper wrote, for the passing of London as an international financial center.

Monetary and market upheavals are not separate from the other eruptions which are racking the British elite these days, undermining the very existence of the institutions on which Britain's political, as well as financial, global influence has

depended. The ruling Windsors, who failed to heed the lessons of their predecessor generations—i.e., "if you must do it, don't do it in public, and don't get caught"—are now about to learn another, older one: He who cannot rule himself or herself is not fit to rule others. And, Lloyds of London, which is nearly as old as the Hanoverians, and has been at the center of the City's global outreach for 200 years and more, the core of global re-insurance rackets, has now been found—by Britain's courts no less!—to have used deceit and fraud in its conduct toward certain individuals, known as "Names," who put up their money, with unlimited personal liability for losses incurred, to underwrite the insurance issued by Lloyds' syndicates. Lloyds has been ordered by the courts to pay \$650 million to the members of its Gouda-Walker syndicate. This is the biggest legal settlement in British history, and, given the line of similar suits in the works, only the first of many to come.

'It can't go on forever'

An informed British source commented to *EIR* on Oct. 4 that "a lot of things are caving in simultaneously in Britain at this point. We have been propping up very frail institutions here for a long time, but it won't work much longer. The scandals around the monarchy (see p. 6, 9 below), around the Thatcher family, around Lloyds, these are the 'signs' of things—and there'll be more. This country is more exposed than most are, after the decimation of our manufacturing base over the past 15-20 years. We've tried to survive on North Sea oil and finances, it can't go on forever."

Ever since the "big bang" deregulation of the City of London financial markets at the end of 1986, London has become the center of international "funny money" circuits. Of the more than \$1 trillion per day traded on foreign ex-

change markets, fully one-third of it goes through the City's computers and dealing desks. More than 30% of the shares traded on all European stock exchanges, on a daily basis, are traded through London. London's International Financial Futures Exchange is the center and reference point for derivatives trading during European time zone opening hours, and a close follower in terms of volume to the activities in Chicago.

Market volatility, and impending institutional collapse, reflect the reality that is threatening to pull down the speculative financial house of cards.

The Oct. 2 issue of newspaper mogul Rupert Murdoch's London *Sunday Times* published a scathing attack on the dangers of derivatives in its weekly financial supplement. The feature was entitled: "Derivatives—A Special Report into the Dangers of Financial Tools Designed by 'Rocket Scientists.'" One article in it went under the heading, "Bubble Bursts as Magic Hedge Loses Its Market Edge." Its author, Garth Alexander, wrote, "A crisis threatens the \$12 trillion-a-year derivative market. Wall Street firms have quietly spent \$500 million in the past few months propping up funds and paying off investors." He outlined the much-publicized series of derivatives-related losses including: the collapse of a Denver-based money market fund; the near-bankruptcy of Odessa College in Texas; the lawsuit of Gibson Greeting Cards Inc. against Bankers Trust for misleading them on derivative risk; and large losses by Paine Webber & Co., Kidder Peabody, BankAmerica, and ABN-AmRo, as well as numerous municipalities that have derivative-related losses.

All of these and more were the subject of Oct. 5 hearings before the House Banking Committee (see article, p. 17). The terse conclusion of the article is a quote from a Chase Manhattan banker defending derivatives and blaming the users: "Without an adept driver, a turbo-charged Porsche 917 racing car may not outperform a 1980 Chevrolet." To which the *Times* commentator retorted, "It could also get you killed."

Hollinger's *Telegraph* picked up this refrain as it bemoaned threats to the City financial center coming from financial losses, the disaster at Lloyds, the bungling incompetence of the stock market, potential future damage coming from the Frankfurt, Germany-headquartered European Central Bank, and European Union regulations on financial adequacy which threaten the very existence of Britain's under-capitalized market-making stockbrokers, such as Smith New Court and Cazenove.

A derivative by any other name . . .

The Oct. 1 issue of the *Economist* financial weekly added its own twist to all this, with a novel proposal for dealing with the growing international controversy over the dangers associated with derivatives: Why not just stop using the word "derivatives"? The *Economist*'s editorial, titled "A Risky Old World: Financial 'Derivatives' Can Make It Safer, But

the Word Itself Is a Suitable Candidate for Banning," defends the idea of derivatives, arguing that "To concentrate on the instruments themselves is to miss the wood for the trees. Derivatives are nothing more than risk-management tools. . . . Further, there is a strong case for doing away with the term 'derivatives' altogether. This word misleadingly lumps together different classes of instruments. . . . Worse, the term has allowed scaremongers to create and sustain a financial bogey."

Deutsche Bank's Chairman Hilmar Kopper echoed the *Economist*'s words at the semi-annual meeting of the International Monetary Fund in Madrid. Kopper denied that banks are responsible for any of the volatility that has roiled financial and other markets, and claimed instead that banks are merely responsible for managing such volatility. How do they do it? Through derivatives, of course!

Both Kopper and the editors of the *Economist* ought to apply to take over the public relations department at Buckingham Palace. It might be fun to see how well their efforts would succeed where others had failed. "Let's just change all the names, and, as with the world of high finance, everything will be okay." Would that the adventures of a mere "Mr. and Mrs. Windsor" attracted such public attention!

The French daily *Le Monde* put a spotlight on the real danger that the *Economist* and Kopper are obfuscating. In an article titled "The Threat of Derivatives Markets," by senior African Development Bank official Sanou Mbaye expressed concern that a generalized "payments and insolvency crisis" could erupt in the event of a major bank failure, the which crisis governments would be unable to handle, given the massive level of derivatives speculation.

Much as Lyndon LaRouche has done on several recent occasions, Mbaye linked the development of derivatives directly to the circumstances of the 1971-73 period. "The climate of instability which characterizes the international monetary system since the abandonment in 1971-73 of the convertibility of the dollar into gold and of fixed exchange rates, has led to the creation of new financial instruments," i.e., "derivatives." Mbaye warned, "The specter of such a crisis can not be rejected, despite the pacifying declarations of an Alan Greenspan, boss of the U.S. Federal Reserve, and the reassuring conclusions of a study on the derivatives markets of the 'Group of 30' published in the U.S. in July 1993." He itemized some of the "derivatives disasters" of the recent period, such as Germany's Metallgesellschaft, the Japanese oil company, and Procter and Gamble in the United States.

"Given the interaction of commitments on the capital markets," Mbaye predicted, "the major default of a bank would lead, automatically, to a generalized insolvency. In a situation of generalized insolvency, the role of lender of last resort would devolve on the central banks. But the magnitude of sums involved makes one doubt their capacity to stem a massive payments default."

The impending fall of the House of Windsor

“We are extremely close to the end of the House of Windsor,” declared Harold Brooks-Baker, publishing director of *Burke’s Peerage*, the catalogue of the British nobility, in a statement to the London *Guardian* published on Oct. 4. Brooks-Baker, one of the most renowned experts on royalty in the United Kingdom, gave his assessment of the effect of the latest scandal book hitting the royal family, entitled *Princess in Love*, which contains the memoirs of Maj. James Hewitt, who claims to have been the former lover of Princess Diana. The book, written by Anna Pasternak (great-niece of the late Boris Pasternak), has been published by London’s Bloomsbury Publishers, and was released on Oct. 4.

In a discussion, Brooks-Baker expressed his evaluation that the institution of the monarchy will be terminated in Britain early in the next century, but that the House of Windsor itself will be in an end-game situation before that. “The House of Windsor is definitely on a road to self-destruction,” he affirmed. “It is what I would call a *nosedive* situation.”

Brooks-Baker said the monarchy was paying the price for certain calculations made by the late King George V around the time of World War I, when the name of the royal house changed from “Hanover” to “Windsor.” George V decided that the monarchy should remodel itself as “the perfect middle-class family.” This “worked” until about 10 years ago, but is no longer working. “That was the beginning of the slippery slope,” Brooks-Baker complained, adding that the House of Windsor is now hostage to “public approbation,” and more and more Britons are getting fed up with the constant scandals, and evidence that “the monarchy is like the rest of us, warts and all.”

Brooks-Baker pointed to British Labour member of the House of Commons Anthony Wedgwood-Benn as one key culprit in the moves against the Windsors, and accused him of plotting a *coup de grace* against the royal house. “The possibility looms before us of a referendum on the monarchy. That’s Wedgwood-Benn’s doing. He *instigated* the whole referendum ploy some years back, nominally on the [European] Common Market question. But his real intent, when the time would be ripe, would be to have a referendum against the monarchy. This could be most unfortunate. The British monarchy is not like the six royal houses that still exist on the European continent, which are mostly symbolic, and have little day-to-day importance. In Britain, by contrast, the

monarchy is *very* important.”

From both left and right sides of the political spectrum, British newspapers solicited commentaries from influential figures in England and elsewhere:

A worldwide laughingstock

“I don’t see how this can go on. It is making the royal family a worldwide laughingstock,” said one unnamed top aide to the House of Windsor, as reported by the *Guardian* on Oct. 4.

A BBC radio broadcast on Oct. 4 described the Hewitt revelations as a “huge embarrassment for the monarchy, very very damaging to the royal family.” Even though the book’s contents were panned as ridiculous, commentators speculated that “the end of monarchy” could be looming in the not-distant future.

“Europe Feels Repercussions of Fall of the House of Windsor,” reported the *Guardian* on Oct. 5. Spanish royalty expert Juan Balanso wrote: “This apparently never-ending string of scandalous revelations leads to a loss of prestige for all Europe’s monarchs which could have very severe implications. The English royals have always been the model other countries looked to and sought to model themselves on. That was certainly the case with our monarchy, but now the exact opposite applies. This once solid institution is crumbling before our eyes. Other royal families consider them a negative force and fear the adverse publicity could affect their own standing.”

Guardian commentator Martin Woollacott wrote on Oct. 5 that “getting rid of a monarchy is always a bloody business.” Europeans must be mystified by the upheavals around the British monarchy, which is courting disaster, he wrote. European nations understand better “that when kings are brought down, they have almost always been the victims of societies that have lost cohesion” through war, economic collapse, or civil strife. “There are no examples in modern history of a monarchy passing peacefully from the scene.” Such events are usually the product of disaster and portend worse to come, Woollacott wrote. He described the turmoil of the 20th century in which so many monarchs were ousted, and the attempt after 1848 to create stable constitutional monarchies in northern Europe. The ousting of monarchs “in every country has been a deadly serious and dangerous business.”

In the *Daily Express*, a pro-Tory London tabloid, Prof. Keith Middlemas of Sussex University wrote on Oct. 5 that “in the monarchy’s stock, the bottom must be fairly close. . . . The rancid, remorseless accumulation of five years’ gossip and scandal has produced an ugly public mood in which it is just possible that the monarchy’s future may be in doubt.” There are historic precedents: “Republicanism . . . was not a little thing” in Queen Victoria’s later years, nor were the events which toppled the Greek monarchy and almost toppled the Belgian one in the postwar years.

House Banking Committee hears derivatives victims

by Anthony K. Wikrent

The House Committee on Banking, Finance, and Urban Affairs, chaired by Rep. Henry B. Gonzalez (D-Tex.), held hearings on Oct. 5, which were devoted entirely to listening to the stories of institutions which have lost money in financial derivatives. Derivatives are the explosively growing financial instruments—there is now over \$1 trillion a day traded around the world—the market price or value of which are based on underlying assets, such as stocks, bonds, or commodities. Ever since the derivatives-related failures of three large companies in Europe (Metallgesellschaft of Germany, Ferruzzi of Italy, and Banesto of Spain) last year, the world's financial markets have become increasingly volatile and unstable because of the way in which derivatives have tied together these markets in a hyperactive web of speculation.

The witnesses were:

- Lewis Teel, Director of Risk Management for **Bank of America**, the parent company of which, BankAmerica Corp., in May pumped \$17.4 million into two money market mutual funds run by a Bank of America subsidiary to make up for losses suffered on structured notes.
- Roger Lee Fink, County Attorney for **Charles County, Maryland**, which temporarily lost its entire operating budget of \$24 million in July when \$1.3 million in losses on derivatives investments was discovered.
- Vernon Hill, member of the Business Council of the **Eastern Shoshone Tribe** of Wyoming, which has seen \$4.977 million it had invested in mortgage-backed securities fall in value by at least 15%.
- Dr. Philip Speegle, President of **Odessa Community College** in Odessa, Texas. The college discovered early this year, when it attempted to sell some of its portfolio of collateralized mortgage obligations (CMOs) to pay for operating expenses, that the instruments had collapsed in value almost 50%. The college took a loss of \$2.7 million in order to meet its March payroll, and has since obtained emergency loans from local banks and slashed its budget to keep its doors open.
- Lawrence F. Alwin, State Auditor of **Texas**, who testified about the initial findings of an investigation which his

office began statewide, following the news of the losses at Odessa College.

In addition, Alan McDougle, Director of Finance and Purchasing for Lima, Ohio, who testified on behalf of the Government Finance Officers Association about GFAO's policy regarding investing in derivatives by local governments.

Gonzalez slams 'intense pressure'

Representative Gonzalez, who has been derided in the U.S. business press as a "populist," began calling attention to the problem of derivatives over two years ago. In the autumn of 1993, he chaired two extraordinary series of hearings: one on the accountability of the U.S. Federal Reserve System in general, and another on derivatives specifically. This spring, Gonzalez, and also Rep. Jim Leach of Iowa, the ranking Republican on the Banking Committee, each introduced legislation aimed at strengthening federal oversight and regulation of derivatives. Gonzalez's proposed legislation included the imposition of a small tax, of less than 1%, on all transactions of financial derivatives, something which had been proposed by Lyndon LaRouche in March 1993. Subsequently, the Gonzalez and Leach bills were combined into one, but without the tax.

Nonetheless, derivatives dealers who testified before the committee in July were vociferous in their opposition, and in fact stretched the truth so far that Rep. Leach at one point told J.P. Morgan and Co. Vice President Marck Brickell, testifying as vice chairman of the International Swaps and Derivatives Association to his face that Brickell was making "a statement that is false."

Further helping to make the July hearings a spectacle were the various federal regulators who, despite their having practically written the legislation in close cooperation with the staffs of Representatives Gonzalez and Leach, now came out saying they opposed the legislation. Congressmen who were visibly very disturbed by this sudden change of heart by the regulators, put the regulators on the spot by asking them point-blank whether they could prevent or control a panic in the world's financial markets initiated by a derivatives disaster (which was warned about in the May 1994 report on derivatives by the congressional General Accounting Office). The silence of the regulators in response to these questions was truly deafening.

In opening, Gonzalez departed from his prepared remarks to note the "very intense" pressure that has been brought to bear to prevent the enactment of new legislation and regulation that would curb derivatives trading. "I said on the House floor two years ago that the 15 largest banks had exposures of from 550% to 1,750% in their off-balance sheet activities, against which they don't have to have reserves. It was an alarm bell at night, but nobody much cared. It seems that people aren't going to care until the system is crumbling about our ears." Gonzalez expressed his hope that the hear-

ings on Oct. 5 would help show that the type of derivatives legislation he has proposed in the past is badly needed.

Tax the derivatives ‘Ponzi scheme’

“But the most worrisome aspect of the derivatives market,” Gonzalez declared, “is the fact that much of the underpinnings of the trillion-dollar-a-day global derivatives market is rampant speculation and gambling. . . . It is a monstrously, global-sized, electronic Ponzi scheme. It is an inverted pyramid, and how long can you hold the pyramid on its apex? . . .

“In the past I have proposed a tax to help dampen derivative speculation. Taxing speculative derivative transactions was supported recently by the former British Chancellor of the Exchequer Denis Healey, who stated that 98% of all foreign exchange transactions were purely speculative and that they needed to be curbed.

“While the alarm bells are sounding, it appears that the financial regulators are content to let the speculative fires burn out of control while they keep the fire trucks parked at the station.”

In his opening remarks, Leach distanced himself from the approach shared by the derivatives dealers, and federal regulators, especially Federal Reserve Chairman Alan Greenspan, who have all insisted that the markets be left to their own devices. “As an elected representative of the public,” Leach declared, “I am obligated to express reservations about a total laissez faire approach to the fastest growing financial market in the history of the world. For, if a financial meltdown occurs, it is inevitable that, as in the S&L debacle, there will be an immediate tendency to privatize profits and socialize losses.”

Wall Street cannot ignore mainstream values

Leach noted the irony that as derivatives “losses have continued to accumulate, the industry and regulators’ position of no legislation has continued to gain strength. . . . While no major catastrophe has yet occurred, many would argue that these losses may be an early warning sign much like losses in the S&L industry in the late ’70s and early ’80s were a precursor to the \$120 billion taxpayer bailout. Wall Street must learn that it cannot ignore mainstream concerns and values. . . . Protections should be developed in today’s circumstances, when we have modest warning signs evident in the marketplace, rather than in a crisis atmosphere.”

Noting the tendency of dealers to develop derivatives in areas where regulatory authority is unclear, or even absent, Leach slammed the “phenomenon of ‘regulatory arbitrage’ [that] is being played in three different areas of the derivatives markets, namely: banks vs. unregulated entities; OTC vs. exchange-traded derivatives; and U.S. vs. other countries.”

“The sheer magnitude of the market and the extraordinary

growth in product trading present worrying concerns,” Leach declared. “Despite the apparent benefits of wider use of derivatives products, a persuasive argument can be made that only sophisticated users with comprehensive risk management strategies, qualified personnel, and deep financial reserves should participate actively in this exploding market.”

‘Aggressively marketed’

Though most of the witnesses were compelled, because of ongoing litigation, to limit their remarks concerning whether they felt that derivatives dealers had made misrepresentations to them, or had defrauded them, it was clear that most felt that it would have saved them much anguish if there had been laws requiring much greater disclosure by the dealers about the risks of investing in derivatives. “We are not asking for a handout” or a bailout, Dr. Speegle told the committee. “However, we feel small political institutions, such as Odessa College, need clearer signposts as to what is advisable or inappropriate. We now know about derivatives. However what is next? . . . Enterprising and energetic marketing of new products are likely to continue.”

McDougle of the GFOA told the committee, “Finance Officers [around the United States] report that these instruments are being aggressively marketed to governments that are assured of their safety while not being fully informed of many of the risks. Many finance officers believe they have been misled by dealers regarding these instruments. There is a lack of unbiased information available to finance officers regarding specific instruments, even from outside investment advisers or bond counsel who are not familiar with these instruments.”

In response to questions, Fink stressed that when the county attempted to learn how deeply its portfolio had fallen in value, it found that the derivatives were so complicated that even long-established and sophisticated investment firms could not supply price quotes, until after they had studied the derivatives for hours, at the very least. “And we had not even addressed the question of if buyers could be found,” Mr. Fink added.

Hill described how the derivatives sold to the Eastern Shoshone Tribe were represented as “the absolute most secure investment you can go into,” and as “government issued or government guaranteed bonds.” “We urge Congress,” Hill said, to inquire why the Federal National Mortgage Association and the Federal Home Loan Mortgage Association, federally chartered corporations, are involved in developing such volatile securities.”

During a recess, Speegle, who decided to continue working for one dollar a year, but whose health has been adversely affected by the derivatives crisis at Odessa—the college has had to eliminate dozens of employees through “early retirements” while maintaining a freeze on hiring—said that the most wonderful thing he could hope for would be that his successor will “never hear the word ‘derivative.’ ”

Thatcher's son facing RICO suit in Texas

by Mark Burdman

Britain's former Prime Minister Margaret Thatcher, ever eager to be the center of attention, was anticipating arriving in Dallas, Texas the first week of October, to speak before fawning U.S. admirers on "the merits of free trade." As the London *Sunday Times* commented on Oct. 2, she was being billed in Dallas as a "living legend." But little did Baroness Thatcher realize, when she accepted the speaking engagement, that a storm of controversy would be erupting in Britain about the Texas activities of her son Mark and of her own pet Thatcher Foundation.

On Oct. 2, two of Britain's leading Sunday weeklies, the *Observer* and *Sunday Times*, ran front-page articles, revealing that son Mark was about to be hit with a \$3 million RICO (Racketeering Influenced and Corrupt Organizations) suit, for illicit activities concerning the Texas-based aircraft fuels firm Ameristar. "Mark Thatcher Faces \$3 Million Lawsuit in Texas," was the *Observer's* headline. It noted that "the U.S. branch of the Thatcher Foundation shared the same corporate address as Ameristar."

Hitting at the Thatcher clan in Texas, is hitting at one of the strong points of the baroness's relation to former U.S. President George Bush and to the Bush clan more generally. The Thatcher-Bush relationship consolidated in the period leading up to the 1991 Persian Gulf war against Iraq, when then-Prime Minister Thatcher flew on her broomstick to Aspen, Colorado, in the hours after the Iraqi invasion of Kuwait, to "stiffen the backbone" of the American President, so that he would lead a United Nations-backed decimation of Iraq. The Thatcher-Bush combination have, ever since, promoted a U.N.-centered "new world order," to be run by the Anglo-Americans and aimed at imposing looting and genocide on the countries of the Third World and former Soviet Union, and to counter whatever attempts might be made to build an alliance for peace and development in Eurasia.

Son of a Bush exposed

One of Bush's main power bases, of course, is Texas. He was formerly U.S. congressman from Texas and built up his oil/energy company fortune in the state. (See *EIR's George Bush: The Unauthorized Biography* for more information.) Both he and his long-standing friend James Baker III, secretary of state during Bush's presidency, have, in the past couple of years, built a considerable network of influence into



Margaret Thatcher's son is in trouble in Texas, just as George Bush's son is, and it looks as though the timing of these scandals is by no means a coincidence.

the Middle East and the Persian Gulf, via their connections to the powerful Texas-based Enron Corp.

Besides this, Bush's son George W. Bush, is running as Republican candidate for governor in Texas, in the Nov. 8 elections. He is running on a ticket combining radical "free-trade" nostrums and draconian "anti-crime" measures, including expanded use of the death penalty. What is highly interesting, in view of the breaking scandal around Mark Thatcher, is that the campaign of George W. Bush's opponent, incumbent Gov. Ann Richards, has in the past days—and for the first time since the electoral battle commenced—begun publicly exposing the younger Bush for his illicit "insider trading" activities with the Harken Energy Corp. in the 1990-91 period. Heretofore, only associates of Lyndon LaRouche had publicized that sordid story.

Informed intelligence sources believe the simultaneous scandals hitting the ill-begotten sons of Bush and Thatcher, are the beginning of a systematic campaign to hit the Thatcher-Bush combination on various fronts. One veteran expert with decades-long experience in the Middle East sees this as part of a widening fight between leading American and British interests in the Persian Gulf, in the days following British Prime Minister John Major's mid-September stopover in Saudi Arabia, where he worked out huge deals with the Saudis. Reportedly, the Saudis have agreed to invest large sums in the collapsing British bond market. Saudi Arabia, of course, was a chief bankroller of the war against Iraq.

It is also stressed, by sources in a position to know, that among the many dirty activities that Mark Thatcher has been implicated in over the past years, is a series of shady deals with the Sultanate of Oman, where, as one expert put it, "he made millions of dollars by speculating on the name of his mother."

'What they did was reprehensible'

According to the *Observer*, Houston lawyer William E. King announced over the Oct. 1-2 weekend, that a suit would be filed by mid-October, under RICO legislation, seeking \$1 million in personal damages from Mark Thatcher. The "treble damages" allowed under RICO protocols could mean that the actual damages paid out could amount to \$3 million or more. Maggie's son would be sued for his part in the takeover of Ameristar. King is the lawyer for John "Jay" Laughlin, the founder of Ameristar, which was taken over this year by David Wallace, a 33-year-old Texas business partner of Mark Thatcher. According to the *Observer*, Wallace and the 41-year-old Mark Thatcher are partners in Grantham, an investment company named after Baroness Thatcher's birthplace. Wallace resigned in August as treasurer and director of her Thatcher Foundation, according to the *Sunday Times*.

The *Observer* wrote: "Mr. Laughlin claims he was duped into allowing Mr. Wallace a controlling stake in the company in 1993 and was then squeezed out completely last January. In 1993, Ameristar was worth \$2 million, although it had an annual turnover of \$250 million. Last month, when Mr. Wallace put Ameristar into Chapter 11 bankruptcy protection, it had a negative worth of \$6 million. Mr. Laughlin maintains that Mr. Wallace was a front man for Mark Thatcher, 41, who put up part of the money to buy a 50% share in Ameristar."

Laughlin informed the *Sunday Times* that Ameristar had been "hijacked." He said that Thatcher and Wallace "conspired" to take control of the firm "by falsifying its financial position to engineer a cash crisis." Thatcher and Wallace are "alleged to have taken an increased stake in the company after claiming it needed a major injection of cash." Laughlin further stated that in January of this year, he was physically escorted from his office by Thatcher's bodyguard and an armed, off-duty Houston policeman. He told the paper: "What they did was reprehensible."

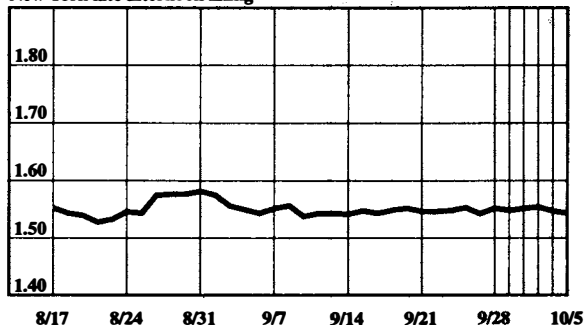
Shortly after this transaction, Mark Thatcher relocated his personal office from Dallas to Ameristar's premises in Houston. Grantham has moved into Ameristar's Houston offices, and Mark has secured deals for Ameristar in Malaysia, Indonesia, and Belgium. As indicated above, the U.S. branch of the Thatcher Foundation shares the same corporate address as Ameristar.

The *Sunday Times* also noted that Thatcher and Wallace intended to reorganize the Ameristar structure so that it would be wholly owned by a new company, of which Mark Thatcher would be the chairman.

Currency Rates

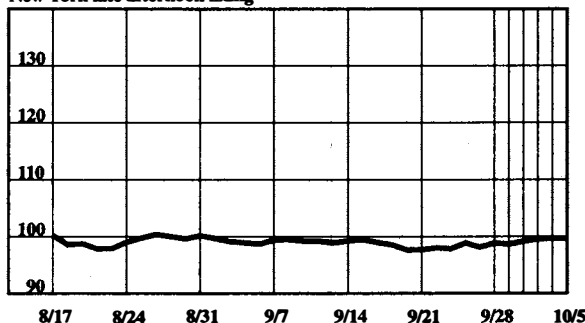
The dollar in deutschemarks

New York late afternoon fixing



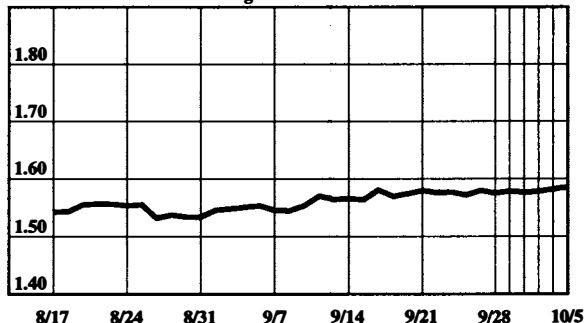
The dollar in yen

New York late afternoon fixing



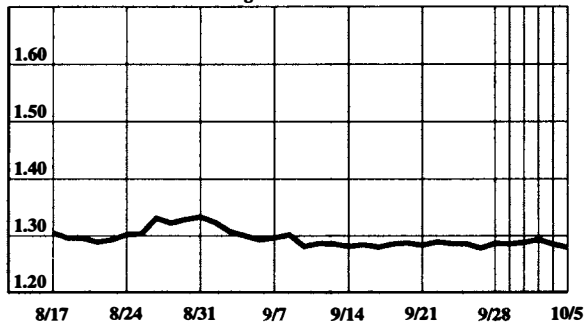
The British pound in dollars

New York late afternoon fixing



The dollar in Swiss francs

New York late afternoon fixing



How George Bush ruined the Texas oil and banking industry

by William Engdahl

George W. Bush, son of former President George Bush, is running as a Republican for governor of Texas, projecting the image that he is a “successful oilman” like his father before him, or like former Gov. Bill Clements. Indeed, the younger Bush in 1986 did become involved with an oil venture called Harken Energy, a quite curious operation whose chairman was New York attorney Alan G. Quasha. Quasha was earlier the attorney for the defunct Australian drug-laundering Nugan Hand Bank, documented to have been run by a group of people with intimate ties to the CIA and the Laos opium business of the Meo tribesmen during the 1970s.

But what is not generally known about young Bush’s business career, is that when he was getting “sweetheart” deals with Harken Energy in 1986 as a young, aspiring Texas oil independent, his father was in the middle of a Washington ploy whose direct byproduct was the virtual destruction of the once-thriving Texas independent petroleum industry, and with it, the entire Texas banking system, leaving it prey to aggressive asset-strippers from out of state—all at taxpayer expense.

EIR has obtained Freedom of Information Act (FOIA) documents, as well as documents from a thorough review of the public record of the years 1983-86, which demonstrate conclusively that George Bush, as vice president in the Reagan administration in the 1980s, played a decisive role in a Reagan-Bush policy to deliberately *collapse world oil prices*.

Why, many people often ask us, would George Bush, a man who owes his early wealth to Texas oil, deliberately pursue a policy which he knew would bankrupt tens of hundreds of companies in the U.S. independent oil industry, most of all in his state of Texas?

We would like to shed some light on just this point.

Reverse oil shock is prepared

We must preface our analysis of these FOIA documents and related events by stating clearly our view that a government is entitled to legitimate classified or non-public actions with foreign governments when circumstances require that details be kept confidential for reasons of state. And we do not reveal here any more than the United States government itself has been willing to release to the public. Within these restraints, however, the documents deliver a stunning indict-

ment of the actions of then-Vice President Bush on international oil policy, and suggest that the higher objectives of state policy had been severely distorted by a small group of people determined to see Bush in the White House. The domestic economic and other consequences of this distortion of state policy to personal political ambition have remained grave to this day.

By 1986, the devastation to domestic investment, construction, and job creation imposed as a consequence of the three-year-long interest rate shock by Federal Reserve Chairman Paul Volcker, had hurt the American economy severely. A deeper crisis, beginning in 1986, without doubt would have ruined the plans of Vice President Bush to become President in the 1988 elections.

Already as early as 1983, there had been discussion within the Reagan administration about the possible domestic economic impact of a world decline in oil prices. An inter-agency task force was set up to study those implications for the U.S. economy, and a report was delivered to the cabinet. But, because of inter-agency policy arguments between the State Department and Treasury, the task force, headed by then-Deputy Treasury Secretary R. Tim McNamar, remained in the background through 1984 and into early 1985.

Throughout the first half of the 1980s, Saudi Arabia, the largest oil producer in the Organization of Petroleum Exporting Countries and whose oil policy was then in the hands of Sheikh Zaki Yamani, made strenuous efforts to maintain a firm oil price, which by 1984 was at \$29 a barrel. Saudi Arabia, which had been producing as much as 10 million barrels per day (bpd) in the beginning of the 1980s when prices were close to \$36 per barrel, had steadily lowered its production, taking the role of “swing producer” within OPEC. Output dropped to only 5 million bpd by 1985, as the Saudis attempted to stop a further price fall. A major reason for the soft oil prices in the early 1980s was the collapse in worldwide energy consumption as Volcker and British Prime Minister Margaret Thatcher simultaneously raised interest rates to levels of 20% and higher, plunging most of the world into the deepest decline since World War II.

A byproduct of those soaring U.S. interest rates from 1979 through 1982, was a flood of foreign investment into U.S. assets including Treasury bonds, real estate, and stocks during the early 1980s, which pushed the dollar up 40-60%

in relation to the major Group of Seven industrial trading partners. Under rigid OPEC rules set up with encouragement from Washington during the first 1973-74 oil price shock, OPEC countries agreed to sell their oil in exchange for only one currency, the U.S. dollar. The soaring dollar made oil imports 40-60% more expensive to Germany, Japan, and other non-dollar countries in terms of their currencies. Together with high imports, the high dollar was contributing to industrial decline in most of the world economy in 1985, which now threatened to impact the United States as the crucial 1988 election neared.

The Saudi visit

In February 1985, Saudi Sheikh Yamani accompanied King Fahd on a state visit to Washington. On Feb. 13, 1985, according to FOIA documents, Yamani met with Vice President Bush, Secretary of State George Shultz, Treasury Secretary James Baker, and Energy Secretary John Herrington. Washington's purpose at that meeting was to convince a skeptical Saudi Arabia to follow what Bush and the others chose to term "more market-oriented pricing and production policies," as Assistant Secretary of State Richard Murphy, a participant at the Yamani meeting, revealed in one internal memo.

