

# EIR

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blazes path to new world war**



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# EIR

## From the Editor

**I**n this issue we have made our best effort to bring you, our readers, a global picture of the strategic situation in the week the bombs begin to fall in the Middle East.

First, we see a tragic thread running between the mounting disaster of financial bankruptcy and physical economic breakdown within the United States, and military adventures abroad. The 1930s-style runs on the banks that shocked the nation in the first week of 1990—subject of our *Feature* starting on p. 18—may have been forgotten in the anxiety and euphoria of the Persian Gulf war, but the causes have not gone away.

Second, on p. 36 we bring you first-hand reports relayed to our European headquarters in Germany from Vilnius, Lithuania. There can be absolutely no doubt that Bush had a deal with the Soviets before he started the Persian Gulf war, nor can there be any doubt that part of the deal was to wink while Gorbachov moved to crush the freedom movements in the Baltic states, beginning with the slaughter in Vilnius. The U.S. government has left Western Europe defenseless against a Soviet military onslaught, at precisely the moment when Moscow is taking a Stalinist turn.

Third, we look at Ibero-America, where one year after Bush's last crazed military adventure—the invasion to “secure freedom and democracy” in Panama—the United States is openly collaborating to bring the cocaine cartels to power, and to crush any sovereign military forces that might resist (see articles on pp. 7-8, 40-42).

Fourth, shedding further light on the cynicism of the United States in its grand military move to defend the independence of the feudal monarchy of Kuwait, on p. 43 we present the case of Tibet, a country ruled by George Bush's good friends, the communist butchers of Beijing.

Finally, the centerpiece of our coverage of the Gulf events is the note of cultural optimism sounded by Lyndon LaRouche, who has reiterated the basis for a lasting Middle East peace in the centerfold article on p. 32. The intellectual author of the new strategic doctrine embodied in the SDI, LaRouche is no “pacifist.” Yet if there is to be peace in the world in these dark days, it will begin when LaRouche is freed from his unjust imprisonment to lead peace negotiations based on the mutual interest of all peoples in scientific and technological progress.

*Nora Hamerman*

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## Bush moves toward austerity dictatorship

by Kathleen Klenetsky

Using the impending war with Iraq as a rationale, the Bush administration is rushing to invoke emergency wartime powers that will allow it to seize control of the economy, control wages, ration food, fuel, and other critical supplies, dragoon personnel, and suppress all political opposition to these draconian measures.

*EIR* predicted last August, and in a cover story in its Nov. 23 issue, that Bush would employ the Gulf crisis as a smokescreen for implementing a domestic economic austerity regime so severe in nature that it could not be accomplished politically without the police-state powers available to the President in a national emergency—real or manufactured.

Bush's "solution" to the depression, we said, not only depends on looting the Third World of its raw materials—which is what the war against Iraq is all about—it also depends upon equally bloody-minded looting of the living standard of the U.S. population.

### Bush as dictator

That forecast has now come to pass.

On Jan. 9, the President took a major step toward making himself dictator, when he signed an executive order requiring companies to give military contracts and orders priority over all other commerce.

The order, "Security Industrial Responsiveness," authorizes the Secretaries of Agriculture, Commerce, Energy, and Transportation to mandate "prompt delivery" to the government of a wide range of goods, from food and fuel to transportation, construction, and production materials.

"The United States must have the capability to rapidly mobilize its resources in the interest of national security," reads the order. "Therefore, to achieve prompt delivery of articles, products, and materials to meet national security requirements, the government may place orders and require

priority performance of these orders." A senior Pentagon official told the Jan. 10 *Washington Times* that the order "puts companies on notice" that they must fill orders for the military first.

Depression conditions in the U.S. have already caused production levels to plummet, while significant parts of the nation's overall agricultural and manufacturing capacity have been shut down by the "post-industrial society" and environmental lunatics. Under these circumstances, military demands for priority deliveries will drain goods from the civilian sector, causing hardship especially among the less well-to-do. Delivery of medical care has already been stretched thin, particularly in rural and inner-city areas, because so many medical personnel in the military reserves have been ordered to the Gulf.

While calling the executive order "a reasonable and prudent thing to do," General Motors President Lloyd Reuss also cited the potential for disruption of the civilian economy. The U.S. auto industry has, in recent years, converted to a just-in-time inventory system that would quickly shut down its assembly lines if the flow of raw materials were interrupted, he noted.

### A million more to war?

Although the administration's crisis-management apparatus, run by the Federal Emergency Management Agency (FEMA), has been churning out national emergency scenarios since the Gulf crisis began, the executive order represented the first public indication that Bush has decided to opt for government-by-decree.