At the time, Saudi Arabia had made clear it viewed any significant fall in oil prices or weakening of the dollar as very undesirable. Saudi Arabia had invested billions of dollars of their oil revenues during the previous decade in U.S. dollar-denominated Treasury bonds, and they feared a dollar fall would weaken their profits, while the lower oil price, of course, would cut oil revenues to the kingdom. Bush, Baker, and the others advanced strong arguments to persuade the reluctant Saudis to shift policy. Among them was a secret U.S. commitment to import much more Saudi oil.

Shortly after those talks, Sheikh Yamani and other Saudi officials worked out details of Washington's so-called "market oriented" pricing and production with the four former Saudi Aramco partners—Exxon, Mobil, Texaco, and Chevron. The policy, known as "netback pricing," was to be used to lower Saudi prices while at the same time compensating for revenue loss by increasing the volume of purchases of oil from Saudi Arabia under "netback." Netback was an ingenious method devised to encourage the oil multinationals to buy ever greater volumes of Saudi crude, regardless of how low world oil prices fell as a result. Buyers of Saudi oil were guaranteed a set profit margin based on their final refining costs, so the more they bought, the greater their profits—put simply, an ingenious method of triggering a free-fall in world oil prices with the support of the world's major oil companies.

In March 1985, in an internal telegram stamped "secret" to the American Embassy in London, the assistant to Secretary of State Shultz wrote, "The Secretary is *extremely interested in the department producing quickly a study of the*

impact of a precipitous drop in the price of oil" (emphasis in original).

The netback bomb

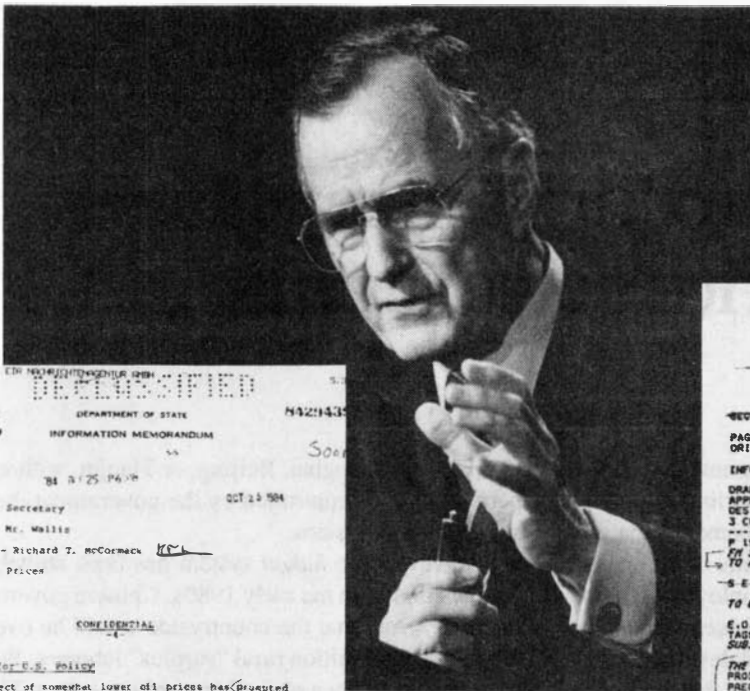
The deadline to produce the memo was March 21, 1985, and it specified evaluating the impact of an \$8 per barrel drop in oil prices during 1985. Prices were then averaging \$28 per barrel, meaning almost a 30% fall in oil revenue. By the time of the Dec. 7, 1985 OPEC ministers meeting in Geneva, the plan was ready to go, and Saudi Arabia abandoned the OPEC production quota system and announced it would sell as much oil as the "free market" wanted. Saudi oil production began to climb, as the four American companies who had been the prime Saudi oil buyers since the 1940s began to increase their purchases on the newly agreed "netback" terms.

At the time, Saudi Arabia held the world's largest petroleum reserves, and by far the cheapest, with cost at the well-head estimated at 50¢ to \$1 per barrel. The Saudis had the capacity to double output, and even if prices worldwide fell by half, their revenue would be constant—or so they were convinced by Vice President Bush and the Reagan administration. Saudi production began to climb relentlessly from December 1985 into spring 1986, from 5 million bpd, to 6 million bpd, 7 million bpd, and toward 8 million bpd by June 1986. World oil prices as a result went into a free fall. The Washington gameplan was working. Before the Saudi netback plan, North Sea Brent oil sold for an average of around \$28 per barrel in early 1985. By late spring 1986, Brent prices had plunged to \$8 a barrel. The world oil industry scrapped plans to invest in new capacity, cancelling tons of high-specialty steel for oil pipe. North Sea oil drilling came to a halt, where a price of at least \$14 per barrel was needed to break even.

But in the United States, the impact on domestic oil production was a crisis unlike any in modern memory. Drilling by U.S. small to mid-size independent producers, historically the lifeblood of the American oil industry, ground to a halt. Oil companies went bankrupt in record numbers in Texas, Oklahoma, Louisiana, Colorado, and elsewhere. Only the major companies with their netback deal with the Saudis and, later, other OPEC members, could afford to stay in the game.

Price collapse impact

The impact of the oil price collapse on the United States stock markets was electrifying. The falling oil price led to lower inflation projections and falling interest rates. Headlines about rising stocks, rising economic confidence, and such were used to convince Americans that the country was in the midst of some kind of economic "upswing." Investors bought stocks and bonds in record amounts on borrowed money to pay it back at even lower rates later. This laid the seed for the U.S. stock market bubble which burst violently on Oct. 19, 1987, an event which almost unravelled the carefully planned election strategy of Bush and fellow Texan,



U.S. government documents reveal that the Reagan-Bush administration conspired in the mid-1980s to drive oil prices down. At the same time, a campaign was carefully crafted on behalf of George Bush's (inset) presidential ambitions, to give the impression that the administration was the innocent victim of Saudi actions. U.S. oil and banking interests, and the U.S. taxpayer, paid the price.

145 OCT 28 1994

UNCLASSIFIED

DEPARTMENT OF STATE
INFORMATION MEMORANDUM

CONFIDENTIAL

TO: The Secretary

THROUGH: S - Mr. Wulfe

FROM: SA - Richard T. McCormack

SUBJECT: Oil Prices

OCT 24 1984

CONFIDENTIAL

Implications for U.S. Policy

The prospect of somewhat lower oil prices has prompted Treasury to review the 1983 interagency study on that subject. The conclusion remains that lower oil prices would be good for the world economy, and that the problems such a development might create for oil exporters do not present a threat to the world leading of transition system. We have taken essentially this line in public discussions of this issue. It is important that the market be given maximum freedom to determine the price. Our policy should be not to attempt an intervention to force prices down, but rather to discourage OPEC and other producers from artificially propping up prices that are out of line with the basic supply/demand balance.

Department of State TELEGRAM

SECRET

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TO OCHRAY SEITZ FROM WASHINGTON

E.O. 12356: DECL. ORG.

TAGS: PREL, ENRG, UK

SUBJECT: OFFICIAL-INFORMAL

THE SECRETARY IS EXTREMELY INTERESTED IN THE DEPARTMENT PRODUCING QUICKLY A STUDY OF THE IMPACT OF A PRECIPITOUS DROP IN THE PRICE OF OIL. WOULD THE ENAGSY PLEASE PROVIDE BY noon LONDON TIME, THURSDAY, MARCH 21, A ONE-TWO PAGE ANALYSIS OF THE ECONOMIC AND POLITICAL IMPLICATIONS OF A DOLLAR 8 DROP IN PRICE OF OIL DURING 1986. WE ARE INTERESTED IN THE IMMEDIATE EFFECT AS WELL AS THE LONGER TERM IMPACT (1 YEAR OR MORE). THE SECRETARY SEEMS TO WANT THE PAPER WHICH RIF IS PUTTING TOGETHER TO FOCUS ON REGIONAL CONCERNS.

SORRY FOR THE SHORT DEADLINE, BUT WE APPRECIATE THE ENAGSY'S INPUT ON THIS. SHAZT

SECRET

then-Treasury Secretary James Baker for 1988.

Bush, however, was not unaware of the devastating impact the higher oil prices were having on independent oil producers in Texas and elsewhere. The Reagan-Bush administration carefully prepared a media strategy to calm the howls of protest from hard-pressed domestic oilmen, slyly leaving the clear impression that the administration was the innocent victim of Saudi actions, all the time keeping hidden its role as the architect of that!

As part of their cynical game, on March 31, 1986, Energy Secretary Herrington delivered a speech in which he voiced "concern about the danger of lower oil prices for the U.S. oil industry," while conspicuously omitting any proposals to deal with that danger. It was politics at its most cynical. Then, Vice President Bush gave a Washington press conference on April 1 in which he declared his reason for an unusual personal 10-day trip to Saudi Arabia and the Persian Gulf oil states. Bush stated, "Stability in the market is a very important thing, and I will be selling very hard in terms of our domestic interest . . . and thus the interest of our national security. . . . I think it is essential we talk about stability and that we not have a continued free-fall." Bush was sent to Saudi Arabia to divert and calm domestic U.S. oil producers who were hopping mad at Washington. An FOIA declassified State Department summary of the talks revealed what Vice President Bush actually told King Fahd in a two-and-a-half-hour meeting some days

later: "Vice President Bush explained our energy policy, emphasizing our belief that *market forces* could best set oil price and production levels." In short, the netback arrangement was to continue. Bush did suggest a moderating of the Saudi oil sales in order to bring prices above the dangerously low \$8 per barrel levels, but only slightly.

The results of this "brilliant" strategy in which George Bush and James Baker played a central role during 1985-86, were devastating. Major oil companies and refiners reaped huge netback profits, despite the fall in oil prices. Independent oil producers and refiners were devastated. The domestic oil industry was cartelized into an ever greater concentration of power among a small handful of companies. Thousands of domestic oil producers in Texas and elsewhere were ruined. Oil-well drilling fell to levels not seen since World War II. In 1986, the output of wells which had to be shut down or were simply abandoned totaled 700,000 bpd. This loss was made up by increased import of Saudi oil by Exxon, Mobil, and the other majors.

But perhaps an even more devastating loss for which American taxpayers are still paying the bill, was the onset of a major regional banking collapse. One after another, major Texas banks went under and had to be bailed out by the Federal Reserve and, ultimately, the taxpayer, as Texas was plunged into the worst economic downturn since the Great Depression.

China's plan to 'urbanize villages' will worsen, not solve, crisis

by Michael O. Billington

A series of studies and reports on the economic and demographic crisis in China has emerged from various ministries of the People's Republic with a common theme: China will embark on a program of upgrading hundreds of villages to become small cities or towns, to provide employment for the millions of unemployed peasants being driven out of the countryside by the stagnation in agricultural development.

It is admitted by high government officials that this policy is the "second best choice," compared to the actual need for new larger cities, but the cost for such large industrial cities, they claim, is prohibitive. However, as *EIR* has demonstrated repeatedly over the years, such pragmatism is a certain course for disaster.

A Sept. 2 release by the official Xinhua news agency confirmed that the new urbanization policy is an extension of the current low-tech, cheap-labor industries which make up the "rural industry boom" of recent years. "China used to emphasize the building of large cities, which has resulted in a number of crowded metropolises," the release states. "However, the mushrooming of township industries in many parts of the country over the past decade has brought changes to China's city construction structure, which is now characterized by the decline of large cities and the rise of small cities and towns."

The 'hukou' system

The new policy appears to be a loosening of the system of *hukou*—the Chinese government registration system which strictly prohibits mobility. This policy has been rigidly enforced in China under the communist regime, with the result that there is an increasing disparity between the urban and rural areas of the country. This disparity, and the ruthless determination to maintain a large destitute and uneducated peasant population, tied to the land, is the policy behind what the Communist Party likes to refer to as "socialism with Chinese characteristics" or the "economy with two legs"—one economy for rural areas, and one for the urban. Under *hukou*, a peasant who lives in a village cannot move to a city to find a permanent job, not even through legal marriage to a city dweller. Nor can a small city worker move to a large

city, such as Shanghai, Beijing, or Tianjin, without a special permit which is controlled by the government through a restrained quota system.

However, the *hukou* system has been stretched far beyond its limits. In the early 1980s, Chinese government publications wrote that the countryside would be overwhelmed with up to 200 million rural "surplus" laborers. Such projections have only been revised upward since then. The pressure on the population of the countryside is intense: Under the redistribution of communal landholdings to peasant families in the early 1980s, the landholding per family has steadily declined to under one hectare per family today.

Although peasants were able to till land which the family leased from the government, with only a production quota to cough up to the government, the total lack of investment in agriculture has resulted in the failure to increase agricultural productivity. China's infrastructure and manufacturing, rather than being geared to the development of China's land mass and population, has centered on the "open door" policy of Deng Xiaoping: Manufacturing has been geared toward export, and infrastructure has been built only to bolster the cheap-labor export industries. Under continuing conditions of a net disinvestment in agriculture and agro-industry, the average Chinese peasant is unable to generate enough surplus to enable his family to survive.

Since 1979, Chinese peasants, as well as workers from small cities, began migrating inside the country, particularly going to the southeastern provinces looking for employment. While many enterprises take peasants without their *hukou* (city registration), peasants can take jobs only on a contract basis, knowing that they will eventually have to return to their village. Nevertheless, many peasants choose this option, rather than staying on the land all year. Simple labor-intensive jobs are the only choices for many peasant men. Women work in handcrafting sweatshops that pay them about 13 U.S. cents an hour.

These peasants are not encouraged at all to invest in their own labor—either to learn better skills or to educate their children. Schools in this area will not accept the children of these laborers, because they have no *hukou*.

Second best is 'more practical'

Many Chinese economists acknowledge these general facts, but the new "small town" policy demonstrates a tendency to opt for the easier short-term approach, and to pretend that they are "saving money" by investing in less efficient and less productive means. The director of the Rural Development Department under the State Council Development Research Center, Chen Xiwen, is quoted as follows by Hongkong's *Window* magazine: "Chen believes one way to tackle the labor flow problem would be to urbanize small and medium-sized counties in an organized manner. This would be the second-best choice, as scaled economic efficiency proves highest in large cities with populations between 1 and 2 million," he says, emphasizing, however, that urbanizing small and medium-sized towns would be more practical.

According to Chen, for each additional person in a large city, the government would have to finance \$104 for infrastructure facilities and housing. In contrast, the subsidy for an additional person in a small town would be only \$8.

Of course, the opposite should be the case—that the cost of infrastructure for a large number of people would be far less per capita due to economies of scale and more efficient use of land and utilities. What the official clearly means is that the plans for small towns do not include modern infrastructure at all, but intend to retain small-scale, rural-style utilities and social structures.

Moving millions of peasants into such mini-cities will guarantee that they cannot be employed in the type of major infrastructure development or heavy industry which can only develop in large cities. The end result of this "practical" method of attempting to bypass infrastructure development will be, at best, the further pumping up of the bubble and an eventual economic collapse.

The various ministries proposing this small town approach all begin with the premise that it is the only method which can address the surplus rural labor. Current demographic statistics predict that the mass of unemployed will reach nearly 300 million by the year 2000. The Ministry of Labor reported on Aug. 16 that the rural "blind flow" will be over 200 million by then, and the urban unemployed will be 68 million!

A different approach

On Feb. 11, 1994, *EIR* published "An Emergency Plan for China for the Next 100 Years," written by Dr. Jonathan Tennenbaum. That proposal, which calls for construction of 1,000 new nuclear-powered "cities of 500,000 to 1 million residents, with the most modern and educational infrastructure," has been studied at the highest levels of the relevant Chinese agencies, and was translated and published by a magazine associated with the semi-governmental research institutes. The proposal, inspired by economist and statesman Lyndon LaRouche, demonstrates that the severity of the

backwardness in the Chinese economy necessitates nothing less than such a leap into the most modern techniques on a mass scale—especially nuclear energy and high-speed rail grids—to provide the required leap in the productivity of the labor force.

This is the same general concept presented by Dr. Sun Yat-sen in his 1929, "The International Development of China." Anything less will result in a breakdown into yet another of the national disasters that have plagued China on a recurring basis since the British Opium Wars of the mid-19th century. To reject the city-building proposals of the LaRouche plan for a compromise of low-tech, labor-intensive, process industry townships, to try to soak up the 150-200 million surplus labor, will, first of all, fail in its objective, and second, will result in a near-term breakdown crisis.

One additional demographic fact unique for China demonstrates the absolute necessity of the city-building, advanced-technology method in order to increase the productive powers of labor. That is, that China's coercive birth control policies (cf. *EIR*, Sept. 23, 1994, p. 42) over the past 30 years have created a relative aging of the population which has far exceeded the rate of economic development. The Beijing Center of Gerontology on Aug. 16 reported that the population over 65 years of age increased from 10 to 20% in only 21 years. Of the 57 countries with an over 20% aged population, all except China have a per capita GNP of more than \$1,000. China's is about one-third of that.

The report states that China has more old people than any country in the world. While the birth control policy could be and should be reversed, the fact is that the workforce must support the booming cost in pensions and medical services for the elderly. If the productivity of labor is suppressed by preventing the massive city-building required, the demographic crisis will become a holocaust.

Another effect of the Chinese government's mini-city approach will be the further breakdown of the country into competing regions—a potentiality much to the liking of the British intelligence nest at the International Institute for Strategic Studies (IISS) in London, whose denizens are pushing for a civil war after the death of Deng Xiaoping.

A recent study by the Chinese Academy of Social Sciences called "1991-2010—Policy Choices of China's Development" pushes the small towns policy, while admitting that this would further aggravate the disparity of income in the coastal areas over that in the interior. The report was given front-page, back-page, and editorial coverage in the *Financial Times* of London on Aug. 26, which gloated that the report predicted that six distinct economic regions would emerge in China. It is the wide economic divergence between the southern coastal regions which the IISS operatives are using to forge a separate state encompassing some combination of Guangdong, Fujian, Shanghai, Hongkong, and Taiwan.

Business Briefs

Russia

Don't destroy industry, says commentator

Don't destroy Russian industry, Jonathan Steele, former Moscow bureau chief for the London *Guardian*, warned in the Sept. 26 *Washington Post*. The issue is whether the West "accepts Russia as an industrial power or sees it merely as an exporter of raw materials and an importer of western goods."

Russia is effectively left with state investment as the only viable option for a long time to come, Steele said. Those calling for sharp budget cuts "are therefore calling for Russia's de-industrialization," and they should not pretend to have the best interests of Russians at heart.

Pragmatists under Prime Minister Viktor Chernomyrdin want to keep Russia's industries in business while modernizing them and preparing them for international competition, Steele said. If the West wants to forestall humiliated nationalism arising in Russia, then "let it encourage the common-sense moderation of Chernomyrdin and the parliamentary majority who do not want to destroy Russian industry in order to save it."

China

Economist calls for infrastructure investment

Qin Chijiang, the director of the People's Bank of China Financial Research Institute (China's central bank), blamed current economic policy for the collapse of productivity and called for vast infrastructure investment in the interior, the Beijing-linked *Zhongguo Tongxun She* in Hongkong reported on Aug. 18. He described the ongoing collapse in productivity: "If we produced 100 yuan worth of goods in the past, we used 30 yuan as capital, but if we produce 100 yuan worth of goods now, we have to use 150 yuan as capital. . . ."

"This is because the current investment structure in China is irrational, as is the investment distribution. . . . Most of the investment

funds are used in the development of real estate and the construction of first-class hotels and tourist facilities. Since much of the materials and equipment needed for these projects cannot be produced in China, they have to be imported from abroad. . . .

"More funds should be put into the construction of railways, highways, and bridges to contribute to the economic development and consumption of rural areas and backward regions and to revitalize some large and medium enterprises." He emphasized that the backward infrastructure in the interior creates an overwhelming brake on development along the coast.

Ibero-America

Presidents meet on waterway development

Peru's President Alberto Fujimori, Paraguay's President Juan Carlos Wasmosy, and Bolivia's President Gonzalo Sánchez de Lozada met in Santa Cruz, Bolivia on Sept. 24 to discuss projects to integrate the region. This included linking the Paraná-Paraguay waterway with the Pacific ports of Ilo and Matarani, thus linking the Pacific and Atlantic oceans, and port modernization and navigational improvements, IPS news service reported.

In the Declaration of Puerto Suárez issued following the meeting, they established "trilateral coordination to promote and facilitate the . . . physical interconnection and operation of an intermodal transport system among the three countries." Brazil, Uruguay, Chile, and Argentina are expected to eventually collaborate in these projects.

President Fujimori said that the benefits of the project would be enormous. "I feel welcome in the Atlantic and I welcome you to the Pacific," he said. "We must follow the integration spirit of our peoples."

However, the Inter-American Development Bank cautioned the Presidents against choosing a development strategy for the Paraná-Paraguay waterway in order to prevent an increase in "environmental tensions," the Brazilian daily *Gazeta Mercantil* reported on Sept. 26. Environmentalists are also strongly opposed to the projects.

Medicine

Infectious disease research taken down

"Since the 1970s, infectious disease research has been continually driven back, with the exception of AIDS research," the Sept. 29 *Süd-deutsche Zeitung* quoted epidemiologist Dr. Ruebsamen-Waigmann in an article entitled "Return of the Black Death." The article commented on the plague outbreak in India.

"This is especially unfortunate because we still know shockingly little about the processes of infection. It is frequently totally trivial changes in hereditary makeup which make a harmless microbe into a lethal bacterium. In the case of the 'killer bacteria' in Great Britain, it may have involved streptococci which normally cause tonsillitis at worst, but which can suddenly run amok. Further, infectious disease specialist Hans Pohle complains that there is not even one teaching chair left in Germany in infectious disease. 'Intensive medical research only exists in the areas where a scientific career beckons,' Pohle believes," the paper warned.

Nuclear Energy

Dutch scientists push high-temperature reactors

The Program for the Maintenance of Nuclear Competence (PINK), a group of nuclear scientists in the Netherlands founded in 1990 in order to guarantee the survival of nuclear know-how, has called for the development of "widely applicable high-temperature" reactors, the German engineers weekly *VDI-Nachrichten* reported in September.

While there are no plans for building a new nuclear facility in the country, in 1990 the Netherlands Economic Ministry offered funds to the group with the condition that at least 20% of the money would be devoted to activities in the area of third generation, "inherently safe" nuclear power plants. After studying the pressurized water reactor PIUS of ABB, the breeder reactor Prism of General Electric, the high-

Briefly

temperature reactor of Siemens, and the modular HTR of General Atomics, the group concluded that the MHTGR and HTR, especially the latter, would be the most promising.

In May 1992, a European working group was established to develop a European HTR module, and it is now calling for funding. The working group includes scientists from PINK in the Netherlands, Framatome and Atomic Energy Commission in France, HTR GmbH (Siemens, ABB) and the Nuclear Research Center Jülich in Germany, and SENER in Spain.

PINK and the Energy Research Center in the Netherlands have also started a program for the improvement of the HTR technology under the acronym WHITE (widely applicable high temperature). As a result, both the number of young nuclear engineers and the confidence in nuclear technology in general are increasing in the Netherlands.

Petroleum

British-led consortium signs Caspian Sea deal

A British-American consortium led by the government-controlled British Petroleum signed a massive deal for oil exploration in and around the Caspian Sea shelf, at a ceremony in Baku, Azerbaijan in late September. Azeri President Gaidar Aliyev, British Energy Minister Tim Eggar, a senior official from the U.S. Department of Energy, and oil industry representatives attended the signing.

While British-Russian relations are warming, British activity with Azerbaijan is a potential source of conflict. Sources report that there is a split on the Russian side on how to react to the deal. The chairman of the state oil company Lukoil, Mr. Alekhtirov, himself of Azeri origin, has given his blessing and is being supported by certain economic and financial interests in Russia. But significant groupings in the military and political layers are strongly opposed, seeing this as a violation of Russian "turf," especially at a time when there is massive pressure on Azerbaijan to grant the Russians base and troop presence rights on Azeri territory.

The formal Russian position is that the BP-

Azerbaijan deal stands in violation of a March 25, 1940 treaty signed between the Soviet Union and Iran concerning trade and navigation in the Caspian Sea. According to Paragraph 13 of that treaty, only Soviet and Iranian ships and tradesmen would be allowed full rights there. The Russians maintain that the Caspian Sea shelf is one "integrated economic-ecological area," and that no deal is allowable that excludes countries with interests there, including Russia, Kazakhstan, Turkmenistan, and Iran.

Health

HIV is transmitted from child to child

The transmission from one member of a household to another of HIV (the human immunodeficiency virus, which causes AIDS) has occurred in two instances, the German magazine *AIDS Forschung* reported in September.

One case involved two children living in the same household with their HIV-infected mothers. While the first child was already infected from the age of 18 months on, the second one tested HIV-positive at the age of 2½. Using a special genetic analysis, it was established that the second child must have contracted the virus from the first child, not from the mother.

Scientists believe that the transmission occurred by blood exposure through (uninjured) mucous membrane and/or skin lesions. It was reported that the first infected child quite often had nosebleeds or bleeding gums and suppurating ear infections. The second child always had problems with rashes coupled with excoriations. The children were sleeping in the same bed and using the same toothbrush. The mothers also observed them biting each other, but with no bleeding wounds visible.

The second case involved two hemophiliac brothers. The older one became HIV-infected in 1985. More than three years later, his younger brother turned HIV-positive. An investigation showed that the two viruses were genetically identical. The scientists believe that the transmission occurred from one brother to the other through the common use of a razor.

● **ISRAELI** Foreign Minister Shimon Peres, on the CBS-TV "This Morning" show on Sept. 28, said, "We have to desalinate seawater. . . . We have to introduce different methods on how to really solve the danger . . . of desertification, which is making people so poor."

● **THE EUROPEAN** Airbus credit rating has been downgraded by Standard and Poor's. S&P is claiming that Airbus had to reduce its production plan recently, but French and German sources told the Sept. 26 French daily *Le Figaro* that a new regulation is under study which would make the company more competitive.

● **30% OF POLES** draw at least part of their income from illegal employment, according to the Market Economy Research Institute, PAP news agency reported Sept. 30. Undeclared income amounts to some 166 trillion zlotys (\$7 billion), about 8.1% of Poland's 1994 GDP, it estimates.

● **ITALIAN** Prime Minister Silvio Berlusconi explained to Fiat magnate and Hollinger Corp. adviser Gianni Agnelli on Sept. 23, that money-making companies should not be privatized. "Why should I hurry in selling companies which make money, such as ENEL [electricity] and STET [communications]?" he asked.

● **THE ARCHBISHOP** of Canterbury lectured the Chinese on economy and the need for "sustainability," ecology, environmentalism, and keeping energy throughputs down, while visiting Shanghai on Sept. 16. "I have spoken from the perspective of British economics," he said.

● **RUSSIAN** "industrial production has dropped up to 50%, at least half the country now lives in poverty . . . and general health and life expectancy have declined so severely that even a pro-Yeltsin newspaper calls the situation an 'unfolding catastrophe,'" Princeton Prof. Stephen Cohen wrote in the Sept. 27 *International Herald Tribune*.

U.N.-led embargo drives Iraq to point of collapse

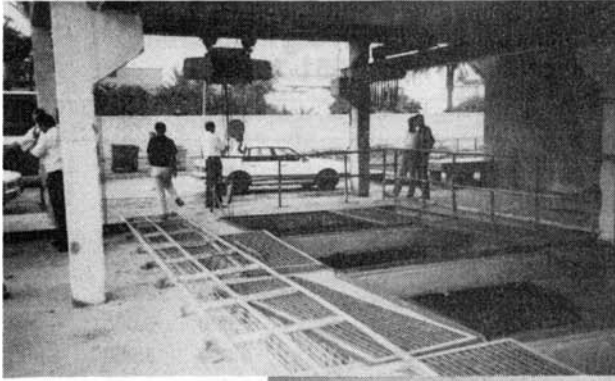
by Muriel Mirak-Weissbach

At the mid-September meeting of the United Nations Security Council, the Permanent Five members, as expected, pushed through an extension of the four-year-old embargo against Iraq. As expected, Russia, China, and France voiced dissenting views, expressing their interest in resuming trade with Iraq. Yet all three, predictably, acquiesced in the end to the dictate of the U.K. and U.S. delegations and declined to make use of their veto rights.

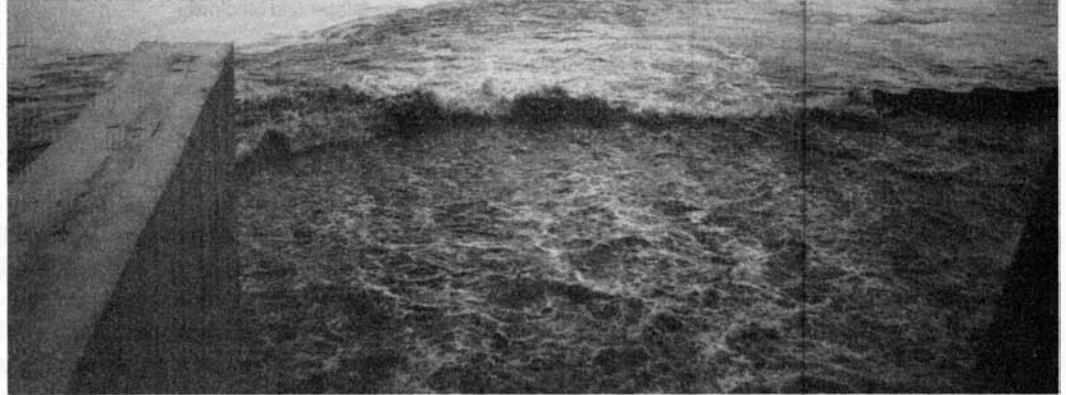
What was *unexpected* in the U.N. session was the meeting which French Foreign Minister Alain Juppé held with Iraqi Deputy Prime Minister Tariq Aziz on the sidelines. Although Baghdad's leading diplomat had reportedly met French officials discreetly during visits to Paris this year, this is the first time that a high-ranking member of the French government has publicly met with him. Juppé told the French press that he thought the international community should take into consideration progress made in Iraq's compliance with U.N. resolutions. He added that he thought "immobilism" on the part of the U.N. would only push Iraqi President Saddam Hussein to "intransigence."

The French foreign minister's *de facto* call for lifting the embargo marks the first time a member of the Permanent Five has openly broken ranks. Behind the scenes, however, intensive diplomacy has been carried out with the Iraqis by Russia, China, France, and Turkey, aimed at defining bilateral trade deals, to be implemented as soon as the sanctions are lifted. Last June, the French signed a contract in Paris with an Iraqi delegation headed by the oil minister, for reconstruction of the Nahr Umar oil field, and for exploitation of other oil reserves. Following a visit to Baghdad by German parliamentarian Hans Sterken in June, Bonn also discovered that while it was scrupulously adhering to the embargo, every other major European and Asian country had been packing industrialists off to Iraq to restore trade ties, effectively cutting out the Germans.

The boldest initiative in this direction was taken by the Russians, who announced just prior to the U.N. Security Council meeting, that they had signed an



Raw sewage pours into the Euphrates River, because the pumping station that used to process the refuse (inset) was destroyed in the war and has not been repaired.



ambitious \$10 billion agreement with Iraqi Trade Minister Mohammad Mehdi Saleh during a visit to Moscow. According to the Sept. 11 *Jordan Times*, the oil-for-technology deal will have Russia help build steel, methanol, and other industrial facilities, including rebuilding the oil industry hit by the war. A plan to repay Iraq's old \$7 billion debt to Russia was also reportedly worked out.

Publicizing the deal is tantamount to announcing Russia's intentions to buck the Security Council's fanatical commitment to the blockade. Russian Foreign Economic Relations Minister Oleg Davydov was quoted saying, "There is nothing that bars the exchange of bilateral trade, as Russia is exporting some equipment to Iraq, including combine harvesters." Davydov told reporters that the deal could be implemented immediately.

Around the Security Council gathering, reports circulated that Rolf Ekeus, of the U.N. Special Commission, had ascertained Iraq's compliance with all resolutions concerning the dismantling of weapons of mass destruction. Thus, it was a matter of ironing out the technical details related to long-term surveillance procedures. The Arab press reported that Tariq Aziz would extend his visit to New York, precisely to work out such details. It would seem that the stage had been set for the Security Council to relent, at least designating a time frame within which the surveillance procedures should be tested.

The counteroffensive to these hints toward relaxing sanctions was not slow in coming. The most vitriolic attack issued

from the pen of Kenneth Timmerman, a former staffer on the U.S. House Foreign Affairs Committee and author of *The Death Lobby: How the West Armed Iraq*, who has led a journalistic crusade against Iraq since 1990. Timmerman's piece, which appeared in the *Wall Street Journal* on Sept. 28, snarled that Juppé had lent precious political support to Iraq. He continued, detailing the behind-the-scenes deals which Iraq's former trade partners have worked out over the past months. Timmerman's argument ran, that although the eager trade partners claimed to be stimulated by economic interest, in reality they were gearing up to re-arm Saddam Hussein, thus endangering all neighboring nations in the region. Timmerman's recommendation was clearcut: "Continue with sanctions until Saddam has been truly defeated."

At the same time, the British Broadcasting Corp. (BBC) announced the publication of a new CIA report, issued by agency chief James Woolsey. In it, the U.S. intelligence agency warned that Iraq, despite U.N. occupation and search-and-destroy operations over the last four years, still possessed huge supplies of weapons of mass destruction. The *London Times* on Sept. 28, reported that Woolsey was "concerned that Iraq has more than 7,000 nuclear scientists and engineers, the largest pool of scientific and technical expertise in the Arab world."

The question that must be posed is, why the fanatical adherence to the embargo policy on the part of the British, their U.S. allies in the Bush camp, and their vehicle, the U.N.? If Iraq has complied with all U.N. resolutions (over

TABLE 1

Iraqi oil revenues and state expenditures 1956-57 to 1968-69

(in million Iraqi dinars)

Year	Oil revenue	State expenditures for consumption	State investment	Total expenditures	Total revenue
1956-57	68.84	70.28	43.041	113.321	113.84
1960-61	95.09	114.29	47.565	161.855	151.29
1964-65	129.66	180.13	75.275	255.405	222.43
1966-67	151.67	205.51	68.914	274.424	292.16
1968-69	174.72	241.94	74.406	206.346	308.94

Source: Isam al-Khafaji, *al-Dawla wa'l-Tatawwur al-Ra'smali fi'l-Iraq 1968-1978*.

20 have been passed), its weapons production facilities have been shut down and will be monitored, and its economy is on the verge of breakdown, why continue with the embargo? The answer usually given by the sanctions lobbyists such as Timmerman, is that "Saddam must step down." Yet, such lobbyists would acknowledge in private that even if the Iraqi President were to be replaced, that would not suffice; what is sought is an overthrow of the Baath Party regime *and the policies which go along with it*.

To fully grasp the true strategic aim behind the aggression in the Persian Gulf war and the embargo, one must review highlights of the history of modern Iraq's successful attempt to establish a model of industrialization for the developing sector. It is only in this light that concern about Iraq's "7,000 nuclear scientists and engineers, the largest pool of scientific and technical expertise in the Arab world," makes any sense at all.

Iraq's economic success story

At the time of the 1958 revolution, when a coalition overthrew the British puppet monarchy, Iraq was an oil-based economy, with a manufacturing sector limited to 10% of the Gross National Product (GNP). Most of the country's labor force was engaged in labor-intensive agriculture, and private capital was concentrated in trade, land, speculation, and the service sector.¹ The social and political institutions of the country were modelled on those of the colonial power Great Britain, and they were designed to protect British interests, if necessary through military intervention.

The creation of an independent state, therefore, involved institutional reforms, primary among them the land reform, which divested the British party of their economic interests. In 1963, after a nationalist and Baathist coalition came to power, certain economic changes were introduced, which were to further divest British-allied interests and bring major components of Iraq's productive potential under dirigistic

TABLE 2

Number of workers in big industrial enterprises in Iraq, 1961-70

	1961	1965	1970
Food, beverages, tobacco	14,000	16,000	24,500
Textiles, clothing, leather	12,300	15,300	23,000
Printing and paper	4,100	4,500	5,000
Chemicals	2,900	3,300	7,000
Construction materials	17,600	19,000	18,700
Metalworking	7,800	8,000	9,800
Other processing industries	5,900	5,900	6,400
Water and electricity	8,700	10,700	13,300
Total	73,000	83,300	105,800

Source: H.K. al-Hayally, p. 57.

control. In 1964, banks, insurance companies, foreign trade, and certain key industries were nationalized. Yet, at the same time, the role of private capital and private industry was not penalized or diminished; on the contrary, it continued to control 70-80% of trade and manufacturing.

The relationship between the private and the public sector, which was to become a key factor in Iraq's astounding development over the next decades, was defined by a mutually beneficial process. The state would define and finance projects, especially in infrastructure, which private industry, particularly small and medium-sized concerns, would carry out on a contract basis. The construction industry, called upon to provide housing and schools, was the best example. Between 1963 and 1969, the number of private construction companies grew from 3,557, employing 27,095 workers, to 5,009, with 40,046 workers. But the same principle applied as well in foreign trade and other sectors which were dirigistically controlled.

The nationalization of the Iraq Petroleum Company (IPC) in 1972 under the Baath Party government which had taken power in 1968, was a turning point in economic development. Through it the government not only established true independence, and sovereignty over the natural resources of the country, but also controlled oil revenues and their deployment for infrastructure development.

Even before nationalization, as oil revenues grew, so did state expenditures, especially for soft infrastructure, such as public health and education (see **Table 1**). The numbers of employed in large industries grew correspondingly (see **Table 2**). But it was with nationalization that the Baath strategy of infrastructure development took off. Oil production increased dramatically, with investments into technology and expansion of capacities. Oil production grew from 1.322 million barrels per day (mbd) in 1965 to 2.262 mbd in 1975; the immense increase in revenues due to the post-1973 oil price rise went to the benefit of the state, which reinvested

TABLE 3

Per capita income, national income, and Gross Domestic Product of Iraq, 1967-82

Year	Per capita income (in Iraqi dinars)	National income (in million Iraqi dinars)	GDP (in million Iraqi dinars)
1967	89.6	754.2	937.7
1968	96.9	840.6	1,062.6
1969	98.4	897.2	1,103.3
1970	103.9	956.9	1,197.3
1971	110.9	1,081.3	1,375.0
1972	115.8	1,166.9	1,388.8
1973	135.5	1,412.1	1,587.5
1974	278.9	3,002.5	3,347.7
1975	337.2	3,750.5	3,970.5
1976	387.2	4,478.8	4,582.8
1979	825.9	10,588.8	4,714.2
1982	874.2	12,334.6	5,374.5

Source: AAS, 1977, p. 128; ASS, 1984, pp. 119-124.

them in infrastructure, and to the population, whose per capita income soared (see **Table 3**). This translated into increased buying power for an internal market which was expanding in its production of consumer goods.

The key to the entire process was that development projects, whether domestic or in Third World countries, were financed by oil revenues and implemented through private enterprise. For certain big industrial projects, such as complete plant complexes, foreign companies were brought in. In the 1970-75 period, these contracts were worth 682.4 million Iraqi dinars, and in the following five-year period, grew to 7,134.3 million dinars. This is the period in which Iraq became a major trading partner in the region for European and Japanese advanced technologies. Between 1974 and 1976, some 50% of Iraq's imports were in capital goods.

Most of the large Iraqi industrial concerns which emerged to take on infrastructure projects, were capital-intensive industries, requiring financing in dimensions which only the state could afford. State investments became predominant in the 1972-82 period, yet at the same time, private capital investment continued to grow at a steady pace; turnover and employment in both grew in parallel (see **Table 4**). Between 1973 and 1974, investments in all sectors of the economy increased three- to fourfold. Small enterprises, including family companies employing only a few people, also benefited from the increased expenditures of the state. Between 1974 and 1976, the turnover of these small companies almost tripled, and the number of workshops increased from 26,332 to 37,669. In 1977, the private sector employed about 130,000, as compared to 105,700 employed by the state industrial sector. The construction sector, 93.8% of which was in private hands in 1982, boomed, as the demand for

TABLE 4

Big industrial enterprises in Iraq, 1972-82

Year	Sector	Number of enterprises	Employees (in thousands)	Value of sales (in million Iraqi dinars)	Value of production inputs (in million Iraqi dinars)
1972	state	182	71.1	171.81	101.50
	private	1,107	44.7	63.96	54.01
	total	1,289	116.4	235.77	146.51
1973	state	185	79.1	224.70	141.86
	private	1,090	41.6	67.41	46.07
	total	1,275	120.7	292.11	187.93
1974	state	198	86.16	264.34	196.08
	private	1,043	37.80	87.39	63.16
	total	1,241	123.96	351.73	259.24
1975	state	204	93.6	315.78	230.25
	private	1,145	41.0	120.65	86.46
	total	1,349	134.6	436.43	316.71
1976	state	225	99.5	428.07	283.15
	private	1,254	43.2	161.83	115.62
	total	1,479	142.7	589.90	398.77
1977	state	266	105.7	521.53	310.45
	private	1,282	44.4	200.25	144.15
	total	1,548	150.1	721.78	454.60
1982	state	270	134.3	1,110.75	631.26
	private	1,084	38.8	410.52	285.93
	total	1,384	173.1	1,520.77	917.19

Source: AAS, 1976, p. 124; AAS, 1978, p. 91; AAS, 1984, p. 93.

factories, housing, schools, and hospitals increased.

During the Iran-Iraq war, the government continued to function as a motor for the domestic economy, and indeed passed legislation to further enhance the ability of the private sector to participate in productive activity. Thus, laws passed in 1982-83 raised the ceiling on private sector investment from 200,000 to 2 million Iraqi dinars for limited companies and to 5 million dinars for corporations. Simultaneously, state-promoted credit was made readily available through the Industrial Bank, subsidies were available for raw materials, and machines could be imported tax free. Furthermore, fiscal policy encouraged productive investment. Contractors could either buy machines or lease them from the state at favored rates, and use them for projects. Usually the state would pay the contractor 40% of the value of the contract at the outset, facilitating rapid implementation and privileging capital-intensive enterprises.

This also held true in the agricultural sector, where capital-intensive chicken farming, dairy farms, animal breeding, and so on expanded. Successive land reforms in 1970 and 1975 took holdings of large landowners and divided them up for distribution or leasing to hundreds of thousands of farm-



A patient at the Saddam Children's Hospital in Baghdad. The deliberate aim of the U.N.'s embargo has been to reverse the economic and social progress made by the Iraqi government over decades, and to so completely destroy the nation that it will never recover.

ers. Due to the availability of hard currency from oil revenues, Iraq tended to rely heavily on food imports, but reversed this when the Iran-Iraq war brought home the need for food self-sufficiency. In 1983, another farm law was passed, giving any citizen the right to lease unlimited amounts of land from the Agriculture Ministry, for 5 to 20 years, at low rates. Independent farmers had recourse as well to credits from the Agricultural Cooperative Bank.

Iraq's extensive trade with European and Japanese industries for high-technology capital goods, which had integrated its economy into that of the advanced sector, began to suffer during the Iran-Iraq war, when wartime inflation hit the currency. This took a toll on infrastructure projects, as well as on payments to foreign trade partners. Massive foreign indebtedness to finance the war followed. Still, government policy continued to stimulate private industrial investment internally through credit and fiscal measures.

The eight-year war against Iran dealt a heavy blow to Iraq's economy, but did not destroy it. Despite the \$60-80 billion foreign debt burden incurred, the country picked up its development projects. During the war, it had built new pipelines through Turkey and Saudi Arabia, to reroute oil deliveries which were blocked by the hostilities. Following the war, it set about reconstructing destroyed infrastructure,

continuing the successful policy of state-financed projects carried out by the public and private sectors.

Throughout its rapid development process over the last two decades, Iraq understood its commitment to technologically advanced industrialization as both a model and a motor for unleashing the same process throughout the Arab world, and the developing sector. Thus, from the 1970s in particular, it extended credits for infrastructure projects to many Third World countries. In 1979, at the Havana conference of the Non-Aligned Movement, Saddam Hussein introduced a proposal which aimed at maintaining the pace of industrial investment in non-oil-producing countries, despite the effects of the 1973 oil price rise. He argued that since developing countries were being forced to pay higher oil prices, funds otherwise destined for development were being diverted. To alleviate this, he proposed that Iraq provide interest-free loans to those countries, in the amounts which had been diverted to oil payments, and that they be earmarked for infrastructure development. He further proposed that the advanced sector countries pool resources to replicate the same principle on an international scale.

Iraq's function as an economic motor for developing countries was largely dependent on its role as a science-driver. In order to effect the rates of economic growth which it achieved, it was necessary simultaneously to build up hard infrastructure and basic industries, and to educate the population to master the technologies which an advancing economy assimilated. In 1976, Iraq passed a law for compulsory and free education. A national, compulsory literacy campaign, which engaged all government agencies, brought literacy to the entire population under the age of 55. Teacher training programs were given top priority and modern methods, with wide use of computer technology, were introduced. Primary emphasis was placed on educating a broad layer of scientists, engineers, technicians, teachers, doctors, and so on, through graduate study abroad as well as through institutions of higher learning in the country itself. This process, too, was viewed as something to be exported.

Iraq had 12 contracts with other Arab countries for exchange of teachers and books, and 35 separate agreements supported 100 educational institutions. These included Iraqi teachers travelling to Morocco and Algeria; 400 teachers were sent to Yemen to help in the Arabization process, extending the literacy campaign to other parts of the Arab world. Missions were undertaken for further contacts with Saudi Arabia, Qatar, Niger, Malaysia, and many other countries. Two thousand teachers were sent abroad on these projects, and over 15,000 scholarship students from abroad studied in Iraq. One million books per year were printed in Iraq for Yemen before the war, 2 million for Somalia, 500,000 for Tunisia, and tens of thousands of books were loaned out to other countries. Included among these were religious texts, which were donated. Iraq provided funds for the establishment of religious and educational institutions abroad, including 48 schools for Iraqis abroad. Iraqi scholars attended hun-

dreds of conferences, and, as a member nation of Unesco, participated in 400 symposia and courses. Among Iraq's projects to support Arab countries to develop their own educational programs, were the Arab Encyclopedia and Arab Atlas projects. Iraq provided financial support to offset deficits and build Unesco headquarters in Arab countries. All this was prior to 1990.²

Embargo policy: enforced entropy

Against this background, the true character and intention of the Persian Gulf war and embargo can be identified. The scenario, candidly announced by a Bush administration official to be to "bomb Iraq back to the Stone Age," ran as follows: Bomb major infrastructure, to cripple the functioning economy; stop the flow of oil revenues, to block the process of reinvestment; and stop all technological imports, to bring the technological level of the economy to a standstill. These three measures were to suffice to hermetically seal an economic and social process which had been integrally linked to the most advanced parts of the world economy. Once thus isolated, it must rely on internal resources to survive.

Then, prevent food, medical equipment, and medicine from supplying the population, so as to unleash a degenerative process which George Bush would call "downbreeding": as nutrition levels decline, parallel to the quality and availability of health care, the population will become weaker, both physically and intellectually. Deny access to educational materials, including the most important—ideas—by isolating the nation culturally, and thus drive down education standards. Qualified personnel in all fields, deprived of the means to apply their knowledge in society, will seek alternatives abroad. Expert medical personnel will become rare, and less qualified personnel will be the teachers of tomorrow's doctors. Ban scientific research to prevent a generation of "7,000 nuclear scientists and engineers" from emerging.

Then, circulate counterfeit currency inside the country to devalue it, while black market conditions emerge as a desperate attempt to circulate goods and make money. Continue psychological warfare through rumor campaigns, that the embargo will be lifted, just prior to each U.N. Security Council meeting; then invent new conditions for the lifting of sanctions. Continue hammering away at the notion that "Saddam Hussein is to blame," to alienate the population from its government. With each round of rumors (including those of coup attempts, atrocities, perceived threats by neighboring countries, downed helicopters, etc.), you will further depress the national currency. Aim at "dollarizing" the economy by rendering the dinar worthless.

Without directly triggering it, a social process will unfold as a consequence of the combined factors above: Basic values of the society will be undermined and replaced by others. The "private sector" becomes the black market; social solidarity will be replaced by survivalism. Intellectual curiosity will be replaced by the fatalistic belief that knowledge leads nowhere. Pride in one's work will turn into bitter toleration

of labor for a pittance. The belief in and commitment to progress will be replaced by despair that conditions will only worsen.

As the embargo moves into its next month, all these processes are accelerated. The entire economy is progressively wound down, as the total energy throughput is radically decreased. Lower nutrition and lower cultural "consumption" produce a labor force less capable of performing advanced tasks; the technological level of the economy sinks and with it the quality and quantity of produced goods.

The intention of the sanctions policy is thus to reverse the direction of economic-social progress which had been the policy of the Iraqi government over decades, and to make that change in direction irreversible. The intention is to so thoroughly subvert and change the moral, intellectual character of the citizenry, as to guarantee that even in a post-embargo environment, it will not be able or willing to pick up the thread of development cut in 1991.

If this is allowed to happen, the repercussions will be felt throughout the region and beyond. If Iraq, the only truly industrial nation in the region which has followed a moral economic policy, is forced by the embargo-triggered disintegration process to be turned into a flea-market economy, with, perhaps, its national industries, including oil, taken over and privatized through the intervention of the International Monetary Fund, it will be a criminal catastrophe. Such an eventuality would deal the death blow to the very idea of peace in the region.

But this is clearly the intention. And unless the sanctions are lifted immediately, a catastrophe of unthinkable dimensions will appear on the horizon. It is an illusion to think that the degenerative process created by the embargo can continue in a linear fashion. There comes a point at which the entropic process reaches total breakdown and a qualitatively new situation ensues: mass epidemics, mass starvation, total economic and social disintegration—the death of a nation.

The pro-sanctions faction inside the Security Council and its hired pens like Timmerman are clearly anticipating that that point of no return is fast approaching. Thus, the perspective of "another six months" is their gamble that within such a time frame, Iraqi society—and with it the political leadership—will disintegrate. One veto cast by one member of the Permanent Five could change the situation. It is naive, perhaps, to think that any one of these nations will act out of moral determination to expunge the evil that the sanctions regime represents. The fact is that unless they do, there will be no Iraq with which to trade.

Notes

1. Economic data cited here, unless otherwise indicated, are taken from *Der Irak seit 1958: Von der Revolution zur Diktatur*, Marion Farouk-Sluglett and Peter Suglett Suhrkamp Verlag, Frankfurt, 1991.

2. Data on Iraq's education programs are based on speeches given at the International Symposium of Non-Governmental Organizations on the Effects of the Embargo against Iraq, held in Baghdad Sept. 12-14.

Baghdad conference documents genocidal effect of U.N. embargo

by Muriel Mirak-Weissbach

While the United Nations Security Council in mid-September was drawing together its members, to decree yet another extension of the four-year-old embargo against Iraq, several hundred delegates from 25 nations gathered in Baghdad to take stock of the effects of the blockade on all aspects of life—and, increasingly, death—in the country.

The picture that emerged from the three-day International Symposium of Non-Governmental Organizations on the Effects of the Embargo against Iraq, held Sept. 12-14, was blood-chilling. Although it was facts and figures which spelled out the toll taken on the population in impersonal statistical coldness, the heart-rending drama of the personal suffering which each statistic quantified was played out in casual daily contact with average Iraqi citizens. Whether they were in the once-luxurious Rashid Hotel, in taxis and buses, walking along the streets in the market, or visiting the Saddam Children's Teaching Hospital, delegates were confronted with the unspeakable conditions under which the embargo regime has forced the Iraqi population to live.

Streets are littered with garbage, inviting the rodent and insect population to proliferate, and to spread disease. Untreated waste water gushes into the Tigris River, and along its banks a few hundred meters away, children swim or fish. Dilapidated autos pitter along the streets, sporting broken windshields which have no hope of being replaced. Bus stops are crowded with hundreds of people waiting to be taken home or to work. The few buses still running are packed like sardine cans, passengers standing up in the open doorways, hanging onto bars within. In makeshift garages along the street, repaired used tires, a luxury commodity, are on sale for 35,000 Iraqi dinars. (A very good monthly salary is 4,000 dinars.) Children who should be in school or at home helping mother, are on the streets, hawking chewing gum or simply begging. Normal stores, which used to carry imported goods or were part of the national distribution network, are closed. In their stead, peddlers sit on the sidewalks in front of a blanket on which their goods are offered at impossible prices. Money changers lurk everywhere, seeking foreigners.

In the hospital, overworked, overstressed doctors point out case after case of infectious disease, and explain laconically that unless this child receives antibiotics within the next few days, it will die within three weeks. While one doctor is talking about one cancer case, an infant in the same ward

dies. Incubators do not function.

What follows here is a synopsis of the effects of the embargo on all major aspects of life in Iraq, as compiled from the dozens of speeches presented by doctors, public servants, professors, engineers, and other professionals.

Public health. The breakdown of public health facilities caused by bombings in the war and the continuing embargo has ushered in a new wave of infectious diseases. Cases of cholera, a disease which was rare before the war, zoomed up in 1991 to 1,217, and leveled off in 1992 and 1993 to 976 and 825, respectively. Worsening conditions with the water supply and sanitation will mean higher figures for 1994. Typhoid cases increased from 1,812 in 1989, to 2,224 in 1990, and shot up to 17,524 in 1991. Infectious hepatitis, which had 89 recorded cases in 1989, affected 16,801 in 1993. Due to the lack of vaccines, preventable diseases are reappearing, among them polio, diphtheria, tetanus, measles (see **Figure 1**). Pneumonia and malaria are widespread.

The number of hospitals in 1989 was 258, including 26,000 beds, 132 health centers, and 102 laboratories. In the war, 88 hospitals and 473 medical centers were bombed. Due to the lack of medicine and medical equipment, many doctors have left the country.

Caloric consumption. The leading cause of disease is malnutrition (see **Figure 2**). In 1993, caloric consumption dropped 163% compared to 1988-89, which means that the average consumption is 1,600 calories. Iron deficiency has increased, and is evident in 55% of all pregnant women. Food shortages lead to malnutrition in pregnant women, who do not gain enough weight, bearing weaker children. Mortality in childbirth has increased.

Food in the first two years of life is critical because it affects brain development. A tin of milk costs 600 Iraqi dinars, out of the range of a most mothers. In adolescence, if girls are underfed, puberty is delayed, which affects future pregnancies. There are more miscarriages, more malformed children, and more low birthweight babies (see **Figure 3**).

Cancer among children. Negative factors affecting children's health have increased under the embargo. The factors studied are nutrition, prevention, diagnostics, therapy, and psychological. In the case of leukemia, after three years' treatment, the child needs health support to survive. "Healthy" children, who have responded positively to che-

FIGURE 1
Impact of economic sanctions on the incidence of some communicable diseases in Iraq
 Increase times 1989

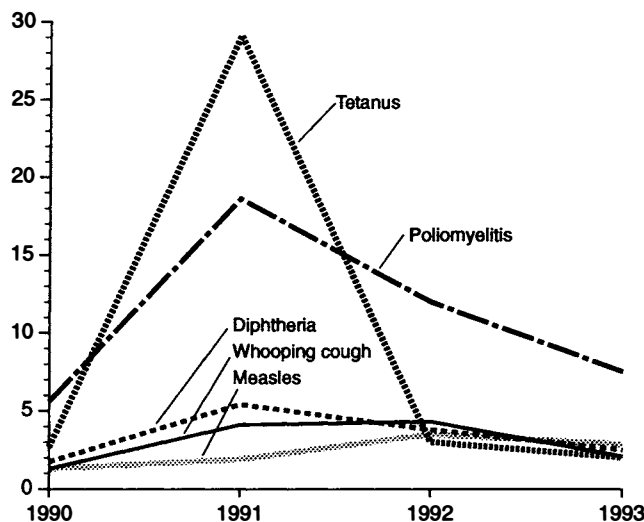
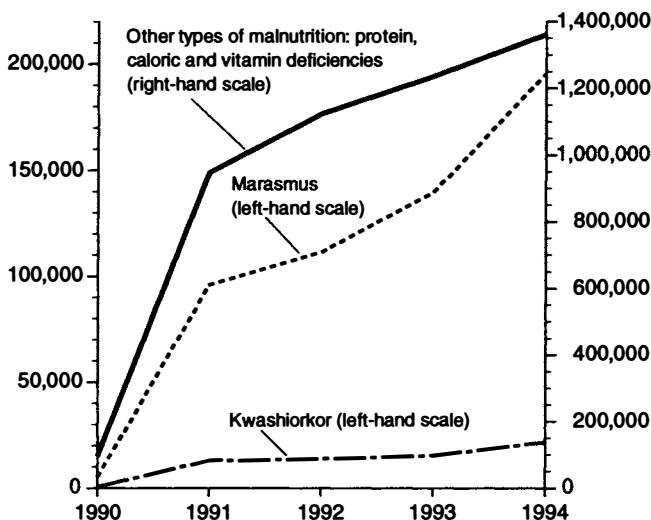
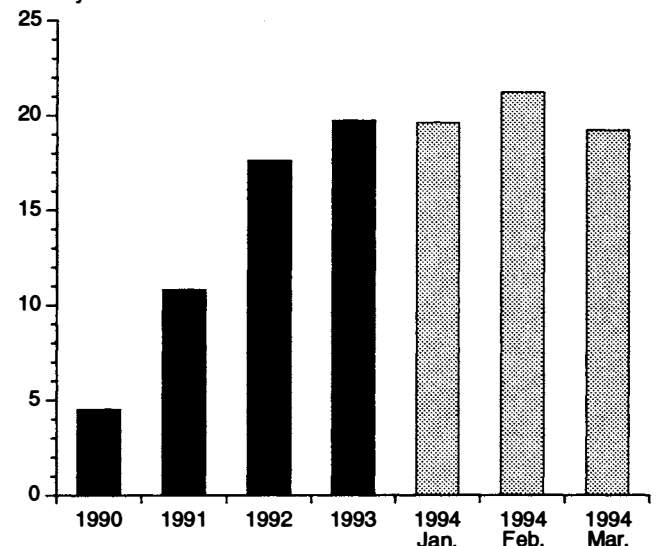


FIGURE 2
Impact of economic sanctions on the nutritional status of children under five
 Number of cases



motherly, get the disease again if they do not have drugs. There has also been an increase in the number of new leukemia cases nationally. The figures given for one hospital show that whereas in 1990 there were 10 cases; in 1992, there were

FIGURE 3
Low birth weight babies (2.5 kg) as percentage of total births reported by Iraqi health institutions in post-sanctions years
 monthly rate %



47 cases; in 1993, there were 75 cases; and for the first six months of 1994, there have been 47 cases registered. Relapses are on the rise, with the resulting increase in mortality rates (see Figure 4).

At the Saddam Children's Teaching Hospital in Baghdad, 1,300 children a day are treated on an outpatient basis, and admissions are at 120 a day. The mortality rate of patients was 20-25% before the war, and is now at 80-90% among cancer patients. If cancer protocols are stopped, they must start again from scratch. This hospital, the largest of its kind, has more facilities than others, because it is a teaching hospital. However, it has not had medical journals for four years.

Cancer patients. There has been an increase of colon cancer from 1985 to 1993, from 1.6% to 2.6%, which may be related to the change in food habits forced by the embargo. There has also been an increase in breast cancer among women under 30. Screening for breast and cervical cancer is impossible because of lack of X-ray slides, film, and spatules. In 1989, some 1,800 sets of Polaroid film were received; eight have been received thus far this year.

The machines used for radiotherapy are old and spare parts are lacking. There have been no radiation sources delivered since 1990. Maintenance contracts for medical machines have not been respected, for example, by Siemens, because of the blockade. No new machines have been imported since 1990. In chemotherapy, 20 of 31 drugs are not available, so chemotherapy has been restricted to radical cases. There is a lack of injection facilities and of anti-emetics. Hormone therapy has been abandoned.

FIGURE 4

Total number of deaths due to sanctions for selected reasons

(number of deaths)

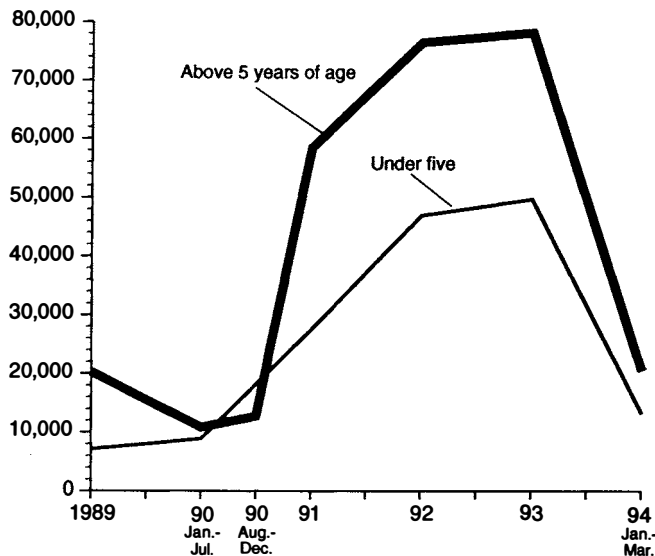
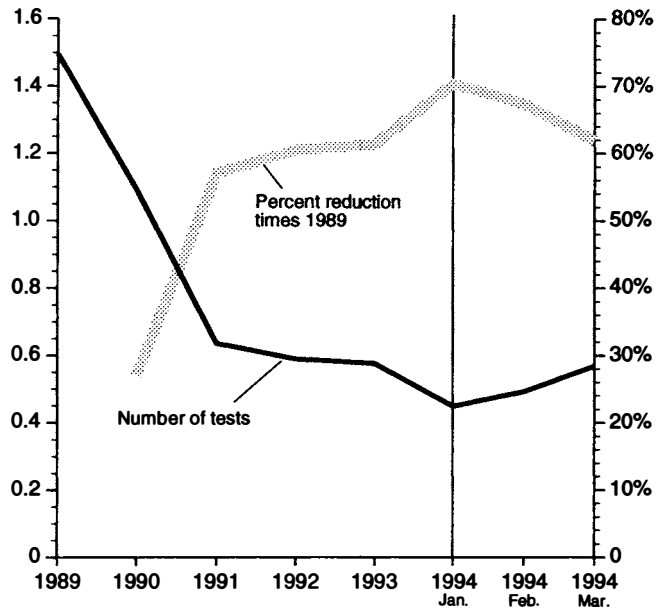


FIGURE 5

Impact of economic sanctions on laboratory tests

Number of tests per month, millions

Percent reduction



Diagnostics. Due to the lack of materials for routine diagnostics, laboratory testing has been severely curtailed. Whereas in 1989, over 1,494,050 lab tests were performed per month, in June of this year, the figure was 450,000 (see Figure 5). There is a total lack of ultrasound and CAT scan facilities, because of lack of spare parts. Magnetic resonance imaging is a dream. As a result, doctors have reverted to traditional methods of diagnoses, with accompanying delays and errors. Following diagnosis, a doctor will prescribe drugs. They are rationed, to secure supply. Minimum doses are given for cardiovascular diseases, bronchial asthma, etc. If a patient has acute heart failure, there are no drugs. Antibiotics are prescribed for three days instead of seven.

Pharmaceutical supplies. Before the war, Iraq imported hundreds of millions of dollars worth of pharmaceuticals for its vast public health system. Since the embargo, despite the fact that medicines are officially excluded, the lack of hard currency has prevented the import of life-saving drugs. Even medicines contracted and paid for before the war have not been delivered. Iraq paid \$56 million between January and August 1990 to one pharmaceutical company in Austria. At a 1992 meeting in Vienna, to discuss delivery of these supplies, the company representatives said they would be happy to supply the goods, but they were being blocked by governments.

Surgery. There has been an increased need for ulcer and thyroid operations, and post-operative treatment, which are hindered by lack of facilities. Only emergency operations are performed, for example, for peritonitis. Surgical instru-

ments, anaesthetics, even surgical threads are not available. Threads normally used for external wounds are being used for sewing intestines. There is a lack of intravenously administered drugs, of gauze, gloves, and sedatives. As a result, the number of surgical operations per month has plummeted: From 15,000 in 1989, there has been a decrease of 43% in 1990, of 57% in 1991, of 63% in 1992, of 65% in 1993, and in the current year, 70-73% (see Figure 6). As for infant surgery, life-threatening tumors simply cannot be operated.

Nuclear medicine. Everything required here is banned by the embargo. Of 16 gamma cameras, 4 are working. The installation of two new gamma cameras was stopped in 1991. Nuclear medicine materials are lacking, so testing has been reduced. All nuclear medical training has been discontinued.

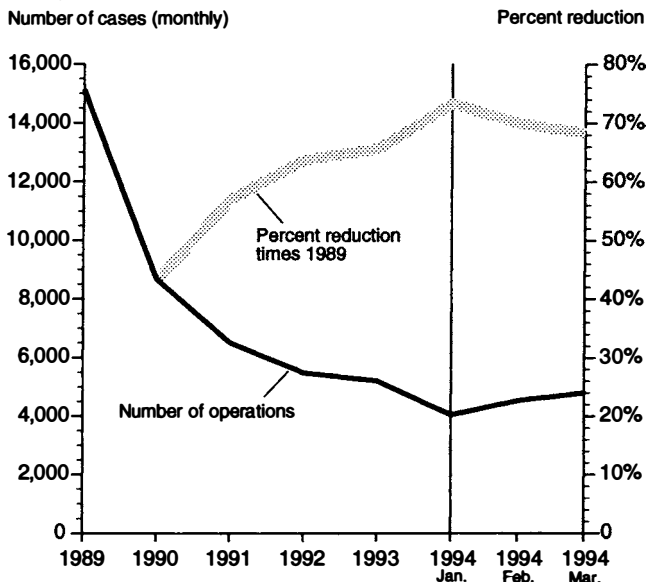
Internal medicine. Cases of gastroenteritis have increased at Yarmuk Hospital, which serves a community of 1 million. Peptic ulcers have increased, due to stress. Total ulcer cases increased from 1,075 in 1989 to 2,033 in 1992. In treatment of duodenal ulcers, a change in the nature of the illness has been noted, in the sense that chronic active ulcers have increased. Cases of healed ulcers dropped from 24.6% of those treated to 4.9%. The same pattern has been noted in Baghdad and Mosul. Treatment is irregular, and ulcers heal with scar formation, which creates further problems.

Disabled. There is a chronic lack of hearing aids, audio cassettes for the blind, crutches, and wheelchairs. In 1993, the supply of hearing aids was suspended due to shortages.

Water supply. The increase of infectious diseases is directly linked to the lack of clean drinking water. Concern-

FIGURE 6

Impact of economic sanctions on major surgical operations



ing the bacteriological failure of drinking water supplies, before the war less than 5% of the water was inadequate, whereas now 20-30% of water sampled is below standard. This varies from region to region, with some governates, such as Wasit and Basra, registering 40% and 50%, respectively, of inadequate water, according to World Health Organization standards. The case of Baghdad is exemplary.

Sanitation. In Baghdad, untreated refuse is being dumped into the river, encouraging the increase of the rodent and insect population. Whereas advanced sector countries recycle refuse, Baghdad, a city of 900 square kilometers and a population of 4.5 million, had an efficient refuse disposal system, whereby refuse would be collected and taken to dumping areas. Since the embargo, this system has broken down. Vehicles are old, they lack tires and batteries. Of a fleet of 800 sanitation vehicles, now only 300 are left, and have to be used double time. Technicians who worked in this sector have left the country, and qualified labor is being replaced by unqualified. Current facilities allow for the removal of 2,000 tons per day, of the 2,500 tons which should be disposed of. The 500 tons per day remainder accumulates and is left on the streets. Plastic bags cannot be produced, so people are forced to throw their garbage into the streets.

Water purification. Bombs dropped during the war damaged countless pumping stations, and the city was without electricity for four months. Chlorine was unavailable for one year, and is now in short supply. Before the war, 500 liters of water were available for each of Baghdad's 4.5 million citizens daily. After 40% electricity had been re-

stored, to allow pumping stations to function, 125 liters per day were available. Although 40,000 tons of chlorine would be required to supply water to Baghdad, only 10,000 have been available under the sanctions regime.

The city sewage drainage system network, which is 600 kilometers long, continues to suffer from the lack of maintenance, aggravated by the exodus of trained foreign workers. Rather than the pre-war 4-5 breakdowns per week, Baghdad's system now experiences 450 breakdowns per week. The system, which covered 70% of Baghdad, was to be extended to the whole area, but the war interrupted plans.

Environment and agriculture. Factories are discharging water which could and should be treated but is not for lack of spare parts, motors, and filters. Chlorine production facilities are hampered by the same. Lack of filters prevents gas emissions from factories from being cleaned. Soil was destroyed during the war, as were pumping stations and draining systems. Dams and storage systems were targeted, on which agriculture depends for planting. The destruction of three dams and six pumping stations paralyzed the 1992 planting. Agriculture under the embargo has been hit by lack of seeds, pesticides, pumps, machinery, and veterinary medicine. Although some pesticide spraying was carried out in 1991 with the help of the U.N. Food and Agriculture Organization (FAO), by 1992-93, hundreds of thousands of acres had been destroyed. Date production in 1993 was severely hit by damage done in the aggression to date palm trees. Diseases cut into orange production, and new diseases hit crops. Agricultural production was drastically reduced, in cereals, potatoes, fruits, and vegetables.

This has led to dramatic reductions in the share of animal production that each Iraqi has for consumption. Whereas before sanctions, the kilogram per person per year figure for eggs was 63, after sanctions it dropped to 10. Similarly, red meat went from 13 to 2.8, poultry from 12.5 to 1.5, fish from 3.5 to 1.0, and animal protein from 23 kilos per person per year to 17.8. Animal protein consumption is now at 3 grams per day, on average (Table 1).

Livestock in the country has been decimated. Of 8.6 million sheep before sanctions, there remain 6.3 million; there were 1,521,000 cattle, now there are 1,120,000. Buffalo herds have dropped from 129,000 to 98,000; and goats, from 1,351,000 to 1,050,000. Smuggling is taking place, with the result that animals are being sold outside Iraq. Fish production, which was at 50,000 tons per year before the embargo, has dropped to 15-20,000 tons.

Food. The crisis in agriculture has aggravated food shortages. Before the aggression, total imports and rations totalled \$3 billion, which represented 34% of allocations. Some \$22 million was allocated for storage of food, \$300,000 for production of milk and cooking oil, \$400 million for agriculture and seeds, \$5 million for special food for children. Food, though officially excluded from the sanctions, cannot be imported in required quantities because Iraq has no foreign

TABLE 1

Composition of quantities supplied (kg) per person per month

Food Item	Before sanctions	After sanctions
Wheat-flour	15	9
Rice	3.288	2.500
Sugar	3.409	1.500
Tea	0.249	0.500
Cooking oils	1.283	0.625
Detergents	0.533	0.250
Soaps	0.448	0.150
Baby milk	3.060	1.800

Note: Quantities were further reduced in September by about 40% for flour, cooking oil, rice, and sugar. Prices shown in Table 2 have shot up accordingly.

currency with which to purchase it, and its assets in foreign banks remain frozen. People are dependent on rationing cards, which provide them barely 75% of their caloric requirements and 33% of protein requirements. Before the war, children consumed 3 kilos of milk per month, now it is half that figure. Storage facilities were destroyed in the war, as were 47 bakeries and silos.

Prices. Inflation is 4,000% in 1994 over 1990, especially for meat, fruit, and vegetables. A chicken which cost 200 dinars in January 1994, now costs 1,000 dinars (see Table 2). There has been a decline in the production and quality of flour, a decline in animal production. Animal vaccines and fertilizers, formerly imported, are unavailable. An FAO delegation to Iraq in 1993 examined the status of crops and seed production. It ascertained that Iraq needs 5 billion tons of goods, costing \$2.5 billion, for this sector. Unless the embargo is lifted, there is a danger of starvation.

Social aspects. The impact on the family structure, the unit of society which develops values, has been dramatic. The institution of the Iraqi family goes back to the ancient civilization of the Sumerians. The advent of Islam introduced new family values, and the policies of the post-revolutionary Iraqi governments have aimed at protecting the family. Family growth is important in Iraqi society. Rates of population increase have been very high. In 1989, the reproductive rate was 6.5; in 1991, it was 5.7; in 1994, it will be much lower, despite government support for marriage and families. Basic services are maintained through government subsidies.

There is a decrease in local productivity and high increases in food prices, which burdens the family. Fathers spend more time at work, mothers are forced to sell their belongings, children are falling into the grip of crime. Social relations should be governed by understanding and love, but the burdens placed on the family by the embargo have undermined social values, altering the understanding of moral principles—what is right and wrong, what is correct and aberrant behavior. Honest dealing is no longer a value. Social

TABLE 2

Food prices per kilogram before and after sanctions

Food Item	Prices before sanctions (July 1990) in dinars	Prices after sanctions (July 1994) in dinars	Increase times
Wheat-flour	0.060	57	950
Rice	0.240	37	154
Sugar	0.200	164	820
Tea	2.000	450	225
Cooking oils	0.600	182	303
Baby milk	1.600	680	425

solidarity has been destroyed, selfishness is on the rise. Intersocial relations are shattered, families and friends no longer can afford to visit, or to host others.

Huge wealth is being accumulated by a few (in the black market) at the expense of the masses. Black market economics has meant that people can engage in trade without any qualifications. There is a lowering of the level of training overall. The only aim is to earn money. This is coupled with a drop in the trend toward creative work, with a resulting decrease in the level of genuine performance. Disputes are frequent, crimes are multiplying. Farmers used to live comfortably, with government assistance for housing, for example. Now, their relationship to the rest of the community has been changed; they are selling even subsidized commodities, instead of using them, with production cuts resulting. Farmers fail to take produce to the central markets, to help regulate prices, and rather take their produce to the free market where they can get higher prices. As the central food outlets disappear, a new phenomenon of small shops has emerged.

In crime, car theft is the most frequent. The high cost of cars prompts thieves to steal cars, strip them, and sell the parts. Murder cases are also on the rise. Smuggling is increasing, especially of gold and livestock. This affects the Iraqi currency. There is an increase of items being sold outside the normal outlets, including medical supplies; medicines whose expiration date has passed, are being sold.

Housing. The right to decent, secure housing, with adequate lighting and ventilation, is being denied by the conditions imposed through the embargo. The government had a plan to provide housing for all by the year 2000, in four stages, beginning in 1980, but it was stopped by the war. Three million housing units are desperately needed. Although the government has given land to citizens, they have no means to construct homes. The government is trying to encourage private sector activity here, through tax breaks.

Communications. Before the war, there was a telephone for every 5.5 persons, and 3 million units were planned for installation by the year 2000. The project was halted by the

embargo.

Iraq had 2,033 kilometers of main rail lines and 356 kilometers of sub-lines prior to 1990, and serviced 4.3 million passengers. Planned expansion, which was scheduled to increase this to 6.4 million passengers and 3 million tons of goods, has been made impossible by the embargo. Bus transportation, which is vital for students and low-income families, has also been affected. Four hundred buses exist, out of a projected fleet of 1,570. Lack of functioning public transportation also means delays in arriving at a hospital. Air traffic has been eliminated completely. The Iraqi airlines fleet, which carried 1.2 million passengers and 31 tons of cargo per year before the aggression, has been grounded. The planes, idle for four years, are nearly useless.

Social services. Roughly 60% of services are free of charge to the population. These include streets, drainage, water, garbage collection, parks, playgrounds, and traffic regulation. After the war, 61 projects planned nationally were frozen. In 1991, some 14 projects, and, in 1994, three more projects, were stopped. Thus, of the 13,000 kilometers of paved roads planned, only 400 km were built, due to the shortage of vehicles required for construction. Only 3,600 public service vehicles, out of 5,000 before the war, are running, and an estimated 12,500 are needed. This means cities cannot provide normal services. Those vehicles which still exist are old and out of order.

There is also a reduction in manpower. Whereas in 1990 there were 27,915 staff engineers and technicians, in 1994 there are only 19,000. Construction costs, due to post-embargo inflation, have increased from 50 dinars per square meter of pavement, to 1,000 dinars, a jump of 2,000%.

Higher education. Iraq used to import \$50 million worth of teaching materials before 1990, to supply its colleges and universities, which were among the best in the world. Forty-five cultural exchange programs were stopped. Students have no longer been able to study abroad for their masters and doctorate degrees, both due to the lack of hard currency to finance studies and to the political ban constituted by the embargo. Students already studying abroad at the time of the aggression were sent back. Foreigners in the education field left the country, because of the lack of hard currency and the devaluation of the Iraqi currency. Scientific materials and books have been kept out by the blockade. The 7,000 magazines which reached educational institutions by subscription from abroad previously, were cut. The lack of paper has made publishing books and periodicals a luxury.

The impact of the blockade on education has been devastating. School buildings are deteriorating, some flooded with sewage. A plan to build 3,500 schools by 1995 has been scrapped. Desks are in short supply—there is about one-third of what is needed. Air conditioning in schools has been cut, leading to increasing cases of bronchitis and other respiratory ailments. No health care is available in schools. Transportation difficulties have contributed to the rising number of student dropouts, numbering 27,000. About 2,000 teachers

have also left the profession since the war.

Computer programs have been suspended, the national program for the propagation of the Islamic faith has been stopped. Due to the lack of paper and of money to import it, students must recycle their notebooks, and textbooks are loaned out for the school year. Notebooks which used to cost 150 fils (there are 1,000 fils to the dinar) now cost 150 dinars. Pupils do not have pencils. Five million pencils would be required, but the U.N. Sanctions Committee blocked the delivery of pencils from a Pakistani company.

Culture. When the Mongols sacked Baghdad in 1258, the Tigris River, which runs through the city, was dubbed the “black river” because of ink from the books that were taken out of the magnificent libraries and thrown into the river. The B-52s which dropped the bombs during the aggression repeated the same operation. Although Unesco documents assert that “culture has a dignity which must be respected and preserved,” and that it is the “right of peoples and individuals to enjoy culture, which cannot be abrogated,” the war and embargo have violated that right.

Before the war, according to Unesco statistics, Iraq’s newspaper production of 1 million papers a day allowed one paper for only 1 out of 10 people. Some of these were 16-page dailies. Now, production has been cut to 100,000, and will fall to 50,000, with four-page issues. Dailies now appear only a few times per week. Of the 45 foreign correspondents Iraqi publications had abroad, there have remained 7.

Printing of children’s publications has also suffered. The popular *Majalati*, which used to have a 150,000 run weekly, was a government-subsidized color magazine for children, which sold for 50 fils. In 1992, the run dropped to 15,000, and now, in 1994, it appears only fortnightly, and the run is to be reduced to 10,000. Next year, it, along with a broad range of children’s books, will cease. The thousands of imported books which filled newsstands and libraries, have not been seen since 1990. The magazine *Arab Culture*, which was renowned in Egyptian, Moroccan, and Jordanian literati and student milieux, is being phased out by the embargo. The 160-page journal, which had a run of 100,000, was cut to 10,000 copies in 1992, and now appears in a reduced format of 84 pages and a 5,000 run.

Cultural organizations are prevented from sending artistic exhibits abroad, because they will not be allowed back into the country. Despite these constraints, the Iraqis have restarted the famous annual Babylon cultural festival. In 1992, invitations were sent out to artists throughout the world. One Japanese pianist, who had received his government’s authorization to attend, was told one day before departure that the U.S. embassy had to be consulted. The verdict was that the artist’s security “could not be guaranteed.”

Theft of national art treasures has been massive since the war. When one Sumerian piece was announced for sale at an auction in London, the Iraqi authorities intervened, on the basis of Unesco regulations, to prevent its sale, but the British argued that Iraq had no “right” to have the piece returned.

Ruiz Massieu assassination shows plot against Mexico

by Carlos Cota Meza

The former governor of the state of Guerrero and the secretary general of Mexico's ruling PRI party, José Francisco Ruiz Massieu, was murdered on Sept. 28, by a bullet fired by professional gunman Daniel Aguilar Trevino. This tragic act confirmed the denunciations of the Ibero-American Solidarity Movement (MSIA) and of this publication regarding the foreign conspiracy to destroy Mexico's institutions. On the day of the crime, the MSIA issued a statement reconfirming "what we have been charging since Jan. 1: that there exists an international plot against Mexico and against its leading institutions, the Executive power, the Armed Forces, and the Catholic Church."

In a Mexico City press conference on Sept. 30, MSIA leader Marivilia Carrasco and *EIR* Ibero-American Editor Dennis Small documented both the nature and the British intelligence authorship of this foreign plot. In statements covered widely on Mexican television and radio, Carrasco explained that the murder of Ruiz Massieu was, in large measure, meant as retaliation against Mexico for the late August presidential elections in that country, where an overwhelming majority of the population voted against candidate Cuauhtémoc Cárdenas and his movement's support for the violent Zapatista uprising in the state of Chiapas. By electing Ernesto Zedillo as the next President, Mexicans clearly voted for stability and their national institutions, Carrasco explained, and delivered a major setback to the British destabilization scenario.

Small urged Mexicans to pay heed to Lyndon LaRouche's April 1994 warning, following the murder of the PRI's presidential candidate Luis Donaldo Colosio: "In my estimate, the greatest immediate source of danger to Mexico is fostered by the tendency to seek only the Mexico origins of the recent atrocities against Cardinal Posadas Ocampo,

against the normal people of Chiapas, and against the person of presidential candidate Luis Donaldo Colosio." Small went on to note that the real danger facing Mexico was not so much whether there would be a peaceful inauguration of Zedillo as scheduled on Dec. 1, but whether there would even be a nation of Mexico in existence at that time—since the British gameplan is to annihilate the nation-state altogether.

Foreign-steered plot

While there are undoubtedly domestic elements involved in this plot, these must be viewed as vehicles of foreign intelligence agencies who are working from a scenario to drive the country into bloody civil war.

Apart from stupid sociological analyses about "the violence in Mexico," the plot has a very specific starting point. The conflict which Mexico is facing, and which especially afflicts the political class (both those in power and in the "opposition") began in November 1993, when Luis Donaldo Colosio was nominated the presidential candidate of the Revolutionary Institutional Party (PRI). His rival Manuel Camacho Solís did not accept that decision.

On Jan. 1, 1994 came the "uprising" of the Zapatista National Liberation Army (EZLN) in the state of Chiapas, under the command of Bishop Samuel Ruiz García, which turned Manuel Camacho Solís into the equivalent of a parallel presidential candidate by virtue of his nomination as official "negotiator" with the insurgents. It is important to remember that Bishop Ruiz's prominent role in the affair would never been possible if Cardinal Juan Jesús Posadas Ocampo had not been assassinated in May 1993. As is well known, it was Cardinal Posadas's personal commitment to have done with Bishop Ruiz and his "Theology of Liberation."

On March 23, 1994, Luis Donaldo Colosio was assassi-

nated, and in the selection process for his replacement as PRI presidential candidate, the name of Manuel Camacho Solís once again surfaced. According to the later reflections of José Francisco Ruiz Massieu, Camacho Solís was discarded as a candidate “because of his behavior toward candidate Colosio and toward the PRI since November.” Still later, Ruiz Massieu would comment to a journalist that Camacho Solís “is highly intelligent and very capable, but ambition has got him.”

As former Mexican President José López Portillo declared at Ruiz Massieu’s funeral: “There is a malignant structure which arose in the beginning of the year and which has not yet come to an end; we Mexicans . . . should eradicate that structure, which is killing Mexican values. . . .”

The magazine *Siempre*, in its edition No. 2155, declared that that “malignant structure” is “made up of politicians, businessmen, guerrillas, and priests, who in their ambition have formed a kind of partnership with elements of the drug trade.” Ruiz Massieu, continued the magazine editorial, “was chosen as a victim to send an intimidating and destabilizing signal through his martyrdom to the candidate-elect of the PRI.” “Who then was the favorite of the ‘malignant structure’?” concludes the *Siempre* editorial, stopping just short of naming Camacho.

Much can—and will—be written in this publication about Camacho Solís. For now, suffice it to note that Henry Kissinger, in an April 5, 1994 column, had high praise for Camacho in the context of discussing the situation in Mexico after the Colosio murder, and that Camacho has received strong, continuing support from both the British and the liberal U.S. establishment media over the last months. Camacho’s roots trace back to his early career as a KGB-linked reporter on Ibero-American terrorist movements, and to his early 1980s’ role as head of the malthusian and ecologist Tepoztlán Center, sponsored by such British intelligence luminaries as Maurice Strong, secretary general of the U.N.’s Rio ’92 conference.

The PRI splits

Within a week of the Ruiz Massieu assassination, the number of suspects reached a dozen. Federal PRI deputy from Tamaulipas Manuel Muñoz Rocha has already been identified as the intellectual author of the crime by the Attorney General’s office, which has requested that his parliamentary immunity be lifted. As can well be imagined, there is confusion, confrontation, rage, and fear within the ranks of the PRI party.

Sen. Israel Soberanis (PRI-Guerrero), responding to the claims of PRI national president Ignacio Pichardo Pagaza that the assassination was “the act of a gangster,” demanded that “the investigation of the assassination go higher than Dep. Manuel Muñoz Rocha. . . . To deny that this horrible murder had a political aspect,” continued Senator Soberanis, “only reveals a backward view of politics. . . . Stating that

the assassination is the act of a gangster . . . reflects an effort to defend the Revolutionary Institutional Party at all cost.”

This kind of confrontation, the battles being unleashed within the two houses of Congress among party members, the battles between PRI members and those of the opposition National Action Party (PAN) and Revolutionary Democratic Party (PRD) regarding the formalities for withdrawing parliamentary immunity from the accused Deputy Muñoz Rocha—all of this is leading to rumors that the PRI has begun to disintegrate. This is, of course, one of the principal objectives of the British gameplan.

The attack on the PRI has been fed by a furious campaign in the international news media to blame hardline stalwarts with the PRI—the so-called “dinosaurs”—for the murder of Ruiz Massieu. Deputy Muñoz Rocha has been pronounced a representative of the “dinosaurs”—without a shred of evidence to document the accusation. In fact, what evidence there is, points in the opposite direction.

For example, according to the dispatches from Tamaulipas from correspondents of the official daily *El Nacional*, Muñoz Rocha was a partisan of Manuel Camacho Solís in the presidential succession fight, and after the assassination of Luis Donaldo Colosio refused to give his backing to Ernesto Zedillo, to such an extent that Muñoz Rocha travelled in Chile during most of the electoral campaign period.

Moreover, Manuel Muñoz Rocha has been identified as a member of the Torreón Group (Línea de Masas), the Marxist grouping founded by Hugo Andrés Araujo de la Torre during the 1970s from which, it is suspected, some of the founders and leaders of the EZLN emerged.

Hugo Andrés Araujo is currently a federal deputy and senator-elect from Tamaulipas. He headed the PRI congressional bloc from his state until becoming the secretary general of the National Peasant Confederation (CNC). He was replaced as head of the congressional bloc by Muñoz Rocha, with whom he was reportedly intimate since they attended grade school together. Upon being reminded of these relations, Araujo de la Torre declared that “my friendship with Deputy Muñoz Rocha does not mean that an investigation is required.”

However, this is the second time since Jan. 1 that Hugo Andrés Araujo de la Torre has been named as a suspect in the destabilization of Mexico. Earlier this year, Jesuit priest Mardonio Morales charged that Hugo Andrés Araujo “sowed the seed of the Chiapas conflict.” In the 1970s, Araujo had formed an organization called “People’s Politics” (or Línea de Masas) and proposed joining forces “with the masses to make people’s politics . . . as a general political line for the transformation of Mexico.” Helping to build this organization were 12 priests from the Marxist Theology of Liberation movement. After October 1976, Bishop Samuel Ruiz García visited Torreón, Coahuila and “invited those from Línea de Masas to go to Chiapas,” according to one of Araujo’s colleagues from the CNC.

Nigeria's Abiola and company: a highly manipulable crowd

by Lydia Cherry

Former Nigerian Foreign Minister Bola ji Akinyemi, speaking at the Black Caucus Legislative Conference in Washington, D.C. on Sept. 16, issued a call for a strong Clinton administration intervention into Nigeria, after Haiti. He called on the U.S. administration to recognize that his fellow tribesman Chief M.K.O. Abiola won the June 12, 1993, Nigerian presidential election and should be installed as head of state, and that the United States should strengthen the sanctions against the military regime of Gen. Sani Abacha.

He also suggested that "the assets of members of the present regime and their civilian collaborators should be frozen," and that here Washington must take the initiative.

Akinyemi reportedly repeated the call several times during the week following, at the State Department, with members of the U.S. National Security Council, and according to one source, also at the White House, where he was well received. Akinyemi was foreign minister in Gen. Ibrahim Babangida's pro-International Monetary Fund regime (which came to power in December 1984), and in recent months has headed a British-supported organization based in London of "retired" Nigerian officials and military officers to support "democracy" boss Moshood Abiola.

Akinyemi has the appearance of a bit of a political chameleon, having made quite an about-face in recent months. He is on record in the latter part of 1993 as strongly encouraging General Abacha to step in to stop what many Nigerian leaders perceived as the political drift that was leading to the disintegration of the country. During late 1993, Akinyemi wrote letters, both directly and through Nigerian dailies, appealing to Abacha to step in.

But sometime after Abacha became commander in chief and head of state, which posts he now holds, Akinyemi shifted sides and became a member of Nadeco—Nigeria's self-proclaimed "democracy" movement. A Nigerian government source in London says that the transformation may have been connected to the fact that he requested from the government two things he was not given—a cabinet appointment, and a great deal of money to write his memoirs. "The government said it was not in the position to spend resources that way. It was after that that he moved to London."

It is worth noting that Akinyemi has longstanding ties to the Anglo-American ruling establishment, as does his presidential "solution" for Nigeria, Moshood Abiola. For exam-

ple, prior to becoming foreign minister, from 1978 to 1983, Akinyemi was the director general of the Nigerian Institute of International Affairs, which is one of the many spinoff organizations from the Royal Institute for International Affairs based in the United Kingdom, and the Council on Foreign Relations in the United States.

A design against Nigeria's interests

At the ongoing National Constitutional Conference which was inaugurated by General Abacha in June, there have reportedly been wide-ranging discussions about what has happened to Nigeria during the Babangida administration and during the transition period from this administration.

A speech by one of the conference delegates, Mazi S.G. Ikoku, a respected Nigerian elder and Christian, published by the *New Nigerian* on Sept. 26 lends insight. Ikoku begins: "History has made us the arbiters of the politics of June 12. The politics of June 12 [1993, the date of the presidential elections which were annulled by Babangida] is the clever exploitation of the weaknesses of the existing Federal Republic of Nigeria and the foibles of present day Nigerian leadership to consolidate the hold of foreign hegemony over Nigerian life and affairs. In the process, the emergence of the new Federal Republic of Nigeria is to be aborted; Nigeria is to remain a state of nominal independence and pseudo-sovereignty, presiding over a satellised economy with zero growth rate and a clientele people battling with escalating penury."

Ikoku insists that a major source of the confusion that Nigeria is undergoing stems from the fact that "labels have lost their meaning," which is not just a problem for Nigeria. Taking on the supposed fight for democracy, he asks if anyone has noticed that "the colonizers of the world since the 16th century now claim to be the crusaders for democracy worldwide."

Discussing what he termed the "grand design" for Nigeria by Britain and forces within the United States, he noted that the cornerstone of the venture was the installation of an elected civilian President of Nigeria endorsed by both powers. "This was what President Babangida's Transitional Program was to have put in place. . . . At first IBB [Babangida] went along with the program. He had put into place firm pro-imperial economic and financial policies. These include SAP [the IMF's Structural Adjustment Program], debt servicing,

and debt swap.”

Thus on the economic end, Ikoku insists that processes were going as planned, but on the political side, it became more complicated. “A close confidant of IBB, a vice president of ITT representing Africa and the Middle East, a business tycoon in his own right, and a financial magnate thanks to powerful connections in the corridors of power—these were accolades that made Abiola fit the bill.” Discussing the June 12, 1993 elections that were then annulled by Babangida, “for reasons only known to him,” Ikoku notes the contrived nature of the election from the get-go.

“Note that in January 1993, Abiola was not even a member of the SDP; yet four months later, and contrary to the ground rules, Abiola clinched the presidential ticket of the SDP. . . . Then things began to fall apart. IBB encouraged the rise of the Association for a Better Nigeria (ABN) to provide a counter-weight to the pressures on him from British and U.S. diplomatic circles. Following the injunction order by an Abuja High Court stopping the conduct of the presidential elections, Mr. O’Brien [head of United States Information Service under the Bush administration] stated publicly that the court order was unacceptable to the U.S. government. . . . O’Brien was declared *persona non grata* and expelled from Nigeria. The National Electoral Commission went ahead with the elections without even bothering to go on appeal against the Abuja High Court order. For reasons best known to him, IBB opted out of the venture and annulled the June 12 presidential elections. Relations between the IBB and CIA soured.”

Who is Moshood Abiola?

Moshood Abiola boasts of how he rose rapidly from employee to partner of the International Telephone & Telegraph (ITT). His own story, as he told the newspaper *New Nigerian* as published on June 1, 1985, sheds light on what some Nigerians call “a problem of method.” Abiola recounts:

“From there [Pfizer] I joined ITT [in December 1968]. I found that was the turning point in my life because that was when I met the late Gen. Murtala Mohammad [the highly respected and later assassinated Nigerian President]. At the time ITT was owed about 3.5 million pounds by the army for about three-and-a-half years. . . . I went to see him several times, he wouldn’t see me. So one day I was there at 6:30 a.m. waiting for him, as he used to get to work at 7:25 sharp. As he was coming with his walking stick, he said ‘You ITT man: leave this place.’ I said ‘That is not a polite way to talk to a creditor: You are a debtor.’ He got so mad, he wanted to use his stick on me. . . . Gen. Hassan Katsina was coming from behind. He said: ‘What is the matter?’ I said: ‘This man has owed me three and a half years.’ He said: ‘But we don’t touch money here.’ I said: ‘Ask the Perm Sec.’ So they send for Alhaji Gobir who was then the Perm Sec. He said ‘Murtala refused to authorize the voucher. . . .’ Then Murtala said: ‘But these people are rogues, they made 20% profit.’



Gen. Sani Abacha (left), who stepped in to protect Nigerian national interests after the pro-IMF regime of Gen. Ibrahim Babangida (foreground).

General Hassan said: ‘Bring me the document. I will sign,’ but Murtala said: ‘I think I will sign.’ So Murtala signed and I took the check.”

Abiola continues his story: “I phoned my managing director [for ITT], a white, that I have got this money with me [and] that by three o’clock I will be coming down with it. By the time I got to the office, he was stark drunk. I was then controller. . . . I then sent for a camera man, if he is that drunk, then he shouldn’t be heading this place. So I asked him a little more to drink. When he got really drunk, I asked him to take off his dress, which he did cheerfully—a drunkard will do anything. I got the cameraman to take the photograph and I took the photograph and that check to London and said: ‘This is the man you put to be my boss in that place. Unless the man is replaced and I am put in his place now, I will tear up this check.’ Immediately, they recalled the man; they made me managing director, they announced it. The following day I flew back gave him his letter and asked him to pack his things. . . . From there, within six months, I became chairman, chief executive. I became vice president, executive vice president, and so on.”

One African analyst of West African political history describes the international clamor building around Abiola’s bid for the presidency as somewhat reminiscent of that which proceeded Idi Amin’s coup in Uganda, when Israeli Intelligence through Colonel Bar Lev, Unilever, and the British Crown methodically cut the ground from under President

Milton Obota's feet.

The analyst added, in a discussion with *EIR*, that "in light of the current recolonization bid by the British Crown through her Minister for Colonies, Lady Chalker, it is clear that for the British to reconquer the two great pearls of Africa [Uganda and Nigeria] another buffoon like Idi Amin who will be more preoccupied with ego-hunting and personal aggrandizement would be needed. . . . Abiola seems fit for the task of dismembering Nigeria, like Idi Amin and Museveni have done with Uganda."

Further reflecting the close ties between this British-manipulated crowd, Abiola, it has been revealed, was a key funder of the British pawn Museveni. During the years when current President Yoweri Museveni was running his bush war against the Obote government in Uganda (1980-86), he was funded by the would-be President Abiola.

Faces behind the mask

Abiola's intricate connections with the multinational establishment and his hand in financing most of the now too frequent coups d'état in Nigeria, and other African countries, indicate that he is merely a front serving as a cover for the underhanded activities of a much more sinister force. According to reports in the *Washington Post* and the *International Herald Tribune* published in August 1980, International Telephone and Telegraph made questionable payments of millions of dollars, beginning in 1975 through 1980, to gain huge telecommunications sales contracts in Nigeria.

By all accounts, including those of senior ITT officials on and off the record, Abiola had been paid lavishly to represent ITT interests in Nigeria. The Nigerian payments were made through an ITT subsidiary in Switzerland. The sources said, Swiss secret banking laws kept records of the payments, out of the reach of the U.S. Securities and Exchange Commission. Howard Aibel, ITT general counsel and senior vice president, said, "All of the top management, including our board of directors, are familiar with the arrangements with Chief Abiola . . . we pay him a lot of money. We've got a big benefit out of our arrangements. We think we have done a very honest and honorable job in supplying equipment to Nigeria."

The allegations on the Nigerian payments were made at a time when ITT was concluding its third internal investigation of questionable payments in about five years. That investigation, which was part of a 1979 settlement of a suit brought against ITT, was intended to look into payments from 1971 through 1975, the year in which the Nigerian payments were made. The *Washington Post* obtained a copy of the 77-page draft report of the investigation of March 28, in which the investigative committee found that ITT employees had made a total of \$13 million in questionable payments since 1971. Of that amount \$8.7 million was made in 1978 after the last probe with the balance uncovered during the investigation. A highly placed ITT source called even the revised figure of \$13 million "preposterous" because it was so low.

If the questionable payments to Nigeria were included, he said, they alone would add "tens of millions of dollars" to the total. Under the terms of the 1975 contract with the Nigerian government, ITT was to be paid \$160 million for providing Nigeria with a modern telephone system, including telephone exchanges, central office equipment, and personnel training. The equipment was manufactured by ITT European subsidiaries, which included a mark-up to ITT Standard. The Swiss company in turn added another mark-up to the bill submitted to the Nigerian government.

An ITT source alleged that a portion of the money paid to ITT Standard by the Nigerian government found its way to Abiola and from him into secret bank accounts maintained for Nigerian officials. So-called "escalation payments" had increased the original \$160 million contract package by another \$100 million. ITT's Howard Aibel said there is nothing unusual about dramatically escalating charges. In November 1977, the U.S. Securities and Exchange Commission made a public complaint alleging that ITT officials paid millions of dollars to government officials in Indonesia, Iran, the Philippines, Algeria, Mexico, Italy, Turkey, Chile, and Nigeria. In August 1979, ITT and the Securities and Exchange Commission settled the suit, and as part of the settlement the company agreed to the investigation revealing the shady dealings.

Before the story was published in August 1980, ITT was asked to schedule an interview with Abiola for his own version. Chief Abiola was said to be observing the holy month of Ramadan, and "would be too busy to answer questions." Fresh evidence now being unearthed from Abiola's files seems to prove that ITT did as much damage in Africa as it did in Ibero-America.

A matter of character

As Nigeria's pioneering novelist, Chinua Achebe, said in his 1983 little book, *The Trouble With Nigeria*, "Nigeria's problem is the unwillingness or inability of its leaders to rise to the responsibility, to the challenge of personal example which are the hallmarks of true leadership." Abiola's bid for the presidency is seriously challenged by most Nigerians (even his Yoruba tribesmen) purely on grounds of moral probity. His escapades with an ever-increasing harem of women (wives and concubines), his CIA connections, and his general fickleness, have cast a dark cloud on the man who wants to pick up the mantle of leadership left by Awolowo (the most prominent Yoruba leader), a real colossus who dwarfs Abiola by comparison, as the leader of Africa's most coveted nation.

For instance, in the May 31, 1985 edition of the *New Nigerian*, Abiola declared that he will never aspire to be head of state. "I just don't want to be head of state. Absolutely not, my family has said absolutely no to that," said Abiola. Today it is unclear whether it his family, his tribe, or his Anglo-American paymasters who have pushed him into the ultimate power gamble, after his initial vacillation.

Four years after reunification: The German nation needs new ideas!

by Helga Zepp-LaRouche

Mrs. Zepp-LaRouche is the chancellor candidate of the Civil Rights Movement-Solidarity, a German political party competing in the Oct. 16 parliamentary elections. She wrote this commentary for German Unity Day, Oct. 3.

Now that almost five years have passed since the opening of Europe's borders, and German reunification lies four years behind us, it is time to look back. To have resolutely carried through reunification is something for which Chancellor Helmut Kohl deserves unqualified recognition. Yet it is impossible to avoid responsibility for a painful question: How could the historic moment, in which many rightly saw Europe's greatest opportunity of this century, have been so tragically missed?

Who can deny that today the global financial system stands at the edge of ruin? Even arch-conservative publications like the *Neue Zürcher Zeitung* or the *Handelsblatt* are already saying that the blow-out of a single large speculative transaction in derivatives could bring down the whole house of cards.

Who can still doubt that a system in which 98% of financial flows go into speculation, and only 2% are devoted to trade in real commodities, as Denis Healey recently emphasized, is irredeemably bankrupt? The reality is that speculation represents a cancerous tumor which has slowly robbed the patient—the productive economy—of its vitality. The notion that this system can still be saved by patchwork repairs here and there, is simply absurd.

The cause of this wretched situation can be found in the 1989 capitulation by the entire world to the hysterical demand by Margaret Thatcher and George Bush that the former East bloc be subjected to the principles of the so-called unbridled "free market." The same policy, based on purely monetarist criteria, was also maintained toward the Third World.

As a result of this superstitious belief in the free market, under which a few wealthy individuals get richer by irregular methods while entire continents sink into poverty, Russia and the republics of the former Soviet Union have been cast into economic ruin, giving rise to some nasty surprises. The plague and other previously conquered epidemics are spreading explosively not only in the South, but in the East.

With a certain degree of desperation, the apologists of the free market are trying to find rationalizations for this

multitude of catastrophes. First it's Ukrainian nationalism, then the bureaucracy in India, then alleged overpopulation in Rwanda, which bear the blame for the crisis.

All these attempted explanations are, if you will excuse the expression, pure garbage. The world finds itself in this miserable situation because the free-market economy, which is oriented to nothing but maximization of speculative profit, has driven it into ruin. The main problem subsuming all particular problems is the gigantic lack of economic development, above all in the South and East!

Therefore, these old, bankrupt ideas must be cast aside, especially the sacred cow of the free market, which has inflicted so much damage. And we must return right away to the proven principles of reconstruction which we successfully applied in Germany after World War II, which de Gaulle applied in France, and which Japan applied in order to trans-



Helga Zepp-LaRouche at a party congress of the Civil Rights Movement-Solidarity, in January 1994.

form itself in a few decades from an underdeveloped country into a modern industrial nation.

It is a good thing that the program for a "Paris-Berlin-Vienna Productive Triangle," proposed as early as 1989 by my husband Lyndon LaRouche as the core of a Eurasian infrastructure program, has now found a certain reflection in the White Paper by European Commission President Jacques Delors, and obviously in the related planning that occurred at this year's European Union summit on Corfu as well. In the coming period, governments will have no choice but to adopt this dirigistic program for overcoming depression at the point of financial collapse, because the other alternative is worldwide chaos and a breakdown of all economic activity.

Revive Classical culture

Something further has to occur: We must correct the mistakes that have been made in the sphere of culture.

At the high point of November and December 1989, the people in eastern Europe as well as West Germany were not only open to humanist ideas and Classical culture, but found it an actual necessity to celebrate this great historic moment through performances of Beethoven and Schiller. How simple it would have been to revive Weimar Classicism and combine economic reconstruction with a new cultural renaissance.

We know what happened instead. Almost everywhere, video shops, with the whole inventory of western decadence, were the first "private business enterprises" to be set up in eastern Europe. Flooding Russia with this filth has contributed to the extremely aggressive stance toward the West which is emerging.

I venture to predict that in the coming period of collapse, a comparable requirement for universal truth and for an elevating experience of great art will arise, as was the case immediately after the war and other dramatic ordeals.

Even though today's Germany is dominated by an impression of a spiritual and intellectual wasteland, our situation is really not so bad.

Certainly, Germans have been effectively cut off from their cultural roots by the events of the 20th century, especially the policies of the post-World War II occupying powers. Who today is seriously engaged with Leibniz, Schiller, Humboldt, Beethoven, or Gauss?

Nevertheless, the fact remains that Weimar Classicism was the last historical period in which a large number of poetic and scientific geniuses engaged in dialogue on the highest level about questions of creativity. We need only read their works, their letters, and their commentaries in order to find the key to a world which unlocks creative reason for our era as well. We stand in possession of infinite riches; we simply have to discover them anew.

And so there exists good reason, despite all the problems we will undoubtedly encounter, to look toward the future with cheer and courage.

Slovakians consider a moral ecology

by Angelika Bayreuther-Raimondi

Three weeks after the United Nations world population conference in Cairo, an international conference in Nitra, Slovakia drew politicians, theologians and scientists from various disciplines for a discussion of man's responsibility for the protection of the environment and nature and his place in the created universe. The topic of the conference was "Ecology, Ethics and Ecumenicism." It took place Sept. 23-24, and was organized by the Christian Democratic Union of Ecologists in Slovakia, the Organization of Slovak Christian Intellectuals, and the Slovak Catholic Academy, in cooperation with the Hanns Seidel Foundation of Germany.

Dr. Michal Dzatko, former Slovak minister of agriculture and a Christian Democratic political figure, said in his opening remarks that God created man and the Earth, and that it was the responsibility of each living man to leave the Earth in a livable condition for future generations. In view of the immense environmental destruction in East European countries subjected to the communist form of economy for decades (Dr. Dzatko spoke of some 41% of the territory of Slovakia that was damaged to a greater or lesser extent), the East European participants repeatedly enunciated a fundamental thesis: It is morally unacceptable and economically regressive for an economic system to destroy nature and the environment.

There was no debate on the point that the communist economic order was neither moral nor economically effective in this respect. Many participants drew the false conclusion, however, that under capitalism, economic growth has destroyed the quality of life for the individual citizen; they mistake "Thatcherism" for "capitalism." For the liberal free trade fanatics from Lady Thatcher's camp and "advisers" like George Soros and Jeffrey Sachs, "economic growth" does not mean an increase in the productive powers of labor and real production, but rather financial speculation and "quick profit." Eastern Europeans' justifiably great disappointment in the West's conduct after the opening of the East-West borders in 1989 prompts many to accuse materially oriented western man of consuming more than he needs and thus destroying nature.

By contrast with the hysterical and culturally pessimistic debates at conferences in the West on "ecology," the level and seriousness of the discussion in Nitra was remarkable.

There was a real attempt to understand man's role *today* in the created universe, wherein the uniqueness of each human individual is indisputable. Professor Kupka argued that man is the most precious part of creation and can, because of the individual's ability to distinguish between good and evil, either improve or worsen the created world. Prof. Jan Kvet from the Czech Republic defined ecology as the science of determining how nature may best and most sensibly be treated and utilized.

Speakers rejected the materialism of the free market economy, where intensified production means selfishness; in reality, both people and the environment in eastern Europe are being exploited through low labor costs and low environmental duties. Professor Michalov of Slovakia demanded that science and technology be brought into action in order to repair the enormous damage inflicted during recent decades.

Development is a right

"Disease and hunger do the worst damage to the environment," this writer told the conference, speaking for the board of the German Schiller Institute. It is only possible to discuss ecology, ethics, and ecumenicism if "relief and remedies are conceived of for the boundless suffering that has befallen many millions of people." My presentation therefore concentrated on the necessity of a global economic reconstruction program and emphasized the papal encyclicals *Centesimus Annus* (1991) and *Populorum Progressio* (1967) as very timely political and moral guidelines.

In his 1967 *Populorum Progressio*, or *On the Development of Peoples*, Pope Paul VI wrote that "the whole of creation is for man . . . it is his responsibility to develop it by intelligent effort and by means of his labor to perfect it, so to speak, for his use. If the world is made to furnish each individual with the means of livelihood and the instruments for his growth and progress, each man has therefore the right to find in the world what is necessary for himself. . . . All other rights whatsoever, including those of property and of free commerce, are to be subordinated to this principle." Pope John Paul II gave an energetic and uncompromising analysis in his encyclical of the social- and liberal-capitalist economic and social system, and characterized "the uplifting of the poor" as "a great opportunity for the moral, cultural, and economic growth of the whole of mankind."

This naturally provoked many debates. Prof. Taras Muranivsky from Moscow, vice president of the Universal Ecological Academy and president of the Russian Schiller Institute, further expounded the position of Lyndon H. LaRouche against the ideology of "limits to growth." Muranivsky gave in-depth citations of Russian views in opposition to the U.N. population conference in Cairo. Two other Russian representatives, Professor Antonov, head of the sociology department of Moscow State University, and Professor Lupandin of the Sociology Institute of the Russian Academy of Sciences, pointed out that the prognoses on overpopula-



Prof. Taras Muranivsky of Moscow reported on Russian opposition to the malthusianism of the U.N.'s Cairo conference organizers, and presented the views of Lyndon LaRouche opposing the "limits to growth" ideology.

tion of the Earth, made by Meadows, Mesarovic, and Pestel in the early 1970s, had been proven false.

The conference took place one week before parliamentary elections in Slovakia. Dr. Dzatko himself was a candidate of the Christian Democratic Movement and, immediately after the conference, plunged back into current politics.

Indeed, the economic and social situation in Slovakia requires politicians who have answers to the life and death questions confronting the country. By the end of 1993, the cost of living in Slovakia was 135% higher than in 1989. Especially pensioners, young families with children, and the unemployed (approximately 15% and rising) live at or below the poverty level. Since the living standard in Ukraine, Slovakia's neighbor to the East, is even worse, Ukrainians come into eastern Slovakia in search of menial jobs. The first cases of cholera and tuberculosis have been registered there.

One woman who took part in the Nitra conference said with tears in her eyes, that the West was treating people in the East as "sub-human" and that nobody was respecting the fundamental right to development. "The West still does not understand," she said, "that in view of the situation in Russia, this will have terrible consequences for the entire European continent." She thought that the designs for a global reconstruction program was the best she had heard from the West.

Lula's cronies throw terror tantrum

In the aftermath of the Brazil election, terrorist actions are expected to intensify, pumped up by foreign NGOs.

On Sept. 9, the TV Globo news program "Jornal Nacional" reported that three members of the Landless Movement (MST) were arrested in the vicinity of the Serra dos Carajas ecological reserve in Pará state after they had attempted to sabotage an electricity tower. Under interrogation, the three revealed that their purpose in destroying the tower was to cause a blackout that would serve as a diversion while their fellow terrorists invaded the ecological reserve. The invasion had been planned for some weeks.

The MST action at Carajas points to a qualitative shift in the group's activities, now directly targeting strategically important infrastructure such as power lines, on the model of such narco-terrorist groups as Peru's Shining Path or Mexico's Zapatista National Liberation Army (EZLN). Such activities by the MST, which is an active component of the coalition that supported the presidential campaign of São Paulo Forum founder Luís Inácio "Lula" da Silva, can be expected to escalate in the wake of Lula's defeat in the Oct. 3 presidential elections, as the more radical elements spin off into overtly terrorist activity.

This MST offensive began last May with a land invasion campaign under the slogan "Cry for the Earth." The military precision with which they were coordinated surprised those government officials in charge of national security. Now the MST's terrorist apparatus is threatening to spread to the entire country.

The new element in this is the growing international support offered the terrorists by non-governmental organizations (NGOs) which use the banner of human rights to justify their status. Not coincidentally, representatives of these NGOs visited Brazil in late August. Among them was American James Cavallaro of Americas Watch and British researcher Alison Sutton from Amnesty International. In the capital, Brasilia, both participated in the seminar entitled "Slave Labor—Never Again," organized by the National Permanent Forum Against Violence in the Countryside. Sutton also publicized her book, *Slave Labor: a Link in the Chain of Modernity in Today's Brazil*, published by Anti-Slavery International. This latter organization, founded in 1787, is controlled by some of Britain's most important oligarchical families such as the Wilberforces and the Buxtons, and poses as "the world's oldest human rights organization."

But under the guise of combatting slavery, the ASI actually promotes supranational intervention into states accused of violating human rights. It is one of the promoters of the Pastoral Land Commission in Europe, the same international network which set up the so-called Brazil Network. Located in London, the Brazil Network is an NGO which coordinates the activities of several NGOs which deal with Brazil, among them Amnesty International, Survival International, Oxfam, World Wide Fund for Nature (WWF), Greenpeace, Friends of the Earth, and others whose purpose is to

limit Brazil's sovereignty using environmental, indigenous, and human rights issues as a pretext.

The aggressiveness of these NGOs is such, that Col. Euro Barbosa de Barros, the director of the Federal Police's Department of Public Safety Affairs, attacked the idea of foreign interference in Brazil's internal affairs. Barros, who also participated in the same seminar, made his statement after listening to Cavallaro's remarks on the violation of human rights in Brazil.

"You are a foreigner," he said, "and you have no right to attack the Brazilian government which has its own institutions encharged with protecting human rights."

On Sept. 13, a delegation from Pax Christi International traveled throughout Brazil to "study violence." Linked to the Pastoral Land Commission, Pax Christi is also a key element in the international Liberation Theology apparatus which is the glue holding together these various entities and individuals. Included in the delegation was Claudette Werleigh, currently the foreign minister of the Haitian government in exile, led by ousted President Jean-Bertrand Aristide. Werleigh explained that "Pax Christi's executive committee planned this trip to Brazil two years ago. I had already made this commitment even before President Aristide asked me to serve [as foreign minister]." Keep in mind that Aristide is a hard-core representative of Liberation Theology, counting among his friends the ex-Franciscan Leonardo Boff, one of the chief propagandists of the movement which has given such firm support to Lula's Workers Party.

There is little doubt that these groups are mobilized to bring about insurrection in Brazil's rural areas, as shown by the increasingly violent actions of the Landless Movement.

Samper's narco-links confirmed

The retired director of DEA in Bogotá says the evidence is conclusive: Colombia's President took money from narcos!

Colombian President Ernesto Samper Pizano received millions from the Cali drug cartel, and his predecessor César Gaviria Trujillo was a witting collaborator in the cartel's penetration into the very pores of Colombia's political system, according to bombshell statements made at the end of September by Joseph Toft, the head of the Drug Enforcement Administration in Bogotá, on the day of his retirement.

Former President Gaviria, who was delivered the prestigious post of secretary general of the Organization of American States (OAS) by the United States, could only sputter his indignation at Toft's statements, but chose not to counter Toft's explicit charges, which included that Colombia's 1991 Constitution was drafted by Constituent Assembly delegates who were massively bribed by the drug traffickers—with the full knowledge of then-President Gaviria! Thanks to these bribes, the assembly constitutionally banned the extradition of Colombian nationals to a foreign country. "Extradition was the only thing the traffickers feared," said Toft.

Toft revealed that the DEA had cooperated at the time with the Colombian police in videotaping a secret meeting between a lawyer for drug lord Pablo Escobar and a delegate to the Constituent Assembly from the "legalized" narco-terrorist movement, the M-19, at which a substantial bribe to vote against extradition passed hands. On the video, subsequently known as the "narco-video," one can hear the boast that the M-19 delegate was but one of many assembly delegates who had succumbed to greed or fear.

"At that moment, there was a great deal of information available about the drug traffickers' maneuvers in the Constituent Assembly in order to free themselves from extradition." Toft confirmed what has long been rumored, that President Gaviria was in possession of the narco-video but chose never to reveal it, despite the fact that the DEA considered it "convincing evidence."

Gaviria was also responsible for the escape of the late drug kingpin Pablo Escobar Gaviria, because the President "knew what was happening at The Cathedral [the estate which served as Escobar's prison following the assembly vote against extradition—ed.], knew that Escobar was in control there, that he would come and go at will, and he knew long before it happened that Escobar would escape," said Toft.

Toft also confirmed that the infamous "narco-cassettes," the popular name given to secretly made tapes that document the millions contributed by the drug traffickers to Samper Pizano's campaign to buy him the presidency, are but one more piece of evidence that the government of Colombia is a full-blown "narco-democracy." However, it is not the only evidence against Samper. "The narco-cassettes for me are evidence," but "there is much more information" concerning the millions contributed by the traffickers to Samper's campaign. Toft also said that the Cali Cartel has "immense power" in Congress.

Last August, then-Prosecutor General Gustavo de Greiff (like Samper, a supporter of drug legalization), was emphatic that the narco-

cassettes—which have the voices of Cali Cartel bosses Gilberto and Miguel Rodríguez Orejuela confirming the bribery of Samper—do not constitute proof that a crime was committed. The only real crime, insisted De Greiff, was that the recordings were illegally made, without judicial permission! At the time, De Greiff had telephoned Toft, accusingly demanding to know who had made the recordings. The U.S. officially denied any involvement.

EIR has reported for years that Samper is a longstanding spokesman for the narcotics mafia and for the legalization of drugs. Moreover, *EIR* has insisted that the political godfather of both Samper and Gaviria, and of the drug cartels themselves, is former Colombian President Alfonso López Michelsen.

The interview with Toft triggered an upheaval in diplomatic relations between United States and Colombia, already shaky from this past summer's "narco-cassettes" scandal. While the Colombian government denounced and dismissed Toft's charges outright, the U.S. Embassy in Bogotá issued a formal statement distancing itself from Toft, now a private citizen. However, the DEA has not contradicted the statements of its former agent.

Toft made no mention of the role of López Michelsen as political godfather to the Colombian narcotics cartels, yet it is well known that the López government (1974-78) deliberately opened the doors to the cultivation of marijuana and to the laundering of the drug proceeds, through a series of banking and other decrees. It is therefore not surprising that it was López who responded with the most fury to Toft's charges, accusing the former agent of creating an international disinformation network, for the sole purpose of "slandering" Colombia.

International Intelligence

Boutros-Ghali orders U.N. silence on Rwanda

U.N. Secretary General Boutros Boutros-Ghali has imposed a total silence on U.N. agencies' discussions about Rwanda, following a declaration by the U.N. High Commission for Refugees (UNHCR) that it would stop all work in Rwanda because it had evidence that the Rwandan Popular Front (RPF) government was slaughtering Hutus. Boutros-Ghali said that these charges were "unjustified" and that the inquiry into the reported slaughter has not been finished. Only he would be allowed to comment on the matter. His own appointed U.N. mission to Rwanda said that the UNHCR statements were "without foundation."

This affair could blow apart the British operation in Rwanda, since the British, out of Uganda, have been controlling the RPF from the outset, as *EIR* reported in a cover story on Aug. 19. In what may be a counter-operation from the U.N.-British forces, the London-based Africa Rights Watch group has demanded a full inquiry into massacres by "Hutu extremists" in Rwanda. The international media, in its majority, have been fast to jump on the issue of "Hutu extremist" killings, but has backed away from identifying the RPF genocide.

Delay in lifting Bosnian arms embargo

The Clinton administration on Sept. 29 decided not to press for a binding U.N. Security Council resolution to lift the arms embargo against Bosnia. This followed consultations by U.S. Secretary of State Warren Christopher with the British and French, who oppose lifting the embargo. Bosnia wants a guarantee that the embargo will eventually be lifted, but in a compromise gesture on Sept. 27, Bosnian President Alija Izetbegovic had said he would be willing to accept a Security Council resolution to lift the arms embargo, but delay doing so for six months.

"We want a resolution that accomplish-

es our objective—to reflect some of the concerns of the Bosnian government," he said. "The goal is to get a resolution that would be supported in the Security Council. We are looking for a consensus."

The first sign that a deal was in the works to postpone the lifting of the arms embargo came at the Sept. 28 joint press conference in Washington by Presidents Boris Yeltsin and Bill Clinton, in answer to a reporter's question, Yeltsin said: "Our solution of this task is made easier by the fact that the Bosnians themselves have now asked that the discussion of this issue be postponed in general for four to six months. We shall see what happens in that time."

Bosnia's Prime Minister Haris Silajdzic said he was outraged by comments by British Foreign Secretary Douglas Hurd, who said that the Bosnians wanted to delay lifting the embargo. "That is a deliberate misinterpretation of our position, and we find that unfortunate," Silajdzic said. "Mr. Hurd is commending the Bosnian government for fulfilling his wishful thinking." Hurd repeated the formula in a press conference with Warren Christopher.

Vatican calls for new conference on population

The Vatican wants to hold a population conference in Taiwan next year, while the U.N. holds a Women's Conference in Beijing. Cardinal Alfonso López Trujillo, president of the Pontifical Council for the Family, visited Taipei, Taiwan on Sept. 13-19, and met with President Lee Teng-hui.

The news agency CNA reported that President Lee "stressed that the Chinese in Taiwan attach great importance to traditional family ethics and natural birth control," and supported Pope John Paul II's anti-abortion and family ethics policies. Cardinal López Trujillo told President Lee that a population meeting in Taiwan would make it possible for Taiwan to "provide its experiences in family planning programs and emphasis on family morality to other countries in the world." U.N. Secretary General Boutros Boutros-Ghali wants the September 1995 Women's Conference to serve as a

forum for extending the P.R.C.'s brutal population control policies to the whole world.

Israel to build new settlements on West Bank

Israeli Prime Minister Yitzhak Rabin, who curbed Israeli construction in the Occupied Territories two years ago, has approved new housing for a Jewish settlement just inside the West Bank, officials said on Sept. 26.

The Palestine Liberation Organization reacted angrily to the decision. "It is very regrettable that Prime Minister Rabin has authorized such an expansion of Israeli settlements in the occupied territories," said Marwan Kanafani, an aide to PLO Chairman Yasser Arafat.

"This violates in letter and spirit all the agreements that the [Palestinian] National Authority signed with the Israeli government," he told Reuters. He said that the PLO would raise the issue with Israel.

The building of new settlements also coincided with the release of the leader of the fascist Kach movement, Baruch Marzel, who is to stay under house arrest for three months in the Jewish Tel Romeida enclave of Hebron.

PRI officials defend Mexico's Bishop Ruiz

Officials of Mexico's ruling party, the Revolutionary Institutional Party (PRI), allied to "Red Bishop" Samuel Ruiz of San Cristóbal de las Casas, in the state of Chiapas, have demanded an "investigation" of those who participated in a peaceful protest demonstration against Bishop Ruiz on Sept. 21 in San Cristóbal de las Casas. Ruiz is a founder of the Zapatista National Liberation Army (EZLN), which launched a violent insurrection in Chiapas on Jan. 1, 1994.

At the Sept. 21 demonstration, hundreds of Chiapas citizens gathered to protest efforts by elements of the Mexican Roman Catholic Church and others to reinstate Ruiz as a mediator with the EZLN and to protect him against Vatican wrath. Many demon-

Briefly

strators carried the posters published by the Ibero-American Solidarity Movement (MSIA), showing Ruiz as a snake and a "wanted" criminal.

Interim PRI governor of Chiapas Javier López Moreno, a supporter of Ruiz, announced that he would be investigating the protesters, and government-appointed peace commissioner Jorge Madrazo Cuellar, who has publicly declared himself a follower of Ruiz's "pastoral work" and of the Marxist "theology of liberation," threatened that the National Human Rights Commission would be investigating municipal officials who had allegedly participated in the Chiapas demonstration.

The MSIA issued a statement denouncing this "political persecution" of Ruiz's opponents, and warning that these actions are inspired by a political faction inside the PRI which wants the PRI's governor-elect for Chiapas, Eduardo Robledo, to step down in favor of Cuauhtémoc Cárdenas's PRD party, which is allied to Ruiz and to the Zapatista insurgency.

Bangladesh is 'no model for population control'

Betsy Hartmann, author of a forthcoming book titled *Reproductive Rights and Wrongs*, wrote in a comment in the *International Herald Tribune* on Sept. 30 that "a sobering reality has largely been overlooked" by population control advocates. Bangladesh, so often praised for lowering its fertility rate despite its poverty, is one such reality. Its very aggressive population control program has been carried out at the cost of any primary health services, she wrote.

"Bangladesh gives the lie to the claim that family planning is the best way to improve women's and children's lives. Maternal death rates are still extremely high because there is little decent pregnancy care, and the small improvement in infant mortality is largely due to a childhood immunization drive in the late 1980s and better control of dysentery."

Hartmann, who did research in rural Bangladesh in 1975, found then that what-

ever birth control was available, was also provided without proper medical care, because there was virtually no primary health care system outside the big cities. This is still true today.

For the last 20 years, Bangladesh, "encouraged by international development agencies, has embarked on an ill-conceived crusade for population control that has worked against establishing a primary health-care system." Health workers receive a fee for sterilizing women. A 1983 World Bank investigation found that filthy government clinics were often sterilizing women without their knowledge, and in 1984, officials withheld emergency food supplies to women flood victims unless they agreed to be sterilized.

Health workers neglected all other duties except sterilization, in order to get the fees. Since the mid-1980s, population control has absorbed one-third of Bangladesh's entire health budget.

Mossad role charged in murder of Uwe Barschel

A new book claiming that the late prime minister of the German state of Schleswig-Holstein, Uwe Barschel, was murdered by an Israeli Mossad assassination squad, is drawing a great deal of attention in Germany. Entitled *Secret Operation: Mossad*, the book is by Victor Ostrovsky, a former Mossad agent. It was released in Germany at the end of September and in English by HarperCollins on Oct. 6.

Whether Ostrovsky's account is true or not, it certainly reopens the controversial Barschel dossier. The absurd official verdict was that Barschel committed suicide in a bathtub in a Geneva hotel in October 1987. Independent *EIR* investigations have shown that the murder was only a string of such "hits" aimed at clamping the lid on the Iran-Contra arms deals.

Ostrovsky asserts that the Mossad had a special "Operation Hannibal" to eliminate Barschel. Barschel was to have testified before a parliamentary commission in Bonn in mid-October, and would have exposed some secret deals between Israel and Iran.

● **SHINING PATH** terrorists bombed the home of Peruvian President Fujimori's most trusted intelligence agent, Segifredo Luza, on Sept. 23, the second anniversary of the capture of guerrilla chieftain Abimael Guzmán. Luza is an expert in psychological warfare. No one was hurt in the bombing, which was one of 10 terrorist attacks in Lima that day.

● **FIDEL CASTRO** expressed his existentialist view of history in an interview with the Venezuelan daily *El Nacional* of Sept. 25. "I believe that man cannot and should not be guided by ambition to occupy a place in history," he said. "I believe that man should guide himself by certain ideas . . . and to fight for them. All the rest will disappear. Why should we concern ourselves over an ephemeral history?"

● **THE CHINESE** Communist Party's Central Committee completed a meeting in Beijing on Sept. 29. Its final statement emphasized that "our country is currently undergoing extensive and profound social changes, and this requires our party to do better in upholding and improving democratic centralism" and "safeguarding central authority."

● **VENEZUELAN** President Rafael Caldera, speaking to the United Nations General Assembly on Oct. 3, supported Brazil's bid for permanent membership on the Security Council.

● **RUSSIAN** novelist Aleksandr Solzhenitsyn denied that technological development is a positive goal, in an interview published in the daily *Pravda* on Sept. 20. "The fact that we had metallurgy, the fact that we constructed blast furnaces and whole cities like Magnitogorsk, that people flew in space, and that nature was spoiled—you know, this does not constitute progress," he said.

A study in contrasts: two opposite policies for Sudan

by Paul Gallagher

Population and Human Resources Development in the Sudan

edited by Omer S. Urtur and William J. House
Iowa State University Press, Ames, Iowa, 1994
329 pages, hardcover

The Republic of Sudan—Africa’s largest nation in area—is one of the small but growing number of Third World nations pursuing a policy independent of International Monetary Fund and British colonial demands, as the financial crash of the IMF system approaches. Sudan boycotted the United Nations’ genocidal Cairo world population conference along with several other Islamic nations. The reasons for its decision to reject this spectacle of eugenics and global population control should be clear. Sudan has the same population—21 million souls—as the far more prosperous Taiwan; yet, Sudan is 80 times as large! The area of Sudan’s *currently arable land alone* is 10 times the size of Taiwan as a whole. It is an incredible evil that Sudan is branded as “overpopulated,” including by the authors of the U.N.-funded Urtur and House book. To the “Venetian Party” global elite typified by Prince Philip, Prince Bernhard, and Boutros Boutros-Ghali, it is enough to say that Sudan is Islamic, and in Africa.

Both the Urtur-House book and the Sudan government’s *Comprehensive National Strategy*, having the same subject, are written at least in part by officials of the Sudanese government, and have been written and published at the same time. But their axiomatic attitudes and policies toward the population of the nation are absolutely opposed to each other. The *editors* of the first book, and its organizers, are officials of the United Nations Population Fund (UNFPA), the global popu-

lation-control force of the “Venetian Party” elite. UNFPA gives most of its funds not to governments, but to “non-governmental organizations” of the U.N., which work against national governments’ resistance to population-reduction policies. All of its chapters—including those written by Sudanese officials—insist that Sudan can only “conserve resources” for development by stopping population growth. This is the hoary falsehood that the fewer people remain, the more wealth for each. Sudan’s *Comprehensive National Strategy*, by contrast, assumes continuing rapid population growth (currently 2.7% per year) and sets goals for it as part of the economic development mobilization.

The Islamic Renaissance

Who is right? Let us look at the history of population growth in *all* of the historically Islamic countries over a long period of time. Islam, from its founding at about 600 A.D. through the Islamic Renaissance, until about 1000 A.D., spread through the Middle East and Turkey, west to Egypt, Libya, Tunisia, the Maghreb region, and Spain; east through Iran, Southwest Asia, Pakistan, and the northern part of India, and the nations of the Malay Peninsula. The “Islamic Renaissance” was a rapid flowering of scientific ideas and education, technological progress, revival of knowledge of ancient classics, the rise of great cities of unprecedented wealth and prosperity: all coherent with the Koran’s conception of the human being as “higher than the Angels in the Garden.” It split into rival caliphates and degenerated after 1000 A.D. with the rise of anti-urban and anti-science fundamentalist movements, and the slave trade linked to the emerging Venetian maritime empire.

What is the population history of that period of human progress and then its decay? From 600-1000 A.D., all these nations’ combined population grew from 80 million to just

under 140 million people: 75% in 400 years. But in the 500 years from 1000-1500 A.D.—separating the end of the Islamic Renaissance from the launching of the 15th-century “Golden Renaissance” of Europe—the Islamic world’s total population grew by less than 10 million. Aside from the Indian subcontinent and the Malay Peninsula, the rest of Islam fell in total population over that 500 years. Then, from 1500-1900 A.D., through the worldwide impact of the European Renaissance, the Islamic nations grew to 380 million people: 170% growth over 400 years. These nations’ history for more than a millennium shows starkly that *population growth accompanies progress, prosperity, and national power, and is essential to that progress.*

Sudan’s economic future

Modern economic infrastructure is the key to the comparison of Sudan to Taiwan, a nation less rich than Sudan in natural resources, whose population *grew by 33% in a few years* when 2 million Chinese were forced from the Mainland in 1949; then doubled again from 1950-80. In the entire UNFPA book on Sudan’s future, building up of economic infrastructure (rail and road, power, water and irrigation, communications) is never discussed or recommended, although each chapter ends with profuse recommendations to the government. Yet the foundation of Taiwan’s extraordinary economic boom from the 1950s onward was massive new infrastructure construction for agriculture and industry (see *EIR*, “Physical Economy: Comparing Taiwan and the P.R.C.,” Aug. 26, 1994). Each chapter of the UNFPA book, instead, insists on demands such as the one summarizing the “educational planning” chapter: “Considering the increasing school-age populations . . . and in view of limited enrollment opportunities, one must conclude that the issue of rapid population growth itself should be under scrutiny. From this chapter’s perspective, fertility reduction would seem justified to reduce pressures on schools . . . and to ensure better educational opportunities for a greater percentage of the population.”

This, despite their acknowledgement that the portion of the population which is school-age children has already decreased to about 40% from 45%; that the Sudanese population is now 30% urbanized, lowering the social cost of education and health care infrastructure; and that spending on schools is now only 1% of GNP. And the reason for the high rate of leaving school without a full education is also clear from their own data: a national life expectancy of only 52 years, a matter of public health infrastructure again.

The government’s own *Comprehensive National Strategy* states that it aims at a “renaissance of thought and cultural development,” and thereafter repeatedly emphasizes training Sudanese youth in “classical beauty and science.” It says: “Our nation is a young nation. The population growth indicators show that for a long time to come the predominance of youth growth will be the pattern. This fact necessitates that increased attention will be given to this very vital sector for

its own sake, and for the investment of its potential.”

Not only youth, but “people are an incarnation of the divine on earth, and . . . from this principle spring basic human rights.” The plan’s overall statement of national objectives—“noble values” of the family and culture, “dignity of the state” including its defense capabilities, “liberty and prosperity of the citizen”—recall the famous “Three Principles of the People” of China’s great statesman Sun Yat-sen. They also recall the Vatican’s tradition of Pope Leo XIII’s 1891 encyclical *Rerum Novarum*: “This economic pattern is based on a logic that surpasses the causes of class struggle, by demanding that the rich spend for reasons of charity, solidarity, and complementarity.”

The Sudanese national plan for the future rejects the conditionalities (austerity and population control) placed on credit by the IMF; but it calls for foreign investment precisely in economic infrastructure: “raising the volume of such investment in the agriculture and agro-industrial sector to the highest possible level” and using oil and mineral export revenues for that purpose.

Sudan has within it—currently stalled by blocked foreign credits—one of the world’s major single water infrastructure projects: the Jonglei Canal to drain Upper Nile swamps and recharge the river’s flow. It is on the route of a potential transcontinental railway from Dakar, Senegal to Djibouti. “The Sudan has the resources of a formidable strategic potential capable of transforming it into a powerful, dignified state of continental stature.” Such a state needs a population of Nigerian (90 million) or Egyptian (60 million) magnitude. It is this that the international financial oligarchy and the U.N. wish to make impossible with policies such as those expressed in *Population and Human Resources Development in the Sudan*.

EIR has broadened its coverage of economic development potential for Africa, beginning with our Jan. 1, 1993 issue entirely dedicated to the subject. Naturally, the Republic of Sudan has been a central feature in our coverage. Some highlights include:

- our two-part interview with Dr. Abdalla Ahmed Abdalla, Sudan’s ambassador to the United States (Feb. 5 and Feb. 12, 1993)
- Helga Zepp-LaRouche’s address to the international Conference on Religions hosted by Sudan (May 14, 1993)
- Dr. Ali Elhag Mohamed, minister of economic planning and investment (July 30, 1993)
- *EIR* devoted its *Feature* to exposing the fact that Sudan was the “next target of the new world order,” in part because of its agricultural potential to feed the continent. (Sept. 3, 1993).

Aldous Huxley in the 1930s: the formative years of an evil man

by Mark Burdman

Aldous Huxley, *Between the Wars: Essays and Letters*

edited by David Bradshaw
Ivan R. Dee, Chicago, 1994
255 pages, hardbound, \$26

Between the Wars provides interesting clinical evidence of the cultural pessimism and cynicism, paranoid hatred of science and technology, and support for genocidal eugenics policies that have been such characteristic features of “the British disease” in this century. This 1930s collection of essays and articles has heretofore received little attention. As is the intention of Oxford University’s David Bradshaw, the collection shows Huxley to be more deeply involved in the social and political controversies of that decade than had been previously thought by those commentators and experts who assumed that Huxley restricted himself to cultural and literary themes.

The Aldous Huxley on display is not the full-blown sociopath of the post-World War II period. Through his later writings and activities, Aldous Huxley’s name has become a household word. His *Brave New World* has become a metaphor for a civilization in which an entire population is controlled by drugs and an all-powerful oligarchical state apparatus. He is also notorious for having promoted hallucinogenic drugs, in *The Doors of Perception* and *Between Heaven and Hell*. He is justifiably regarded as the single most important conceptual architect of the rock-sex-drugs counterculture launched in the mid-1960s.

The Huxley that Bradshaw presents has not yet reached such a stage of degeneracy and evil, and even appears at times to be a person not lacking in compassion and humanity. In the period of the writings, Huxley is in his late 30s-early 40s, so certain traits are not yet fully set. However, the seemingly “better side” should not be exaggerated. The seeds of the later Huxley are there. By the 1930s, Huxley had

already become an accomplished sow. What was needed for *Brave New World* and the LSD/mescaline trips was only the further melancholia, pessimism, and degradation induced by living in Hollywood, beginning in 1937, and by the Second World War.

Various of his essays are musings about the potentialities for social control brought about by the new methods of “total propaganda” developed by Josef Goebbels in Nazi Germany and by Josef Stalin in the Soviet Union. The back cover of the book contains two quotes from his writings, the first from 1930, the second 1931: “Any form of order is better than chaos. Our civilization is menaced with total collapse. Dictatorship and scientific propaganda may provide the only means for saving humanity from the miseries of anarchy.” And: “We may either persist in our present course, which is disastrous, or we must abandon democracy and allow ourselves to be ruled dictatorially by men who will compel us to do and suffer what a rational foresight demands.”

Aldous Huxley could never be accused of having faith in his fellow man.

In a December 1936 piece entitled “How to Improve the World,” Huxley mused about the possible uses of psychotropic drugs to “escape from boring or unpleasant reality,” and to fulfill “the need for occasional holidays from self and surroundings.” He advised that “all the psychological and chemico-physical techniques for holiday-making should be carefully investigated.” His tone is often sarcastic. It would, however, take the 1960s, and the demoralization caused in the United States and worldwide by the events beginning with the assassination of John F. Kennedy and the subsequent coverup, to create the preconditions for such “chemical-physical techniques” to become a mass phenomenon (coincidentally, Huxley died, at age 69, the same day Kennedy was shot in Dallas).

An evil family

If one would accept Lyndon LaRouche’s characterization of Lord Bertrand Russell as arguably the most evil man in this century, Aldous and his brother Julian would not come

far behind. For a century and a half at least, since the influence of Aldous's grandfather Thomas Henry Huxley in the 19th century, the Huxley family has been extremely important in implementing the British royal family's "Venetian Party" agenda of neo-paganism and neo-feudalism around the world. T.H. Huxley was widely known in Britain as "Darwin's Bulldog," militantly presenting a pseudo-scientific, radical-positivist "proof" for the Darwinian theory of evolution. T.H. Huxley was, according to numerous commentaries, the first person to coin the word "agnostic," as he launched a decades-long crusade against religious belief, as supposedly detrimental to "science."

A mythology has developed over the years, about the bifurcation in the Huxley family, between those "agnostic scientists" like T.H. and his grandson Julian, a brother and professional biologist-geneticist, and the "mystical-religious" Aldous. This is all absurd. Radical positivism and radical mysticism are two faces of the same gnostic-pagan irrationalism. Not surprisingly, the Huxley family was renowned for bouts of deep depression and melancholia. Numerous Huxleys, over the decades, were hospitalized for such problems. Julian Huxley, later secretary general of the United Nations Educational, Social, and Cultural Organization (Unesco) in 1946, had earlier suffered at least two major nervous breakdowns. For that suffering, one could have compassion, were it not for the fact that the Huxleys have been militantly committed to inflicting their destructive melancholic pessimism on all of society.

Taken as a package, Huxley's essays reek of the kind of cynicism for which the British upper crust has become known. Huxley is ever polemicizing against the effects of science on society, ever warning that man's ability to make profound scientific discoveries must inevitably unleash forces that destroy man himself. Admittedly, he was writing in a period of economic depression, when the certainties of former times (already upset by the ghastly First World War) were constantly in upheaval. Huxley was obviously talented and a shrewd profiler of events and persons, in the sense that highly educated British establishment cultural figures, especially those from established families, are trained to be. But his oligarchical paranoia always gets the better of him, and he can never depart from explanatory concoctions, in which technological innovations and their consequences are held responsible for economic collapse, for unemployment, chaos, social instability, and other evils.

Before the Greens, there was Huxley

The mentality in question is best seen in one essay in which Huxley truly, as the German saying goes, "lets the sow out." So aghast is Huxley by the announcement by Cambridge University's Lord Rutherford that the atom had been split, that he spits out his hostility to the very existence of scientific discovery and hypothesis. It is as if all the accumu-

lated British psychosis and tension since Sir Isaac Newton's controllers tried to counter the influence of Germany's Leibniz and friends had congealed into one hysterical shriek.

In a May 14, 1932 article on "Industrial Progress and Social Stability," Huxley fretted that the "Cambridge discoveries" announced by Rutherford could become "commercially exploitable. The first step has been taken; the next step, and the next are bound to follow." Worse than that, the process of scientific discovery exemplified by the breakthrough in nuclear energy would become uncontrollable: "A thought is like a seed, planted in the right kind of mental soil it is foredoomed to grow—naturally, inevitably, blindly. . . . For the purposes of thought, our minds are simply more or less well-manured plots of ground, more or less thoroughly saturated solutions, in which the acorn is planted or the nucleus of the crystal suspended. . . . Their business is to grow, to become completely themselves; and they do grow often with disastrous results to everything that happens in their neighborhood."

With no attempt at even pseudo-documentation for his argument, Huxley raved: "Developing thought incommodes man in various ways. Embodied as machines or as social organizations, it may interfere with an old-established and habitual well-being by altering his physical environment. Unembodied, in the form of new hypotheses about the nature of things, it may disturb his mental and emotional life by undermining his consoling beliefs and making nonsense of his cherished aspirations. There is a technique of scientific discovery. Minds trained in this technique constitute a particularly propitious environment for growing thoughts about the external world. During the last 200 years, an ever-increasing number of good minds have been trained in this technique, and thought about the Universe has developed, in consequence, at an ever-increasing rate. . . . [This] has so completely altered the conditions of human existence, that men have found themselves quite incapable of adjusting their way of living to the new mental and physical environment created by it. Hence the present crisis in world affairs."

He warned that the splitting of the atom "brings into focus" the problems posed by "an incessantly growing corpus of scientific knowledge." Huxley asked: "What should society do with such embodiments of developing thought as are calculated, temporarily at any rate, to derange its organization and imperil its stability?" In his view, "commercially exploitable" atomic energy "would cause unspeakable confusion in the world," as well as generate "financial and social chaos," and undermine "certainty and stability."

Governments, not able to control such thought, would have to act to "check and control . . . the embodiment of developing thought in machinery and industrial organization. . . . [G]overnments will find themselves forced to control the industrial application of new inventions. They will have to do it in order to preserve social stability. A communi-

ty cannot allow its very existence to be jeopardized because some logical process has worked itself out in the mind of some man of science, and because some manufacturer has bought the right to exploit the resulting conclusions.”

Presaging the efforts of the U.N. crowd (greatly influenced by the late Julian Huxley) to establish world-federalist control over scientific and technological processes, Huxley insisted: “The principle that the application of new discoveries should be controlled in the interests of society is already clearly recognized. . . . In due time this principle—that social stability is more important than industrial ‘progress’ and must not be sacrificed to it—will inevitably receive legal sanction and universal application. The commercial rights in all new patents will be acquired by the state, and the exploitation of revolutionary discoveries permitted only under conditions which guarantee the least possible derangement of social stability.”

The plea for ‘eugenic sterilization’

Another opening in the Huxleys’ war against humanity was put forward in an April 1934 essay, asking, “What Is Happening to Our Population?” in which he quoted favorably from a pamphlet by the London Eugenics Society entitled *Committee for Legalizing Eugenic Sterilization*, whose members included brother Julian. He wrote:

“Today, thanks to the philanthropic activities of social reformers, sub-normal parents are helped to rear their sub-normal children to maturity. . . . *If conditions remain what they are now, and if the present tendency continues unchecked, we may look forward in a century or two to a time when a quarter of the population of these islands will consist of half-wits. What a curiously squalid and humiliating conclusion to English history!* What is the remedy for the present deplorable state of affairs? It consists, obviously, in encouraging the normal and super-normal members of the population to have larger families and in preventing the sub-normal from having any families at all” (emphasis in original).

Huxley continued:

“But encouragement of normal and super-normal fertility would do nothing to diminish the fertility of the sub-normal. Mental deficient are congenitally incapable of acting on grounds of enlightened self-interest; nor can they exercise self-control or foresight in the name of an abstract principle, or for the sake of a cause recognized to be good. They cannot be expected, therefore, to limit their own fertility. It follows that, in one way or another, their fertility must be limited for them. Compulsory sterility is already imposed on idiots and imbeciles, who pass their lives in asylums, where they are prevented from propagating their species. . . . Eugenic sterilization has been practiced for some time in America, where it is legal in more than half the states of the Union. In Canada, it is now legal in the province of Alberta. The operation is extensively performed in Swit-

erland, and in Germany the sterilization of defectives has been legal and compulsory since the beginning of this year.”

Nietzsche, Mencken, and Wells

Bradshaw’s introduction contains useful background material on some of the factors influencing Huxley in the immediate post-World War I period. There is a very interesting chapter on Huxley’s relation, in the 1920-26 period, with the American writer Henry Louis Mencken. What attracted Mencken in the first place to Huxley, was that “the greatest single influence on Mencken’s life and work” was the 19th-century writings of Thomas Henry Huxley, whom Mencken considered “perhaps the greatest Englishman of all time.” Aldous had already approached Mencken in writing, drawn by the latter’s biting attacks on American cultural life, and Mencken responded enthusiastically when he realized Aldous was T.H.’s grandson.

In response to a communication, Mencken sent Aldous his translation of Friedrich Nietzsche’s *Der Antichrist*. According to Bradshaw, “from his earliest writings to his last, Nietzsche was adamant that culture could flourish only where the many have been subjugated to the few. . . . Nietzsche’s emphasis on caste is stressed by Mencken in his *The Philosophy of Friedrich Nietzsche* (1908) and in his compilation of *The Gist of Nietzsche* (1910), and it is significant that in both books, Mencken identifies a passage from *The Antichrist* (1895) as the kernel of Nietzsche’s philosophy. . . . Christian dogma and humanitarian ethics were anathema to Nietzsche.” The Nietzschean influence in much of Aldous Huxley’s own social writings is clear.

In the second part of his introductory remarks, Bradshaw debunks a myth that has circulated in British circles, that Huxley was opposed to the ideas and proposals of H.G. Wells. In fact, Wells presented Huxley with a “presentation copy” of his *The Open Conspiracy*, published in 1928. In this book, Wells calls for the establishment of a “world economic system,” a “world directorate serving the common ends of the race,” and so on. Bradshaw points out that Huxley’s “adumbration of the future use of eugenics,” beginning with writings in the latter 1920s, “owes much to the work of H.G. Wells. . . . Huxley had a great deal in common with Wells between the mid-1920s and the mid-1930s, not least his conviction that the state must take eugenic measures to arrest the multiplication of the unfit.”

There is much more useful material in these introductory remarks, on Huxley’s hierarchical-caste views and the like. Bradshaw repeatedly tries to find excuses for Huxley, mainly by arguing, in effect, that some views which may seem abhorrent, were nothing more than the *Zeitgeist* among leading British circles. That is hardly an excuse, however, but rather an indictment, of a species for whom Aldous Huxley is an important representative. To understand that *Zeitgeist* better, this book is worth reading.

Beyond OBE: mind manipulation in the 'new world order'

by Leo Scanlon

Microchipped: How the Education Establishment Took Us Beyond Big Brother

by Beverly K. Eakman

Halycon House, Portland, Oregon, 1994
285 pages, paperbound, \$19.95

Beverly Eakman's previous book, the best-seller *Educating for the New World Order* (Halycon House, 1992), helped catalyze a nationwide movement in the United States, opposing the "educational reforms" which go by the name of outcome-based education (OBE). *Microchipped* is her latest situation report from the front lines of that fight. It presents a series of lectures she has given since the publication of her first book, and supplements them with excerpts from the teaching manuals, psychological questionnaires, scoring handbooks, and other paraphernalia which are the stock-in-trade of the mind-benders who run the school system.

The evidence she assembles makes it very clear that OBE is only one version—and a very disposable one at that—of a plan to create an aversive psychological environment which will subject the citizen to continuous behavioral conditioning. It starts in the classroom, but that is only the beginning.

Her documentation shows that the Department of Education has created a supercomputer-based tracking system, the Elementary and Secondary Integrated Data System, which is using sophisticated techniques of psycho-graphics (marketing profiles) to refine the personality dossiers drawn from test results. These dossiers can be encoded on "smart cards," which are envisioned as the official "passport" from the school system into the work world. The enabling legislation which will ratify this step already exists, tucked away in the various national and state versions of George Bush's "Education 2000" legislation. The monitoring and profiling of the beliefs and attitudes of individual citizens will then step out of the classroom and into everyday life, with enormous political implications.

The developments which Mrs. Eakman is describing are the policies of agencies which have dominated the education system since World War II. These include a network of government-chartered foundations and private corporations

which dominate the mental health profession, and the curriculum development "laboratories" run by the U.S. Department of Education.

In her first book (reviewed in *EIR*, Nov. 6, 1992), Mrs. Eakman told the story of Anita Hoge, a Pennsylvania housewife who began asking questions when her children reported that they had taken a test in school which was eliciting very personal information. The children had been told not to discuss the test. By the time her investigations were done, she had cracked the veil of secrecy and proven that the state tests were illegally gathering information about the attitudes and values of the students. The question was, why?

Part of the answer was that the state was implementing a reform program which would shift the focus of education away from academic subjects, and toward the fostering of certain values. When she showed that the testing data were being tracked through illegal use of the student's social security number, the courts pressured the testing agencies to produce their scoring manuals and other highly secret material. (The Educational Testing Service, a private corporation which controls standardized testing in American schools, initially told a U.S. senator that he had no right to review what they were doing in his state.)

The tests were not only tracking intimate personal beliefs of the student—about religion, sex, family life, and so on—but were part of a process designed to change those beliefs in specific ways. Under the OBE reforms, a graduation certificate would be tied to what you believed, not what you knew. The scandal these revelations caused helped bottle up the OBE reforms in the Pennsylvania legislature, and triggered similar fights elsewhere.

But the activities of the psychologists and behaviorists who run the schools as though they were a private experimental laboratory, were not disrupted in the least, even when the legislature forbade the OBE reforms. Mrs. Eakman and her colleagues have since begun to investigate the source of this arrogance, and her initial conclusion is that it comes from the fantastic power that these behavioral scientists enjoy in the demi-monde of the private foundations and private ("non-profit") corporations that actually control the public school system. She insists that this is the Achilles' heel of the education reformers—and she is right, even though she has only begun to crack a very big story.

Public education was privatized long ago

The irony is that this private mafia is widely believed to be part of a *public* school system. Yet the tests they administer virtually dictate—albeit in a somewhat hidden way—the curriculum content of the schools. Since those tests are actually designed to measure specific attitudes and beliefs, local curricula eventually conform to what the tests measure.

The author explains: “As soon as you understand that education today is not about academics or proficiency at anything, that what education *is* about is so-called *mental health*, then everything else begins to make sense.” This point is only slowly being grasped by those who are desperately hoping that OBE is really a “curriculum reform,” or a mere “fad” which can be remedied by a “back to basics” campaign for literacy standards (as necessary as that may be). The worst example of that outlook is the slick propaganda being pushed by William Bennett and the Hudson Institute, advocating a “conservative OBE” with “academic outcomes.”

Mrs. Eakman states that “education isn’t just another liberal-versus-conservative or teacher-versus-parent issue. It’s a Privacy issue, a Civil Rights issue, a National Security issue—a legal issue.” And she has organized a non-profit agency, the National Education Consortium, to conduct a battle on all of those fronts. She points out that “it’s too late to confront them just on ethical grounds . . . because what the culprits basically are trying to do now is to make what was previously *illegal*, legal. That’s what all the hoopla over national goals and national curriculum is about. . . . We already *have* national goals and curriculum. And testing, too. . . . What the behaviorist fanatics want to do is make it *legal*. . . . It is to their advantage to turn out a generation or so of illiterates as well as people who are alienated from the American culture and American traditions.”

This addresses an important point: The question facing parents who are frightened at what they see going on in the schools is bigger than “education”; the larger issue is, what kind of government do we wish to have?

It is clear enough what kind of government the behavioral psychologists have in mind. Mrs. Eakman makes reference to the Nazi eugenicist Ernst Rüdin, the founder of “psychiatric genetics,” whom she identifies as a seminal figure in the network which is controlling the education establishment today. She observes that the “self-esteem movement” which produced the nihilistic racists of the Nazi era began three decades before the Nazi party came to power. It has been almost that long since these same people launched the “counterculture” in the United States.

She notes that Dr. Frederick Goodwin, head of the National Institute of Mental Health, is promoting Rüdin’s theories of “psychiatric genetics” today. As *EIR* has shown (Oct. 7, 1994, “British Psychiatry: From Eugenics to Assassination”), Rüdin’s acolytes, the people who conceived and planned the “genetic cleansing” of Nazi Germany, were *pro-*

moted by the Anglo-Americans at the end of the war, and put into controlling positions in the behavioral science research establishment. These are the people who conducted the MK-Ultra experiments in mind control. They should be jailed for violations of the Nuremberg Codes, but instead they are running the American school system.

End-run around the legislatures

What allowed Mrs. Hoge to break through the secrecy which shrouded the psychological testing of her children, was the fact that there was a paper trail showing that the federal educational establishment was tracking the results of tests administered by the state agencies through the use of the student’s social security number (a violation of the Social Security Act). This snag in the system was used to force the testing services to admit that they were involved in tracking the attitudes and values, not merely the academic performance, of the students.

Problem number one is that most school systems will soon be “wired” and computerized, and there won’t be a “paper trail.” Problem number two is that the reform package and associated behavioral testing are being implemented in Pennsylvania anyway.

The computer issue is basic. It is difficult enough even for the most determined investigator to correlate the strands of propaganda which are woven into curriculum material, with the secret tests that are used to measure the effect of the material, and then fight to bring into the open the closely guarded scoring handbooks which reveal the true purpose of the test. Once all of this process is moved into “cyber-space,” there won’t even be an electronic record of the test your child took, and there might not even be a true record of the curriculum content he or she is being exposed to on a daily basis.

Dustin Heuston works with the World Institute for Computer-Assisted Training, and is the brains behind the “teaching systems” that will shape the programs that will be used on computers in schools. Eakman quotes his observation that “the computer has the capability to act as if it were the ten top psychologists working with one student. . . . Won’t it be wonderful when no one can get between that child and that curriculum?” He is talking about you, the parent, and the teacher, too (who just might not be 100% with the program).

And don’t think that a mere legislature will step between these psychologists and your child either. Despite the clear rejection of the OBE package by the Pennsylvania legislature, the school system, under pressure from Gov. Robert Casey, implemented a curriculum and testing program which incorporated the full panoply of attitude surveys and behavior modification techniques. The reason is simple: Federal law mandates that attitudes be tested and behavior manipulated if states wish to use federal funds for education programs.

Technically, this is a violation of laws which forbid the federal government from implementing a “national curricu-

lum.” That technicality will soon be breached, if it hasn’t been already, when Congress and the states ratify the “Education 2000” and related bills which are the wedge-end of “national standards.” Once that occurs, it will be a secondary matter that the testing apparatus is concealed in “cyber-space.”

In her description of the process which implemented this end-run around the Pennsylvania legislature, Mrs. Eakman identifies the curious role of quasi-private corporations that actually run much of the government today. Her investigations led to an agency called Community Learning and Information Network (CLIN), which was incorporated as a non-profit corporation in 1992. Its purpose was to be the first of a national network that would use high-speed (T-1) telephone lines to link personal computers (eventually for every student) running self-instructional software, to a network of repositories that would contain the images and texts necessary to induce change in those unwanted attitudes detected by the standardized tests. Mrs. Eakman points out that “Pennsylvania OBE regulations require students to be individually monitored in their attainment of these non-academic objectives. And the term ‘monitored’ does not mean ‘taught’; it means ‘continuously tracked.’ ”

CLIN was incorporated by John Kaufman, the chief executive officer of Pennsylvania Power and Light, and Edward J. Donley, CEO of Siemens. Both were also leaders of “Penn-

sylvania 2000,” the state-based organization pushing the local version of the Bush administration’s (and now the Clinton administration’s) “Education 2000” plan. This relationship of top corporate officials to a network of non-profit agencies which implement OBE-style reforms, “in parallel” with the legislative enactment of OBE, is repeated in every state. The legislative side of the picture is merely a front for the real machinery.

These same corporations are pushing “job skills standardization” schemes which are the parallel to OBE. The “job skills standards” will be the same as the OBE standards, and proof of the proper attitudes—e.g., “social compliance”—will become a requirement for employment. The data base which contains the psychological assessment information on each student will be encoded on the mastery certificate (identity card/work paper) which will be issued to the successful graduate of the system.

The corporations that are cultivating this high-tech slave system, like the government-chartered corporations that run the school testing system, are the local analogue of the “new world order.” Exposés and lawsuits, like those of Mrs. Eakman and the National Education Consortium, can bring this to the light of day. But no mere lawsuit can destroy this apparatus, as Mrs. Eakman makes very clear, until the American public becomes convinced that it must take responsibility for its future and govern itself once again.

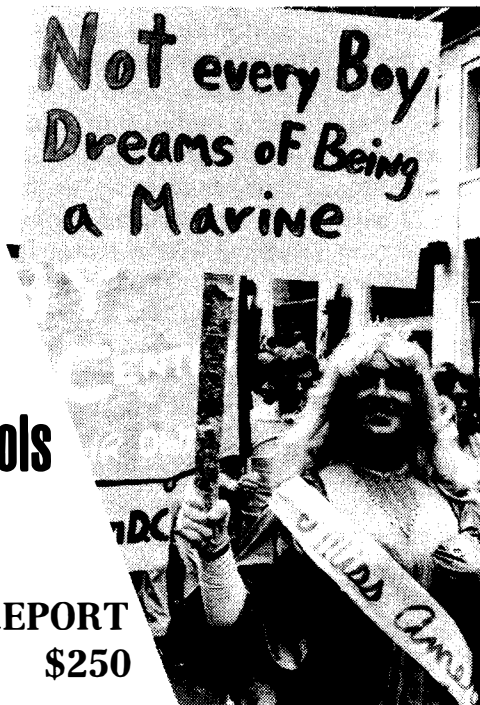
Stop the cult of ‘political correctness’

**The
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EIR SPECIAL REPORT

152 pages

\$250



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McFarlane blasts North as self-serving liar

by Edward Spannaus

Special Trust

by Robert C. McFarlane and Zofia Smardz
Cadell & Davies, New York, 1994
399 pages, hardbound, \$25

A scathing assessment of Oliver North, now the Republican candidate for U.S. Senate in Virginia, has just come from the pen of his former boss at the National Security Council, Robert McFarlane. As President Reagan's national security adviser from October 1983 to December 1985, McFarlane was North's superior, and he assigned North to work on both the support operations for the Nicaraguan Contras, and on the hostages being held in Lebanon by Iranian-allied terrorists. He later found, especially on the Contra operations, that North was lying to him as well as to everyone else, and that North was involved in far more dirty business than McFarlane himself knew.

Nevertheless, believing that the prosecutions by the Iran-Contra special prosecutor were wrong, McFarlane did his best to protect his subordinate, and he claims that he was largely responsible for North's convictions being overturned. In fact, McFarlane says: "Ollie North went scot-free. He never went to jail, and never paid a fine, largely due to my testimony. And from that day to this, I have never heard another word from Ollie."

"The man I had thought was patriotic, self-sacrificing and loyal," McFarlane continues, "was revealed to be devious, self-serving, self-aggrandizing, and true first and foremost to himself. At every turn in the Iran-Contra scandal, he had sought to protect himself at the expense of others, acting out of self-interest and expediency."

Iran and the Contras

McFarlane may be best remembered as the official who tried to kill himself during the Iran-Contra investigation. It almost seems as if McFarlane himself wants to perpetuate that image, for that is how he opens his book in the first paragraph. His attempted suicide in February 1987 is one of the great unexplained episodes of what is known as the

"Iran-Contra" saga, and he does not satisfactorily explain what happened. Nor is his resignation in late 1985 satisfactorily explained. A number of sources have asked whether McFarlane was the victim of some sort of blackmail operation. (Israeli author Ari Ben-Menashe, whose stories are of varying credibility, wrote that McFarlane was being blackmailed by the Israelis, and that he was forced to resign because he was leaking intelligence to the Israelis.)

McFarlane's role in what became known as "Iran-Contra" is anomalous. As North's superior, he holds himself ultimately responsible for what Ollie did, although he castigates North for operating behind his back in a deceitful and scheming manner. McFarlane portrays himself as the one who deployed North in both the Iran initiative and the Contra supply operations, but he assumes more blame for North's actions than he should. North was working for Vice President George Bush (on counter-terrorism and on the "continuity of government" project), and also with Director of Central Intelligence William Casey, long before McFarlane became National Security Adviser.

In May 1984, as congressional opposition to continued funding of the Contras mounted, President Reagan made his now-famous directive to McFarlane regarding the Contras, to "do whatever you have to do to help these people keep body and soul together." McFarlane turned to North, who was already involved in Central America as the NSC liaison to the CIA on the Contras, and as having been the NSC staff liaison to the Kissinger Commission on Central America and having accompanied George Bush to Central America in December 1983.

In the fall of 1984, McFarlane instructed North not to involve himself in raising funds for the Contras. North assured McFarlane he was not doing so. (On this, Special Prosecutor Lawrence Walsh seems to agree.) Nevertheless, North continued to do so. When North testified before the congressional hearings in July 1987, McFarlane says he found North to be "deceitful, mendacious, and traitorous."

"Watching his performance on television," McFarlane writes, "I felt as though I were being stabbed, over and over again, straight in the heart. . . . North's testimony revealed, first of all, that he had lied to me, all through 1984 and 1985. When he had flat-out denied raising money for the Contras, he had lied. Willfully and knowingly. He had not only raised money for them, he had set up, without my approval or knowledge, an off-the-shelf enterprise with Dick Secord to funnel funds and weapons to the Contras."

Worst of all, says McFarlane, North claimed he had done all this with McFarlane's knowledge and approval. McFarlane, who had already testified once before Congress, went back and appeared a second time in order to refute North's lies.

Although McFarlane doesn't detail it, it is abundantly clear from other sources that North's Contra activities were

not directed by McFarlane or the CIA. The “off-the-shelf,” “full-service” Contra supply operation was run by free-lance “former” intelligence operatives who were run by George Bush’s office and by Casey personally. It was Casey, who faced opposition from within the CIA Operations Directorate to many of his schemes, who put North in touch with Richard Secord, who then organized the Contra resupply airlift operation. It was Don Gregg, Bush’s national security adviser, who put North in touch with Felix Rodriguez, who was running another piece of the Contra resupply operation out of Ilopango air field in El Salvador.

What about the Iranian side of things? McFarlane recounts how he was first approached in July 1985 by David Kimche, the director general of the Israeli Defense Ministry, who proposed seeking out opposition elements in Iran. Of Reagan’s top advisers, only McFarlane and Casey openly favored exploring the possibility of supplying Iran with weapons in return for release of U.S. hostages being held in Lebanon—all, including George Bush, were aware of the proposal. Casey urged that the operation be run out of the White House, not the CIA. When Reagan gave his approval, McFarlane designated his deputy, John Poindexter, and his counter-terrorism staffer, Oliver North, as the contacts for the Iran initiative.

A few months later, discouraged by the Iranian response, McFarlane urged Reagan to shut down the initiative. Much later, he says, he realized that North was already making his plans to sell arms to the Iranians in order to finance a slush fund for the Contra operations: “A project of which he knew I would disapprove, which I never would have permitted him to pursue.” Later, he realized that North was deceiving not only him, but also Poindexter and the President as well.

McFarlane bails out North

All such memoirs and accounts of events, particularly those surrounded in controversy, are inevitably self-serving, and McFarlane’s is no exception. But in this case, much of his account can be cross-checked with other sources. In crucial respects, his book corresponds to his own sworn testimony and to findings of Special Prosecutor Lawrence Walsh, and can thus be verified at least to that degree.

Unlike North and others, McFarlane did not take the Fifth Amendment, or refuse to testify, and he criticizes North and Poindexter for bargaining for immunity. Especially North, who was “behaving in a way that Marines don’t behave, evading responsibility, seeking shelter.”

In the face of a pending indictment by Walsh for perjury and other felony counts, McFarlane pled guilty to four misdemeanors involving withholding information from Congress pertaining to congressional inquiries about financing of the Contras. Earlier, when the Iran-Contra scandal began to break, he had urged that Reagan and his administration

forthrightly defend their actions, and he faults Reagan for lacking the moral and intellectual courage to defend his policies and his subordinates.

McFarlane professes that he believed it was his responsibility to defend his subordinates. Surprising as it may seem, he did go to bat for Ollie North, despite North’s treachery and back-stabbing. He did not believe that North should have been charged and prosecuted for actions generally initiated by his superiors. “Whatever he did when I was his superior had been my responsibility, and I would do my part to prevent his conviction.”

When called to testify at North’s trial, McFarlane says that he was therefore determined “to help, not hurt, North, and all my testimony was designed to assume responsibility for whatever he had done on my watch.” When North was convicted on only three charges, while being acquitted on six, McFarlane says it is “undeniable that my testimony had made the difference.” But, he comments, he never received a word of thanks or acknowledgement from North.

McFarlane’s account does appear self-serving, but it is supported by Walsh’s Final Report written last August, in which Walsh complains that the government’s task in prosecuting North was complicated by witnesses such as McFarlane who “at every opportunity sought to help the defendant.”

That wasn’t the end of it. McFarlane’s testimony in post-trial hearings was crucial to the overturning of North’s convictions by the Appeals Court. McFarlane claims this, and Walsh’s account agrees: McFarlane testified that his own trial testimony was “colored” and influenced by North’s immunized testimony before Congress. Walsh complains bitterly that it was Congress’ decision to grant immunity to North, which enabled North to ultimately escape being held accountable for his crimes.

North’s deceitfulness and ingratitude are seemingly without bounds. After McFarlane’s interview on CBS’s “60 Minutes” on Sept. 11, North sought to discredit McFarlane’s attacks on him by quoting criticisms of McFarlane by the judge in North’s trial, where the judge assailed McFarlane as lacking credibility and “not a reliable witness.” It was apparently McFarlane’s efforts to protect North which led to the judge’s outburst against him—which North then used against his former boss as well.

This book is not solely about Oliver North and “Iran-Contra”; it has many other interesting features which we will take up in a future issue of *EIR*. But the timeliness of McFarlane’s portrait of North is that North not only lied to Congress (which North sometimes admits, even boasts of), but that he lied to everyone around him, including his superiors, and he lied *about* them as well—all the way up to the President he claimed to be protecting.

And now, this fabricator and falsifier wants to be a U.S. senator. God save this United States.

Supreme Court rebuffs OSI on Demjanjuk case

by Jeffrey Steinberg

On Oct. 3, the U.S. Supreme Court delivered what may prove to be a death blow to the Justice Department's self-described "Nazi-hunting" Office of Special Investigations (OSI) and its allies and collaborators in the Anti-Defamation League of B'nai B'rith (ADL). Without written comment, the court refused to take up an appeal by the Department of Justice of a U.S. Sixth Circuit Court of Appeals finding that the OSI and other DOJ officials had committed "fraud upon the court" in its frameup of John Demjanjuk on Nazi war crimes charges. Demjanjuk now stands exonerated.

The Supreme Court decision is the culmination of a 17-year ordeal in which Demjanjuk, a retired Cleveland, Ohio auto worker of Ukrainian background, was unjustly accused of being the Treblinka concentration camp gas chamber operator "Ivan the Terrible," who murdered tens of thousands of Jews.

Demjanjuk was subjected to denaturalization, deportation, and extradition proceedings by the OSI, and was then tried and convicted of the "Ivan" charges by an Israeli jury. Demjanjuk was sentenced to death by hanging, but, in 1993, the Israeli Supreme Court overturned the conviction on the basis that there was "reasonable doubt" about his guilt. The Israeli Supreme Court decision was based largely on new evidence produced by Demjanjuk's family and defense attorneys showing that the U.S. Justice Department had suppressed evidence showing that eyewitnesses had identified another man, Ivan Marchenko, as the actual Treblinka mass murderer. Additional new evidence proving Demjanjuk's innocence was obtained from Ukrainian officials following the fall of the Soviet regime and the unlocking of other buried KGB and Soviet Interior Ministry files.

The frameup of Demjanjuk was one of the most flagrant instances in which U.S. Justice Department officials collaborated with Soviet bloc secret police agencies to frame up an

innocent man. One of the crucial pieces of "evidence" used to link Demjanjuk to the mass murders at Treblinka was an identification card purportedly issued by the Nazis to Red Army prisoners who had been trained at Trawniki to serve as guards at the concentration camps. West German officials familiar with the sophisticated forgery techniques of the East German secret police (Stasi) did extensive studies of the identification card, and concluded that the papers were cleverly crafted forgeries, using a photo of Demjanjuk that was not taken until the postwar period. Despite this discrediting, and despite a dozen other instances of eyewitness accounts proving that Demjanjuk was the wrong man, the OSI went ahead with the case.

Sixth Circuit acts decisively

In September 1993, after a several month-delay, during which time the ADL and some of their extremist friends in Israel attempted to block his release from prison, Demjanjuk was returned to the United States. Two months after Demjanjuk's return to Cleveland, the Sixth Circuit Court of Appeals in Cincinnati, Ohio ruled that the DOJ had committed "fraud" by burying exculpatory evidence that would have proven Demjanjuk's innocence. Some of that evidence was in the hands of OSI attorneys by no later than 1978, and almost all of the suppressed evidence had been obtained prior to Demjanjuk's extradition to Israel.

The Sixth Circuit decision not only blasted the OSI for corruption and for caving in to outside political pressure, but it cited the ADL by name as one of the outside groups that intervened repeatedly to contaminate the environment in both the United States and Israel, foreclosing the possibility of a fair trial.

The Sixth Circuit ruling came at a bad time for the ADL.

For a year prior to the Sixth Circuit decision, the ADL had been under criminal investigation in San Francisco, Chicago, Los Angeles, and several other cities for running a massive illegal spy apparatus, gathering classified police and other government data on tens of thousands of American citizens, and in some instances selling that information to the intelligence services of South Africa, Israel, and the Soviet Union.

Since it was established in 1979, the OSI had been a bastion of ADL contamination inside the Department of Justice, often providing the ADL with a "government cover" for collusion with Israeli and Soviet bloc intelligence services. For example, a senior ADL officer, Bruce Einhorn, while an OSI attorney in the early 1980s, wrote the decisive memorandum that led to the decision to extradite Demjanjuk to Israel, despite the fact that Demjanjuk had never set foot on Israeli soil.

To the great credit of the Israeli Supreme Court, the justices refused to bend to the climate of hate orchestrated by the ADL and by radical Israeli networks associated with the Temple Mount Faithful and the circles of Gen. Ariel Sharon, who demanded that Demjanjuk be kept in an Israeli prison even if he was proven not to have been at Treblinka. The ADL logic was that if Demjanjuk was not "Ivan the Terrible," he must have nevertheless committed some other, undocumented war crimes and, therefore, he should rot in jail.

Similarly, the Sixth Circuit court faced an uphill battle against the permanent bureaucracy at the Department of Justice that refused to even respond to repeated queries by the Clerk of the Court in Cincinnati after the *New York Times* and other news media reported on the OSI's suppression of crucial evidence. After Robert Mueller, the head of the Criminal Division at DOJ during the George Bush administration, stalled for six months in early 1992 in complying with Sixth Circuit demands for the new evidence suggesting Demjanjuk's innocence, the court took it upon itself to reopen the case. After preliminary hearings, the Sixth Circuit appointed a Special Master to conduct a six-month, de novo investigation of the Demjanjuk case to determine whether the DOJ officials had committed willful fraud. Although the Special Master, Judge Thomas Wiseman, recommended that the court take no further action, a three-judge panel of the court decided that justice had been so badly poisoned by the OSI that the case had to be overturned.

Solicitor General Drew Day, under enormous pressure from both the ADL and from the OSI apparatus inside the Justice Department, filed papers earlier this year arguing that the Sixth Circuit had erred by applying an "inconsistent" standard in judging the OSI's "fraud."

The Supreme Court sided with the Sixth Circuit and, as a result, the entire corrupt ADL-contaminated network inside the DOJ now stands exposed and vulnerable.

Last-minute evidence more damning

In September 1994, as the Supreme Court was in the process of final review of the Demjanjuk case, Solicitor Gen-

eral Day informed the court that one of his assistants, Kent L. Jones, Jr., had come to him with new evidence of the OSI's criminal mishandling of the case. Jones recalled a conversation that he had had with OSI Director Alan Ryan in early 1980, in which Ryan admitted that there was contradictory evidence in the case but that the government would not make the potentially exculpatory information available to Demjanjuk's lawyers. Ryan denied the Jones revelations, which would prove, if corroborated, that Ryan lied to the Sixth Circuit when he told Special Master Wiseman that the OSI had maintained a policy of always providing defendants with any exculpatory evidence, even though the OSI's immigration proceedings do not fall within the general rules of criminal discovery.

Last gasp effort

In spite of the Supreme Court decision backing the Sixth Circuit's damning findings against the OSI, the Justice Department has announced that it still plans to go forward with its effort to have Demjanjuk deported back to Ukraine.

At the same time that the Solicitor General was filing his brief with the Supreme Court, the DOJ filed papers with the Federal District Court in Cleveland, asking Judge Frank Batisti, the original trial judge in the Demjanjuk case, to revoke Demjanjuk's citizenship on the basis of his original 1981 denaturalization ruling. The DOJ, while acknowledging in its Supreme Court brief that a rejection of *cert* by the Supreme Court might irreversibly jeopardize Demjanjuk's deportation, said, even after the Supreme Court decision was announced, that they plan to move forward aggressively with the effort to expel Demjanjuk back to Ukraine.

Judge Batisti had held off ruling on the DOJ deportation petition until after the Supreme Court ruled.

Clean up time!

Now that the Supreme Court has backed up the Sixth Circuit's indictment of OSI, the next step, long overdue, should be for Attorney General Janet Reno to formally shut down the OSI and launch a serious internal DOJ inquiry into the contamination of the department as the result of the activities of the OSI and its ADL friends. The ability of the crime-infested ADL to operate openly inside the nation's justice apparatus is a grave problem that can be largely traced to the presence of a deeply entrenched bureaucracy at DOJ, which has done the ADL's bidding for decades. Senior career DOJ officials such as Mark Richard, who oversaw the OSI throughout its existence, ought to be the subjects of serious scrutiny.

Whereas the Bush administration relished the idea of a Justice Department dedicated to the imposition of political police state rule over the United States and the Western Hemisphere, President Clinton has rejected that approach to government. The Supreme Court decision not to take up the Demjanjuk case ought to be seen as a green light for a thorough housecleaning at the DOJ.

EIR readers knew that North's Contras were running drugs

by Gretchen Small

The Nicaraguan Contra operation of the 1980s was a central part of a broader, evil policy, run by the British-centered Project Democracy networks and foisted upon the Reagan administration by self-professed British agent Henry Kissinger. It had two primary goals: to use narco-terrorist wars in Central America as a bargaining chip for a global deal with the Soviet Union, and to transform the Caribbean region into a narcotics-based Hongkong-style economy. It was this anti-American policy for which Oliver North was a witting hired gun.

Lyndon LaRouche warned in the *EIR* of Aug. 21, 1987 that the Kissinger-North Contra policy was a fraud, had betrayed U.S. allies, and had helped build up the narcotics trade. LaRouche summarized his policy to free Nicaragua and the region from Soviet-linked narco-terrorism this way: "My thesis was this. Since terrorist operations in the Caribbean and adjoining nations depend chiefly upon revenues from drug-trafficking for their logistical support and weapons, if the drug-trafficking is shut down, as we have the means to do this very effectively, the effect of blocking the production, processing, and shipment of drugs will cripple and isolate the terrorists to the point that they disband operations, or are easily mopped up. By assisting these nations in their economic development programs, by means at very little cost to the U.S., we would strengthen the stability of these nations, and thus strengthen their individual and regional security."

In the following chronology, we select some highlights of *EIR*'s coverage.

Feb. 14, 1984: *EIR* warns the Reagan administration that the policies for Central America outlined in the final report issued in January by Henry Kissinger's Bipartisan Commission on Central America served to place U.S. political prestige and muscle behind the narco-terrorist apparatus then spreading across the Caribbean-Central American region. Kissinger's report demanded that Central America model itself upon Hongkong, the British Crown Colony which served as the international capital of the narcotics trade; argued that United Fruit's notorious plantations in the region should be expanded; demanded that population be reduced; and explicitly ruled out any U.S. strategy to contain the

Sandinista Soviet client-state in Nicaragua by fostering the development of the other nations in the region.

May 1, 1984: "Reagan's anti-insurgency polices in Ibero-America remind us of a man setting forest fires with a flame-thrower, while trying to put out those fires with a garden watering can," comments LaRouche. *EIR* warns again that Kissinger's Central America policies match a Soviet-designed trap to draw United States forces into a Central American quagmire, giving Soviet forces greater leeway in the European and Asian theaters. The attempted mining of Nicaraguan harbors by U.S.-directed covert forces won't counter the Sandinistas, but falls into the Soviet trap, as outlined in an interview given to Germany's *Der Spiegel* magazine in November 1983 by Soviet President Yuri Andropov, in which he referred to the region as a U.S. "sphere of influence."

April 4, 1986: The \$100 million in U.S. government monies requested for Project Democracy's Contras were better used to aid U.S.-allied nations in Ibero-America to fight drug-trafficking, *EIR* argues in its article, "U.S. Urged to Aid Nations, Not Contras."

April 25, 1986: "Narcontras Scandal Blows Up Central American Policy." With Associated Press revealing that the FBI, Customs Service, the U.S. Congress, and the U.S. Attorney for Florida were all investigating North's Contras for drug-running—and that included Contra plans to assassinate the most outspoken U.S. ambassador against narcotics, Lewis Tambs, whose work in Colombia had threatened the heart of the drug cartel—*EIR* demands "a top-to-bottom inquiry into the Contras, and any U.S. official who collaborated with narcotics traffickers, or suppressed evidence of such activities, [as] the minimum starting point for recouping U.S. strategic interests" in Ibero-America. North's Contras are players in the regional drug trade which feeds their supposed opponents, the Sandinistas, and maintains headquarters in Castro's Cuba.

Jan. 23, 1987: "Who Runs the 'Contra' Cocaine Connection?" *EIR*'s cover story documents that elements of *all* factions of the Contras have been caught running drugs. This news is not surprising, *EIR* writes, because "the Contra policy was designed from the beginning as part of Henry Kissinger's stated plan to turn Central America into a new Hong-

kong, a dope haven bled by endless warfare. The Contras never had anything to do with stopping the Soviet advance upon the U.S. southern flank. *The Soviets control the narcotics traffic of which the Contras are but one part.*” *EIR* identifies how the Contras are run by the dirty networks operating in the region for decades, including the United Fruit-centered financial interests who ran the narcotics trade from the top; Meyer Lansky’s old Caribbean Legion (the group which put José “Pepe” Figueres and Fidel Castro in power); and the Cuban-exile centered networks of former CIA operative Ted Shackley.

Feb. 6, 1987: “Failed Contra Policy Comes Under Fire” reports ridicule of North’s Contras by Gen. Paul Gorman, former chief of the U.S. Army’s Southern Command, before Senate committee hearings Jan. 28. The public dismissal of the Contras as a serious threat to the Sandinista regime in Nicaragua by a leading U.S. military figure who had once supported them—Gorman called them “only a cross-border raiding force, of no concern to the Sandinistas” and demanded a policy overhaul—followed media exposés of “the Contras’ involvement in the Soviet-dominated narcotics traffic in the Western Hemisphere,” *EIR* reports. The *Wall Street Journal* had exposed on Jan. 16 the numerous drug ties of one of North’s top Contra supply networks, the Cuban exile crew called Brigade 2506. Pressed on the charges, Secretary of State George Shultz told a congressional committee hearing on Jan. 28 that he could not deny that Contras were involved in drug running, but insisted that “whatever problem there is, is quite under control.”

April 1987: *EIR* issues a 341-page Special Report, “Project Democracy: The ‘Parallel Government’ behind the Iran-Contra Affair,” which exposes the controllers of the secret government apparatus for which North worked, an apparatus which had been built up since Henry Kissinger’s restructuring of the National Security Council in the Nixon administration. A case study of “The Cocaine Contras” was but one part of a report which exposed the interlocked Soviet-Anglo-Venetian networks which set up the Iran-Contra operation.

May 15, 1987: Feature by Lyndon LaRouche on “The Soviet Role inside Project Democracy” details evidence that the Contras are a Soviet-linked drug-running operation, a fact known by the very U.S. intelligence networks arranging logistics and financing for them. To understand how it is that North and the Project Democracy for which he worked were wittingly collaborating with the Soviet Union, the U.S. citizen must understand the role played since the 1920s by the British-Soviet “Trust,” centered around such personalities as Bertrand Russell, Averell Harriman, and Armand Hammer, LaRouche explains.

May 22, 1987: *EIR* reports that North and top Contra fundraiser, the Washington, D.C. homosexual pimp Carl “Spitz” Channell, were attempting to recruit Mexicans to form a “joint commando unit” of Nicaraguan Contras and “Mexican Contras,” to spread Kissinger’s wars right onto the



EIR's cover of Jan. 23, 1987 showed U.S. Assistant Secretary of State for Inter-American Affairs Elliott Abrams addressing a rally in favor of the Contras in June 1986. The cover story documented the role of Ollie North's Contras in running drugs from Central America and the Caribbean to the United States.

border of the United States, in Mexico.

Aug. 21, 1987: *EIR* runs “The LaRouche Plan: The U.S. Strategic Mission in Central and South American Conflict.” LaRouche details how the “maricontra” operation, tied to a leading homosexual ring in Washington, was being continued as “a porkbarrel of money and political influence for the avaricious,” a shoddy Rambo operation which could not succeed, but was kept alive by those who benefitted from the revenues and political influence stemming from it. LaRouche outlines the basic tenets of the policy required instead to crack the Sandinista danger in Nicaragua, “as a nutcracker cracks a nut.”

Dec. 11, 1987: *EIR* exposé on “The Cocaine Pushers’ Honduras Connection” fingers Medellín Cartel czar José Ramón Matta Ballesteros as the key to drug-running networks within the Contras’ main component, the Nicaraguan Democratic Force (FDN)—long before the Kerry Commission uncovered evidence that U.S. government agencies were wittingly using Matta’s SETCO corporation for Contra logistics. Oliver North’s intervention to keep his Honduran collaborator, Gen. José Bueso Rosa, from serving jail time for his U.S. cocaine-trafficking conviction, is detailed.

California's Wilson: Keep the darkies out

by Robert Ingraham

Supporters of California Gov. Pete Wilson have placed Proposition 187, an anti-immigrant initiative, on the November ballot, and Wilson, whose reelection campaign was foundering only months ago, is attempting to manipulate anti-immigrant hysteria into a second term in office.

In April, the Republican governor sued the U.S. government for \$1.8 billion to cover prison costs from incarcerating illegal immigrants. A report by the Washington, D.C.-based Urban Institute attacked the suit, charging that Wilson grossly exaggerated the costs. Meanwhile, Wilson's campaign staff is deliberately fostering xenophobia in the state, blaming immigrants for unemployment, overpopulation, crime, high taxes, and every other social ill. Sens. Dianne Feinstein (D) and Barbara Boxer (D), and Senate candidate Mike Huffington have all scurried to join Wilson in this immigrant-bashing.

In the months preceding the U.N.'s Cairo '94 depopulation conference in September, newspaper editorials and columns linked the malthusian goals of the Cairo conference to the anti-immigrant movement in California. On April 30, the *San Francisco Chronicle*, a paper which only a few days earlier had sharply attacked Pope John Paul II's opposition to the draft agenda of Cairo '94, published an editorial, "California's Population: Nightmare Potential?" warning that California faces a projected total population of 48 million people by the year 2020. Writing in the July 25 *San Francisco Examiner*, demographer B. Meridith Burke complained that in 1993, forty-four percent of all California births were to foreign-born (mostly Mexican) women.

Enter SOS

Proposition 187 was placed on the California ballot by the Save Our State (SOS) committee, an organization linked to the Fund for American Immigration Reform and to Republican Party backers of Wilson. According to a spokesman from Taxpayers Against 187, FAIR has direct ties to the Pioneer Fund, a white-supremacist organization. U.S. Rep. Anthony Beilenson (D), a leading backer of Proposition 187, is also the sponsor of HR 2447, the International Population Stabilization and Reproductive Act, which would link all U.S. foreign aid to mandatory population control. Beilenson was also one of the most vocal U.S. leaders to back the Cairo conference.

Governor Wilson claims that illegal immigrants are costing California billions in revenues. To back up this assertion,

the SOS committee cites the 1992 report by Donald Huddle, "The Cost of Immigrants," which shows a net cost to the state of \$18.1 billion from illegal immigration. Yet in February 1994, the Tomás Rivera Center in Claremont, California published a devastating refutation of the Huddle report, showing that Huddle grossly overestimated the number of illegal immigrants, and underestimated or omitted altogether tax revenue from them. Huddle also ignored the economic benefits of businesses started by immigrants and he claimed a huge welfare bill for illegal immigrants, whereas a 1992 Department of Justice study found that less than 1% of illegals receive General Assistance. In California, where immigrants make up 22% of the population, only 12% of immigrants receive Aid to Families with Dependent Children. The Rivera study shows that illegal immigrants in California actually contribute \$12 billion (net) to the state's economy. This view was confirmed by a *Business Week* article showing that nationwide, immigrants pay \$90 billion in taxes, yet receive only \$5 billion in services.

If passed, Proposition 187 will immediately bar all illegal immigrants from access to any government service, including medical care and education. Any school which enrolls an illegal child will be breaking the law. Any doctor who vaccinates or treats a sick illegal child will be breaking the law. All hospitals will be prohibited from treating any illegal person, creating the basis for epidemics and the breakdown of public health. All state employees will be required to snitch on suspected illegals or face criminal charges. Proposition 187 will also devastate California's schools, which receive state money based on the number of enrolled pupils.

Campaign of fear

Wilson is campaigning for reelection on three issues: illegal immigration, crime, and the death penalty. He backs the "three strikes and you're out" policy for felons, and has viciously attacked his opponent Kathleen Brown for her opposition to the death penalty. In late September, George Bush bestowed his blessing on Wilson, speaking at California fundraisers that netted more than \$1 million for Wilson's reelection committee.

Wilson is attempting to manipulate an anti-immigrant tradition with deep roots in California. The state's two most revered cultural icons are Jack London and John Muir, both "pro-nature" white racists. In 1905, London penned lurid anti-Chinese racist articles during the period of the Chinese Exclusion Act. From 1900 to 1920, Los Angeles was built up as a bastion of white Protestantism, and from 1920 to 1960, it recorded the largest percentage of native-born white Protestants of any city in the United States. During this era, California was billed as the white man's paradise. From 1931 to 1935, hundreds of thousands of Mexicans were deported, amidst Depression-era hysteria. More than 110,000 Japanese, most U.S.-born American citizens, were interned during World War II.

CAN's Kisser refuses to deny past drug use

For the last three days of September, Cynthia Kisser, the Cult Awareness Network (CAN) executive director and one of the linchpins in nasty operations against Lyndon LaRouche and his associates, was questioned in a legal proceeding in Chicago. When asked if she had ever used illegal drugs, Kisser repeatedly refused to answer. She also claimed that, according to the tenets of her organization, the Catholic Church was a cult, because it was centrally controlled by the pope and its members adhered to a common set of beliefs.

The questioning exposed her as a liar and fraud concerning her allegations that she was defamed in an article published in *New Federalist*, a newspaper associated with Lyndon LaRouche, which exposed CAN as a group of "thugs, perverts, and miscreants."

Thugs, perverts, and miscreants

Kisser admitted that CAN's former president, Michael Rokos, could be called a pervert, based upon the report by a Baltimore police undercover operative that Rokos had solicited the officer to perform bizarre homosexual sex acts several years before he became the president of CAN. Kisser maintained that just because he was a pervert then, didn't mean that he was still a pervert a few years later when he headed CAN and she worked with him.

She also admitted that it was fair to characterize self-proclaimed "deprogrammer" and professional kidnapper Galen Kelly as a "thug" if the allegations made by the U.S. government against him are true. Kelly and Kisser are at the center of a national kidnapping-for-hire ring which had targeted Lyndon LaRouche and his associates.

Kelly is the most notorious kidnapper/deprogrammer in the United States, with close ties to Israeli intelligence and hardcore criminal and terrorist circles. He was indicted in 1992 for conspiring to kidnap LaRouche associate Lewis du Pont Smith (Kelly and his co-defendants were acquitted, after a corrupt judge gave the jury improper instructions as to what constitutes a "conspiracy"). Kelly was later convicted of kidnapping a woman named Debra Dobkowski, for which he served 15 months in federal prison until his conviction was reversed on appeal for technical reasons unrelated to the kidnapping.

Kisser was questioned in connection with a libel suit brought by her against Midwest Circulation Corp., the Illinois Church of Scientology, and several publications in Illinois. In the lawsuit, Kisser complains that she was defamed by publications circulated by the defendants which reported that she was previously employed as a topless dancer. She

also alleges that the articles associated CAN, and, by innuendo, Kisser, with drug pushing, sexually deviant acts, and recruitment to "neo-malthusian cults," among other allegations. (Kisser said she did not know what a "neo-malthusian" cult is, but that her lawyer told her it was defamatory to be associated with one.)

When asked about the alleged defamations of sexual perversion, Kisser stated that a picture of "her personal face" appeared on the same page of *New Federalist* as a picture of former CAN President Rokos, who was identified as having been arrested for soliciting sex from an undercover police officer. Initially, Kisser distinguished between herself as an individual with her "personal face" and her official position as executive director of CAN. She later clarified this distinction, saying that both faces are the same because her "personal face is the only face I own."

The deposition yielded several insights into Kisser's character. Kisser claimed that she could not remember the year she was married, the date, or the location, even though she had been married to the same man for the last 20 years.

Kisser admitted that Galen Kelly wrote portions of the brochure distributed by CAN under the auspices of something called the LaRouche Victims Support Group, and that she has referred people to Kelly as an expert on LaRouche. She claimed to have no knowledge of Kelly's kidnapping activities. According to Kisser, CAN's board of directors was aware of allegations that Kelly had kidnapped people in the past, but agreed to retain Kelly in 1990 only after he assured them he had not kidnapped anyone in a long time and had no plans to do so in the future. Kelly was involved in at least three kidnappings while on retainer from CAN.

In April 1992, as Kelly was planning the kidnapping of Debra Dobkowski, Kisser paid Kelly's expenses to travel to Tucson, Arizona to find Catherine Lane, the woman who had signed an affidavit saying Kisser was a topless dancer. Lane has since stated that Kelly claimed to be a policeman and tried to intimidate her.

Kisser's memory loss was particularly severe when asked about her dealings with Don Moore, the crazed former Loudoun County sheriff's deputy who was at the center of the government's frameup and conviction of LaRouche. Moore has admitted on federal wiretaps that he broke numerous laws during the LaRouche investigation. He is currently in federal prison, serving time for his role in the Dobkowski kidnapping. Kisser remembered having a few conversations with Moore since they met at a conference in 1990, but she could not recall the content. Her recollection barely improved when she was played a conversation between herself and Moore, captured by the FBI on a wiretap. She denied discussing with Moore using her libel suit as a pitch to raise money from E. Newbold Smith. Kisser said that Smith—father of Lewis du Pont Smith, and Kelly's codefendant in a 1992 trial about the attempted kidnapping of his son—was the single largest contributor to CAN over the past 10 years.

Sinn Fein leader tours United States

by Jeffrey Steinberg

Gerry Adams, the leader of Northern Ireland's Sinn Fein political movement, traveled to Washington, D.C. on Oct. 4 to take yet another dramatic step toward ending Britain's 80-year reign of terror against his homeland. High on his agenda was a first-ever official meeting at the U.S. State Department with senior officials of the Clinton administration, including senior White House staff.

The administration contact was made possible by a Clinton White House decision, conveyed to Adams by Vice President Al Gore, to lift the ban on official contact with Sinn Fein, a move that effectively removes the group from the government's list of terrorist organizations.

Adams's tour had already been endorsed by the Clinton White House, and Attorney General Janet Reno, for the second time, had issued a waiver of the visa restrictions against Sinn Fein, in order to allow Adams to enter the United States. Adams was also granted permission to tour the entire country, speaking before large, predominantly Irish-American audiences in cities from coast to coast.

Unlike his previous visit, which was explicitly suppressed by the British media, Adams's latest visit was widely reported on BBC, Reuters, and in all the major British press.

Since the earliest days of his presidency, Bill Clinton has placed the Northern Ireland situation near the top of his foreign policy agenda. On several occasions, Clinton hinted that he might appoint a special envoy to mediate the Northern Ireland-British conflict, much to the chagrin of British Prime Minister John Major.

At every stop on his tour, Adams expressed the deep gratitude of all the Irish people for Clinton's role in moving the peace process forward. At the same time, Adams minced no words about the continuing intransigence of the British government and the continuing violence by the British Army against the Irish republicans, even after the Irish Republican Army declared a unilateral cease-fire several months ago. Adams said that the IRA cease-fire has been maintained in the face of continued violent attacks by the British Army and by militant factions among the Protestant Unionists who favor continued affiliation with Great Britain.

Ireland's 'Mideast' peace process

In a live, televised address before a packed house of reporters at the National Press Club in Washington, Adams eloquently called for further progress on the path toward

peace in Northern Ireland: "I think it's worth remembering . . . what the Irish poet Seamus Heaney said. He said we have a space in which hope can grow. And I think that is the challenge facing all of us—you as well as me—to widen that space. And the delicate flower, the delicate seed which has been planted—hope can flourish. Hope can grow, and peace can be built out of the decades of conflict and violence."

Adams also told the Press Club audience that the successes in the Middle East peace process and in the transition to multi-racial rule in South Africa demonstrate that the Irish situation, too, can be resolved: "If it works in the Middle East, why not in Ireland? And on a day in which Nelson Mandela, the President of South Africa, returns to Washington, we have to say if it works in South Africa, why not in Ireland? . . . Had I come here two years ago and outlined how far we would have moved by now, people would have scoffed. Had I come here five years ago and talked about the developments in South Africa or the unity of Germany, or the demise of the Soviet Union, people would have scoffed. So there's no such thing as an intractable problem if there's good will and political will to change it."

In response to a question from the audience, Adams returned to the pivotal role of President Clinton and the United States. "Sinn Fein identified some years ago, the international dimension, the international community as being a decisive influence of moving the situation forward. And we identified the U.S. as one element in that. The European Union is another element," he said. "I think if one reflects that we have come to this point more speedily because of the positive engagement of the U.S. administration, so can peace be brought about without the U.S. involvement? I would think not. I would think it needs, when one is faced with the reality of such a long conflict, it needs someone from outside the frame to send encouraging signals. I think that a stalemate situation needs someone to come and point the way forward; I think that's what happened in South Africa. I think that's what happened in the Middle East. And it may not be necessary in Ireland. But if that facility is required, if peace in Ireland is dependent upon encouragement from the U.S., then that encouragement should be there when asked for."

Adams spelled out what Sinn Fein views as the three "core areas" of a negotiated settlement of the Irish issue: "There is, of course, the vast question of the constitutional and political future of the people of the island of Ireland. And we concede that that will take time, and that needs agreement. That needs the full participation of everyone in order to build a lasting and durable and permanent peace. The other core issues need less time. Demilitarization needs to commence and to be speeded up immediately. Issues of democratic rights need no discussion, either people have democratic rights or we don't. And if we don't, then they should be restored to us as speedily as possible."

Insane plan threatens the Missouri Basin

by Leif Johnson

The testimony excerpted here was presented by Mr. Johnson at a hearing conducted by the Army Corps of Engineers on Oct. 5 in St. Louis, Missouri. This was one of 15 public hearings being held throughout the Missouri Basin, on a proposal to increase the flow of the Missouri River in the spring, for the benefit of the interior least tern, the piping plover, and the pallid sturgeon. The proposal is the end product of a policy review that began in 1989 and has so far cost \$12 million. The plan involves reducing the flow of the river in the fall, thereby cutting navigation at the peak period between the fall harvest and the winter freeze.

We are discussing tonight whether the Corps of Army Engineers should simulate the pre-1960s spring-summer floods for the alleged benefit of two or three bird and fish species.

This is not . . . a question of saving wildlife. Any person genuinely concerned about wildlife would have moved heaven and earth to prevent the disastrous flood of 1993. The loss to both wildlife and trees has been incalculable. In Missouri, 15-25% of the wetlands were flooded out, a significant portion lying in the Missouri Basin, and estimates of tree die-off from the extended period of flooding are as high as 35 and 40%. Have the so-called environmentalists made a reckoning of the actual loss of waterfowl, fish, and fauna from that flood—a flood that could have been prevented, but whose preventive measures the environmentalists fought?

Had the Pick-Sloan Plan, authorized by Congress in 1944, not been blocked by the budget cutters and the environmentalists, there would have been no 1993 flood—at least on the Missouri River. Completion of the Pick-Sloan Missouri Basin Plan, and development of a companion plan for the Upper Mississippi, is the only bona fide purpose of this and other Corps hearings.

Why, then, are we discussing a plan to defeat the purpose of the upstream dams by simulating spring flooding? Why are we discussing a plan that defeats what taxpayers have spent billions to construct and which benefits one-sixth the land mass of the continental United States? Why does the Corps waste its time and money on hearings on an insane, arbitrary, and destructive proposal that has been almost unanimously rejected and denounced by residents and officials in every previous Corps hearing?

EPA secret directives

The reason is that proponents of the United Nations Biodiversity Treaty are not merely proposing to force “human occupants” out of the Missouri-Mississippi river basins, but are setting the stage for the a United Nations protectorate or “trusteeship” over the world’s river basins, coastal areas, high seas, forests, deserts, rangelands, and mountain ranges to allegedly protect the “ecosystems” of flora and fauna which the high priests of Gaia, the goddess of Mother Earth, deem endangered by the activities of mankind.

The reason we sit here today, taking the valuable time of the dedicated Corps personnel, is found in an internal working document of the Environmental Protection Agency (EPA) dated Aug. 5, 1993, which states that “the Executive branch should direct federal agencies to evaluate national policies on environmental protection and resource management [to] fulfill existing international obligations [e.g., the Convention on Biological Diversity, Agenda 21], [and] amend national policies to more effectively achieve international objectives.”

That EPA document calls upon federal agencies to “present recommendations to Congress for legislative changes necessary to ensure national laws are consistent with national policy for protecting ecosystems, [and] convene summits for negotiating change in regional economics as an essential means for managing sustainable ecosystems.” [See also *EIR*, Sept. 2, 1994, p. 32.]

It is important to remember what the term “ecosystems” means to the proponents of the Convention on Biological Diversity. In a memorandum written by Miguel Lovera and Simone Bilderbeek of the Netherlands Committee for the International Union for the Conservation of Nature, August 1994, they state: “There is not a square meter of Earth without biodiversity. . . . How can one imagine forests or agriculture without biodiversity? Forests, for example, are a component of biodiversity; . . . it can never be denied that they form an ecosystem and thus a component of biodiversity. For that reason, it is a denial of international law when global forests are being discussed without constant reference to the legally binding document which deals with this ecosystem.” . . .

The Corps of Army Engineers’ mandate for activities comes only from the Congress, and Congress has given the Corps no mandate to de-construct, in any fashion, including the one proposed, existing river improvements in the United States. Nor is the Convention on Biological Diversity binding upon the United States until ratified by the Senate of the United States. The Senate has not ratified that treaty. . . .

Therefore what the Corps proposes today is simply illegal under existing U.S. law. Because the simulation of spring flooding would endanger life and property, the Corps is exposing itself to legal action, and even possibly action to recover monies wasted in promulgating proposed regulations that it had no congressional mandate to prepare or issue.

House passes population awareness resolution

In a procedure that took less than five minutes, the House on Sept. 30 passed a joint resolution designating the week of Oct. 23, 1994 as World Population Awareness Week. The resolution was passed by voice vote without any apparent objection.

In floor remarks in support of the resolution, Connie Morella (D-Md.) blamed excessive population growth for almost every major crisis in the world. "Overpopulation is an issue touching nearly every aspect of our lives, including unemployment, immigration, disease, hunger and ecological degradation," she said.

"Rapid population growth fuels tensions and instability, as hopelessness and desperation arise from rapid urbanization, lack of government services, unemployment, and declining public health standards," she added.

Banking bill may open new trade war

The House passed the "National Treatment in Banking Act of 1994" on Sept. 30, to open up foreign financial markets to U.S. banks. The bill would authorize the Treasury Department to assess the treatment of U.S. banks operating in foreign countries, and to retaliate against banks of foreign countries that are perceived to be treating U.S. banks unfairly, denying them the right to operate in the United States.

Charles Schumer (D-N.Y.) said the bill "expands the notion of financial services. It is not protectionist, but quite the opposite. It provides our government tools to open up foreign markets that have not been fair to us."

Douglas Bereuter (R-Neb.) described the bill as providing U.S. negotiators in the General Agreement on Tariffs and Trade talks, "the tools and

negotiating leverage to accomplish this important task" (a level playing field for U.S. financial institutions in world markets) despite the fact that there was no agreement on trade in financial services in the last stages of the Uruguay round negotiations.

Murtha: Media are endangering U.S. troops

John Murtha (D-Pa.), chairman of the House Appropriations Subcommittee on Defense, who led a delegation of House members to Haiti on Oct. 1-2, said media "distortions" of the situation in the country "are starting to change the mission" by putting pressure on U.S. troops to become involved in dangerous confrontations, Associated Press reported on Oct. 4.

Murtha said depictions of violence are "like looking at the country through a straw."

Foley opposes setting withdrawal date on Haiti

House Speaker Tom Foley (D-Wash.) said at a press conference on Oct. 3 that Congress should not set a date for withdrawal of U.S. troops from Haiti. However, he said, there is a need for Congress to debate the issue. As of Oct. 5, it was not clear if the House would take up a resolution before it adjourned.

"I believe it is wrong to set a date because there is a tendency then for those that might oppose and even confront our troops in Haiti to attempt to wait them out or attempt to stimulate acts of violence against them in order to push the date forward and so on," Foley said. He acknowledged that there is a strong feeling in the House that there should be a definite date set and that there should have been an authorization from the Congress before

the troops were sent in.

Even though U.S. forces went in peacefully, "there is still that sense that the issue itself of our presence in Haiti justifies some action by Congress, some expression by them as to the right of Congress to act, particularly prior to the use of any military force in combat," he said.

Whitewater hearings unlikely this year

Sens. Donald Riegle (D-Mich.) and Alfonse D'Amato (R-N.Y.) said after meeting with Special Counsel Kenneth Starr on Sept. 29, that they will delay further congressional hearings on the so-called Whitewater affair involving President Bill Clinton and Hillary Clinton in order to protect Starr's investigation. The Senate Banking Committee, which Riegle chairs and on which D'Amato is the senior Republican, held two weeks of hearings in July and August.

The two had wanted to hold hearings on the removal of papers from the White House office of the late deputy counsel Vincent Foster, but Starr "informed us that his investigative work is ongoing," they said in a statement.

Lantos wants indefinite boycott of Iraq

Rep. Tom Lantos (D-Calif.) implied that the economic embargo against Iraq should be continued indefinitely, during a House Foreign Affairs Committee hearing with Assistant Secretary of State for Near Eastern Affairs Robert Pelletreau on Oct. 4 (see *Feature*).

Lantos said, in a sarcastic reference to an assessment by one of Pelletreau's predecessors just prior to the 1990 Iraqi invasion of Kuwait: "I don't anticipate an invasion immi-

nently, but what I do anticipate is the continued chipping away by Iraq of the policy of sanctions. . . . And if in fact the forces that move toward lifting the sanctions prevail and Iraq again will be able to sell oil on a large scale, one does not need to be a nuclear scientist to understand that they will go headlong for rebuilding their weapons of mass destruction."

Schumer, Lantos maneuver on status of Jerusalem

Reps. Tom Lantos (D-Calif.) and Charles Schumer (D-N.Y.) tried to corner Assistant Secretary of State for Near Eastern Affairs Robert Pelletreau on the status of Jerusalem as Israel's capital, in hearings on Oct. 4 before the House Foreign Affairs Committee.

Lantos complained that the Palestine Liberation Organization (PLO) is attempting to hold meetings in Jerusalem with Israeli and U.S. officials. He asked Pelletreau "whether the Clinton administration fully supports the principle behind the law concerning Jerusalem as the undivided capital of Israel and the fact that no discussion of that matter can take place during this transitional period."

Pelletreau said that "we [the administration] support and agree with the agreement in the Declaration of Principles between Israel and the Palestinians that Jerusalem will be a final status question and a final status issue. We are not ourselves going to take any positions that are inconsistent with that. It is true that there have been some meetings in Jerusalem between Israelis and Palestinians as agreed to by the two parties, and when that occurs, I don't think it's the position of the United States that we should object to that." Pelletreau assured Lantos that the United States does "not have meetings on assistance matters with

members of the Palestinian authority in Jerusalem."

Schumer complained that the Palestinians have "tried to actively create symbols of sovereignty over Jerusalem . . . by coordinating PLO activity from Jerusalem" and by "attempting to hold official meetings with foreign diplomats."

Both Schumer and Lantos are close to the Anti-Defamation League in the United States which is allied with the anti-Middle East peace factions in Israel.

Report on D'Amato stock transactions covered up

Sen. Alfonse ("Mr. Ethics") D'Amato (R-N.Y.), in line to become chairman of the Senate Banking Committee if the GOP gains a majority in the November elections, is party to a court-ordered report describing questionable stock dealings which is being quashed by the Securities and Exchange Commission, the Oct. 1 *Washington Post* reported. The SEC is overseen by the Banking Committee.

D'Amato traded stock through Long Island-based Stratton Oakmont Inc. in the summer of 1993. The firm was fined a multimillion-dollar penalty in February for defrauding investors and manipulating stock prices. Additionally, the firm's two top executives were banned from the securities field for life and were ordered to hire a special consultant to study the firm's business practices. That report contains the information on D'Amato's dealings. The SEC has failed to reply to several Freedom of Information Act requests by news organizations to make the report public.

Unnamed SEC sources said the report hasn't been released due to objections by Stratton Oakmont and the SEC's fear of offending D'Amato.

Stratton Oakmont attorney Ira Sorkin confirmed that the firm "raised certain legal issues" about release of the report, although he would not discuss either its contents or the legal arguments for secrecy.

Brown: Getting aid to Russia is unsuccessful

"Getting U.S. aid to Russia has been extremely frustrating and highly unsuccessful," Rep. George Brown (D-Calif.) stated in a roundtable discussion with reporters on Sept. 26, on the eve of President Clinton's summit meeting in Washington with Russian President Boris Yeltsin.

While \$400 million from the NASA budget had been voted by Congress a couple of years ago, "I know Russia never got the money," Brown said in response to a question from a *21st Century Science & Technology* magazine reporter on aid to Russian science programs. Brown said that he has told President Clinton that the biggest problem is to get the Congress to actually *release* the money it appropriates. Brown said that he thought the space station agreement would "provide a flow of funding" for the Russians, and that we might start to see some "overall impact."

Recently, Brown announced that one of his initiatives, a U.S.-Russian Science Foundation to fund joint research projects, would finally receive government funding to begin work. The purpose of endowing a separate foundation, even though it is government-funded, is to "make it immune to the vagaries of annual budget appropriations," he explained. The work of the foundation is similar to programs with Israel and Mexico, he said. In the Israeli case, the interest from the funds supports cooperative programs and supplements other forms of aid.

National News

Populist Schwasinger sentenced to 16 years

Roy Schwasinger, a populist who coaxed many desperate Midwest farmers in the Farm Credit system to take anarchist actions which he promised would regain their farms, was sentenced to 16 years in prison by a federal court on Sept. 26. Schwasinger, who has a background with Army Intelligence, promoted schemes for farmers facing foreclosure to harass judges and lawyers, and to file false liens against them to tie up their credit, and collected monies from farmers to join a phony class action suit at mass meetings during the 1992 presidential campaign.

During this period, the presidential campaign of Lyndon LaRouche and James Bevel was fighting to organize farmers around a program to fight the economic depression politically by allying their interests with those of the civil rights movement urban residents.

Schwasinger and two others were convicted in U.S. District Court in Dallas in March of filing bogus liens against the property of court and government officials in Texas.

Parole abolition passes Virginia legislature

A special session of the Virginia General Assembly overwhelmingly passed "Proposal X" on Sept. 30, which ends parole in the state beginning Jan. 1, 1995, on a vote in the House of 89-7, and 34-4 in the Senate. The Democrat-controlled legislature gave Republican Gov. George Allen his bill, but voted only \$35 million to build nine work centers to relieve crowding in local jails, rather than approve bonds for the nearly \$2 billion cost, to build 27 new prisons, which Allen's full proposal entails.

By failing to fund Proposal X, the state now "runs a risk" of becoming like Florida, according to Virginia Commonwealth University professor and corrections expert Dr.

Paul W. Keve. Florida eliminated parole and toughened sentences, just as Virginia has done, he told the *Richmond Times-Dispatch*, but did not have the money to build more prisons. As a result, dangerous felons had to be released to relieve overcrowding, and the crime rate soared. Loudoun County attorney John Flannery, who had fought the proposal, told the daily that the state can expect suits for overcrowding and cruel and unusual punishment: "The governor took the fear of crime, set up a sting with it, and these [legislators] have been stung," Flannery said.

The new law also creates a commission within the judicial branch to outline tougher penalties for violent offenders and repeat offenders. The penalties are expected to include double the fines for violent offenders and a fivefold increase in sentences for repeat offenders.

Bush White House made threats to Clinton

In the epilogue to Bob Woodward's book *The Agenda* published this spring, the *Washington Post* investigative journalist reveals that Bill Clinton received a threat from George Bush's campaign, even before Clinton, then governor of Arkansas, had announced his candidacy. On p. 333, Woodward purports to portray what Hillary Clinton is thinking about the difficulties a Clinton presidency would have to face:

"She connected the current troubles to a call that she remembered Bill telling her about in the summer of 1991, just as he was deciding to run for President. She recalled that he reported a direct threat from someone in the Bush White House, warning that if he ran, the Republicans would go after him. 'We will do everything we can to destroy you personally,' she recalled that the Bush White House man had said. It was the same organized opposition, she felt, that had attacked him during the campaign and was now trying to tear down his presidency. Others from the campaign and the White House, however, remembered the call very differently—as neither stark nor threatening. The story had grown much better in the telling and in her memory. One campaign veteran

thought it might be apocryphal or the message something between a political chat and a threat. She was not viewing things with her usual cold and clear eye. She was talking, at times, as if they were being persecuted."

DEA: Cali cartel still operating in U.S.

The culmination of a two-year investigation by the Drug Enforcement Administration (DEA), known as Operation Foxhunt, led to the arrest of 166 members of Colombia's Cali cocaine cartel in the United States, as well as the seizure of \$13 million and six tons of cocaine. The cocaine distribution network ranged from major cities such as Los Angeles, New York City, Miami, San Francisco, New Orleans, Newark, and Washington to smaller cities like Lincoln, Nebraska and Kingman, Arizona.

DEA Deputy Director William Mockler said "We are not naive enough to believe that the cartel is out of business, but we have immobilized them for a while and, more importantly, we have taken out several of their key players, their key workers. The cartel's trafficking and distribution network has been dealt a crippling blow, absolutely." It is expected that the cartel will now start examining court documents to try to determine how it was discovered and to modify its operations. The DEA hopes to focus on these anticipated activities, to further the dismantling process.

'Re-imagining women' to meet for Halloween

The Re-Imagining Conference, a pagan gathering of feminist theologians sponsored by the World Council of Churches (WCC), is planning to hold its second national conference over the Halloween period on Oct. 29 in Minneapolis. Last year, somewhere between several hundred and several thousand (exact figures are not available, since the meeting was secret) women gathered to launch an assault on so-called male-domi-

nated Christianity. The fact that the conference was secret did not stop the press from giving glowing reports of the group's feminist "liturgy" worshipping "Sophia" as a female deity.

Although the conference will again be held at the Minneapolis Convention Center, the headquarters of the newly formed Re-Imagining Office is located in the Minnesota Council of Churches high-rise office building, which includes conference rooms.

Last year, several member churches of the WCC were outraged by the conference's open attack on Christianity: the Presbyterian Church fired top official Mary Ann Lundy for helping to coordinate the event. Many local Presbyterian, Lutheran, and other denominations withheld funds from their national councils which had paid for and co-sponsored the "re-imagining" coven.

Former Ollie supporter: 'Forgive Barry not North'

Former U.S. Rep. Mickey Edwards, a staunch supporter of Oliver North's Contra re-supply effort, wrote a scathing commentary in the Sept. 28 issue of the *Boston Herald*, contrasting North with former Washington, D.C. Mayor Marion Barry, who served a six-month prison term for cocaine possession. Edwards wrote that, while the national media are referring to Barry and North as "two peas in a pod," their stories in fact are very different: Barry, wrote Edwards, both admitted his guilt and paid the penalty for his crime. North has done neither.

Edwards continued:

"What Oliver North did was also wrong. And it was dangerous. The Founders feared nothing more than the arrogant accretion of power, that is why they drafted a constitution which so tightly constrains government's freedom of action and gives the people's representatives the right to approve or disapprove of the Executive's adventures. The fact is our freedoms are less threatened by Barry's drug use than by the specter of a powerful government official pursuing his own agenda—or a President's agenda—regardless of the law."

Even though Oliver North paid no penalty, he concluded, the technicality "which allowed him to escape prison is an important part of our constitutional protections against the possibility of a police state, and I do not begrudge him his good fortune in escaping a prison cell. I cannot support Oliver North, because he has failed to acknowledge that what he has done was wrong. That failure eliminates the claim to redemption, and it warns us that he would continue, in elected office, to believe that the wisdom of Oliver North should supersede the laws and the Constitution. And that is the very definition of a demagogue."

Soviet spy Ames framed up Marine Sgt. Lonetree

Attorneys for Clayton Lonetree, a Marine sergeant convicted of espionage while serving in the U.S. Embassy in Moscow, will petition to reopen his case on the grounds that he was set up to cover for the activities of CIA double agent Aldrich Ames, who has pleaded guilty to spying for both the Soviet and, later, Russian secret services.

The prosecutor in the Lonetree case, Col. David Beck (ret.) said that on the basis of statements made by Ames during his debriefings, "justice would require that we open up the investigation again." Ames told debriefers that the entire flap over Soviet penetration of the embassy, which occupied headlines and spy hunters for most of the 1980s, was part of an elaborate KGB setup designed to protect Ames. Lonetree was lured into a sexual relationship with a Soviet translator working at the embassy, and was encouraged to pass along information to Soviet spies. According to Ames, the information which Lonetree passed along had already been compromised by his, Ames's, activities.

The prosecution of Lonetree was largely run by the Naval Investigative Service (NIS), which used investigative methods developed by the FBI, centering on a "single spy" theory. NIS and the FBI also collaborated in targeting a single sailor for blame in the explosion on the battleship *Iowa*, in which he and some 40 others died.

Briefly

● **MIKE ESPY**, President Clinton's agriculture secretary, announced his resignation on Oct. 2, to take effect on Dec. 31. Espy said that scandals which accuse him of accepting gifts, and which are the subject of independent counsel investigations, are distracting him from his job. He told reporters he expects to be exonerated.

● **HARTFORD**, Connecticut became the first city in the country to hand its entire school system over to a private for-profit management company, Education Alternatives, Inc., on Oct. 4. EAI, based in Minnesota, has been caught already falsifying test scores of other privatized public schools and is intimately tied into financial derivatives speculation through Minneapolis brokerage Piper Jaffray.

● **DISNEY'S** America theme park announced in late September that it would not build its multimillion-dollar "historical amusement park" in Haymarket, Virginia, 45 minutes outside of Washington, D.C. *EIR's* sources attributed the pullout to Disney's poor financial situation, especially with the Euro-Disney white elephant, despite the box office successes of films such as "The Lion King."

● **AN APPOINTEE** of Virginia Gov. George Allen (R) resigned as director of the Governor's Mansion on Sept. 28, two days after being arrested on charges of felony sodomy. Allen, who supports the candidacy of Oliver North for U.S. Senate, is one of the GOP's rising stars, presenting himself as a strict "law and order" and "family values" man.

● **'LIFE** after 'Self-Esteem' " was the headline of an Oct. 1 *Washington Post* opinion column which reported that a leading California "self-esteem task force" was closing up shop. The commission began the movement to popularize the notion that children with "low self-esteem" are poor achievers, which can be changed by "making them feel better about themselves."

Editorial

Let's start the digging

It is very important that the recent meeting between Israeli Foreign Minister Shimon Peres and Jordan's Crown Prince Hassan move to a stage of implementation of the agreed-upon joint infrastructure development.

That the meeting between the representatives of the two governments, on Oct. 4, was held in Washington and included President Clinton is a hopeful sign. Notwithstanding that solving the Northern Ireland "problem" and progress in establishing normal relations between South and North Korea are also extremely important policy objectives of the Clinton administration, establishing a durable Mideast peace is a crucial step in what LaRouche has called building the bridge from Hell to Purgatory.

After meeting with the U.S. President for an hour on Oct. 3, the two foreign ministers announced a series of joint ventures that Clinton called "the building blocks of a modern peace between these two ancient lands." Readers of *EIR* will recognize the projects which were enumerated in a press release from the meeting. One such is to be a conference to explore possibilities for building a canal linking the Red Sea and the Dead Sea.

Associated with this are various schemes to ease the region's critical water shortage. The obvious way is through desalination which should go hand-in-hand with building power and transportation infrastructure. On Aug. 31, 1990, *EIR* carried a major article by Lyndon LaRouche in which he addressed the thorny issue of a peace plan in the true interests of the Arab states and Israel. Tragically, his proposal ran counter to the Thatcher-Bush geopolitical game plan, which was based upon fostering enmity among the Arab states as well as between them and Israel.

It is useful to remind ourselves of LaRouche's words at that time. "Without a policy of economic development, the Arabs and Israelis *have no common basis for political agreement: no common interest*. Such a policy would be opposite to the physiocratic idea fostered by the British upon the Arabs, that their role is to pump oil in exchange for the opportunity to *import technology*."

Establishment of a financial basis for the technology agreements now in place, will be helped by the creation of regional economic and financial institutes, modeled on the way the European Common Market worked—which was also mentioned in the communiqué from the Oct. 4 meeting. The kind of large-scale development being discussed is also crucial for creating a cultural rebirth in the area.

What is needed is not merely the importation of technology from Israel, or from Germany or the United States, to develop Palestine, but creating the opportunity especially for *young* men and women, from Israel and the Arab States, to actively participate in building a future for generations to come.

Again to quote from LaRouche's 1990 feature, on the subject of a durable peace for the Mideast: "The essential principle . . . is the relationship of man to nature. Man is unlike any other creature, in that man's relationship to nature is defined by the potential for creative reason in man.

"By creative reason we mean specifically, the powers of the discovery, which are associated with the discovery of valid, new scientific principles—valid, new principles of natural science. We also mean principles of discovery, creativity, as they're associated with the classical forms of art. But it's sufficient, for our purposes here, to identify, essentially, the notion of scientific and technological progress.

"Man's history—essentially, his successful history of survival—is determined by the exercise of this power of scientific creative reason: the ability of man to generate, to transmit, and to assimilate efficiently, advances, or lessening of imperfection, in man's knowledge of the principles of nature."

It is imperative that physical progress be made now on some of the major projects being discussed. It is necessary to deal with the endemic economic problems in the region, not only to heal the wounds created by 50 years of hostilities; but to create the climate of hope in which creativity can flourish. One cannot simply pluck the fruit from the tree of knowledge, as the Bible tells us. We must earn the right to eat the fruit by the sweat of our brows.

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- ANCHORAGE—ACTV Ch. 40
Wednesdays—9 p.m.

ARKANSAS

- FAYETTEVILLE—Ch. 8
Wednesdays—12 Midnight

ARIZONA

- PHOENIX—Dimension Ch. 22
Wednesdays—1 p.m.

CALIFORNIA

- DOWNEY—Conti. Ch. 51
Thursdays—9:30 p.m.
- E. SAN FDO. VALLEY—Ch. 25
Saturdays—1:30 p.m.
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- ORANGE COUNTY—Ch. 3
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Tuesdays—2 & 6 p.m.
- SACRAMENTO—Ch. 18
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Saturdays—12 Noon
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- SANTA ANA—Ch. 53
Tuesdays—6:30 p.m.
- W. SAN FDO. VALLEY—Ch. 27
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COLORADO

- DENVER—DCTV Ch. 57
Wednesdays—11 p.m.
Fridays—7 p.m.

DISTRICT OF COLUMBIA

- WASHINGTON—DCTV Ch. 25
Sundays—12 Noon

FLORIDA

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

GEORGIA

- ATLANTA—Ch. 12
Fridays—1:30 p.m.

IDAHO

- MOSCOW—Ch. 37
(Check Readerboard)

ILLINOIS

- CHICAGO—CATN Ch. 21
Tues., Oct. 18—10 p.m.
Tues., Oct. 25—8:30 p.m.
Mon., Oct. 31—10 p.m.

INDIANA

- SOUTH BEND—Ch. 31
Thursdays—10 p.m.

LOUISIANA

- MONROE—Ch. 38
Mon.—7 pm; Fri.—6 pm

MARYLAND

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

MASSACHUSETTS

- BOSTON—BNN Ch. 3
Saturdays—12 Noon

MICHIGAN

- CENTERLINE—Ch. 34
Tuesdays—7:30 p.m.
- TRENTON—TCI Ch. 44
Wednesdays—2:30 p.m.

MINNESOTA

- EDEN PRAIRIE—Ch. 33
Wed.—5:30 pm, Sun.—3:30 pm
- MINNEAPOLIS—Ch. 32
EIR World News
Saturdays—9:30 p.m.
- MINNEAPOLIS (NW Suburbs)
Northwest Comm. TV—Ch. 33
Mondays—7 pm
Tuesdays—7 am & 2 pm
- ST. LOUIS PARK—Ch. 33
EIR World News
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3 p.m., 11 p.m., 7 a.m.

- ST. PAUL—Ch. 33
EIR World News
Mondays—8 p.m.

MISSOURI

- ST. LOUIS—Ch. 22
Wednesdays—5 p.m.

NEW YORK

- BRONX—BronxNet Ch. 70
Saturdays—6 pm
- BROOKHAVEN—(E. Suffolk)
TCI 1 Flash or Ch. 99
Wednesdays—5 p.m.
- BUFFALO—BCAM Ch. 18
Wednesdays—11 p.m.
- CATSKILL—Mid-Hudson
Community Channel—Ch. 10
Wednesdays—3 p.m.
- HUDSON VALLEY—Ch. 6
2nd Sunday monthly—2 p.m.
- ITHACA—Pegasys Ch. 57
Tue. & Fri.—8 pm; Wed.—5 pm
- MANHATTAN—MNN Ch. 34
1st & 3rd Sun. monthly—9 am
- MONTVALE/MAHWAH—Ch. 14
Wednesdays—5:30 p.m.
- NASSAU—Cablevision Ch. 25
A Dialog with LaRouche, Pt. 1
Sat., Oct. 15—8:30 p.m.
- OSSINING—Continental
Southern Westchester Ch. 19
Rockland County Ch. 26
1st & 3rd Sundays—4 p.m.
- POUGHKEEPSIE—Ch. 3
1st & 2nd Fridays—4 p.m.
- QUEENS—OPTV Ch. 56
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- ROCHESTER—GRC Ch. 15
Fri.—10:30 pm, Mon.—7 pm
- ROCKLAND—P.A. Ch. 27
Wednesdays—5:30 p.m.
- SCHENECTADY—P.A. Ch. 11
Fridays—5:30 p.m.
- STATEN ISL.—CTV Ch. 24
Weds.—11 p.m., Sat.—8 a.m.
- SUFFOLK, L.I.—Ch. 25
2nd & 4th Mondays—10 p.m.
- SYRACUSE—Adelphia Ch. 3
Fridays—4 p.m.
- SYRACUSE (Suburbs)
NewChannels Cable—Ch. 13
1st & 2nd Sat. monthly—3 p.m.
- UTICA—Harron Ch. 3
Thursdays—6:30 p.m.
- WEBSTER—GRC Ch. 12
Wednesdays—9:30 p.m.
- YONKERS—Ch. 37
Fridays—4 p.m.

OREGON

- PORTLAND—Access
Tuesdays—6 p.m. (Ch. 27)
Thursdays—3 p.m. (Ch. 33)

PENNSYLVANIA

- PITTSBURGH—PCTV Ch. 11
Mondays—7 p.m.

TEXAS

- AUSTIN—ACTV Ch. 10 & 16
(call station for times)
- DALLAS—Access Ch. 23-B
Mon.—2 pm; Fri.—11:30 am
- EL PASO—Paragon Ch. 15
Thursdays—10:30 p.m.
- HOUSTON—PAC
(call station for times)

VIRGINIA

- ARLINGTON—ACT Ch. 33
Sun.—1 pm, Mon.—6:30 pm
- TUESDAY—12 Midnight
Wednesdays—12 Noon
- BLACKSBURG—WTOB Ch. 2
Mondays—7 p.m.
- FAIRFAX—FCAC Ch. 10
Tuesdays—12 Noon
Thurs.—7 pm, Sat.—10 am
- LOUDOUN COUNTY—Ch. 3
Thursdays—8 p.m.
- MANASSAS—Ch. 64
Tuesdays—8 p.m.

WASHINGTON

- SEATTLE—Access Ch. 29
Mondays—11:00 am
- SPOKANE—Cox Ch. 25
Saturdays—7:30 p.m.
- TRI-CITIES—TCI Ch. 13
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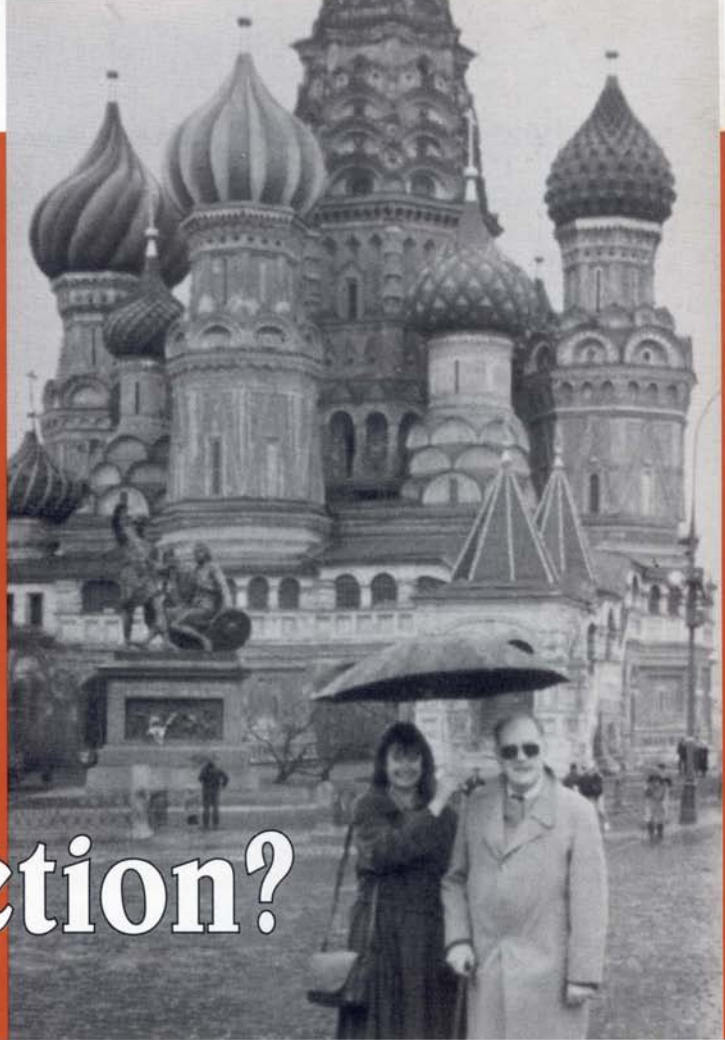
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