Another was Secretary of Defense Richard Cheney's announcement that he will ask for authorization to mobilize an additional 1 million reservists for a period of up to two years. Under current law, only 200,000 reservists can be called up

at any one time, and that for six months at most.

Already, families of reservists called for duty in the Gulf have suffered substantial financial and social dislocation. A reservist's pay is generally far less than what he or she earns as a civilian, which means financial sacrifice for the family, on top of personal sacrifice: separation from loved ones and the danger of being killed or wounded in Bush's lunatic adventure. If Cheney's plan goes into effect, many more Americans will be adversely affected, and for a much longer period of time.

Cheney's request can only be granted if the President declares a national emergency. If such an emergency is declared, the President can then invoke a wide range of other emergency measures, ranging from export controls to the use of the military to suppress political opposition.

A vast array of such emergency powers, in the form of legislation, national security directives, and executive orders, already exists, waiting for the imperial President to invoke them. Indeed, just days after Bush won the 1988 presidential elections, outgoing President Ronald Reagan, reportedly responding to his Vice President's urging, issued Executive Order 12656, which further refined the structure for rule-by-decree.

### **FEMA in control**

Not surprisingly, FEMA—which was created explicitly to function as a government-by-fiat in the kind of manufactured emergency epitomized by the present crisis—has been given overall power to implement Bush's Jan. 8 order. "Proposed department and energy regulations and procedures to implement the delegated authority under this order . . . shall be coordinated by the director of the Federal Emergency Management Agency, with all appropriate departments and agencies," the order states.

FEMA is preparing to go to Congress with draft legislation that will expand its powers, and will reportedly allow it to intervene in states without their specific invitation, as is presently required.

The Jan. 8 executive order is only the tip of the iceberg of the top-down control the administration has in store for the economy. The Federal Reserve Board put out the word in mid-January that it will act to prevent "turmoil" in the financial markets in the event of war.

The Department of Energy has run five "scenarios" since September for controlling oil supplies in the event of a war-induced energy shortage, according to John Easton, assistant secretary for international affairs and energy emergencies at the Department of Energy. In early January, top oil company executives huddled behind closed doors to plot emergency energy controls. And the Petroleum Marketers Association has called on Congress to "grant President Bush emergency standby price and allocation price control authority which could be enacted in the event of . . . an emergency," like a Mideast war.

### **Goodbye, Constitution**

Along with Bush's move toward command economy comes the threat that Americans' fundamental constitutional rights will be abrogated, in the name of "national security."

Free speech and freedom of the press are already on the chopping block. On Jan. 7, the Pentagon issued guidelines for coverage of the Gulf which have been blasted as censorship by, among others, Ron Nessen, White House press secretary under President Gerald Ford. The guidelines include a requirement that all media reports emanating from the Gulf theater be reviewed by military censors before publication, and that reporters covering the war "remain with your military escort at all times, until released, and follow their instructions regarding your activities."

Domestic censorship is under way—by the media itself. All three major TV networks, plus Cable News Network (CNN), have refused to air a paid anti-war advertisement produced by the Military Families Support Network. NBC affiliate WRC TV in Washington, one of the direct beneficiaries of Kuwaiti largesse, claims that the ad "serves to heighten the emotional agenda . . . and does not add to the community's dialogue on this very important issue."

The Military Families Support Network was founded by Thomas Molnar, the Wisconsin university professor who made international headlines when his open letter to President Bush, opposing the war, was printed in the *New York Times*. They point out that while the Kuwaiti government is spending millions of dollars on advertisements supporting the war policy, they are being blacked out of the talk show circuit as well.

A very real possibility also exists that the government will impose a Soviet-style crackdown against the burgeoning anti-war movement. The above-mentioned Executive Order 12656 authorizes the Justice Department to, among other things, "develop intergovernmental and interagency law enforcement plans to respond to civil disturbances that may result in a national security emergency or that occur during such an emergency."

FEMA has had contingency plans for quashing an anti-war movement dating back to a 1984 exercise called "Rex '84." Based on a hypothetical U.S.-Soviet confrontation in Central America, it included detailed plans for rounding up and putting in detention camps Central American refugees who had fled to the U.S., as well as for crushing a domestic anti-war mobilization.

### **Internment camps being prepared**

That exercise now appears to have been activated. The FBI began in early January to "interview" Arab-Americans, supposedly to find out if they had any knowledge of potential terrorist activities should war break out. The operation has drawn outraged protest from the Arab-American community, as well as from civil libertarians, who fear the FBI is preparing for rounding up targets based on ethnic origin once hostil-

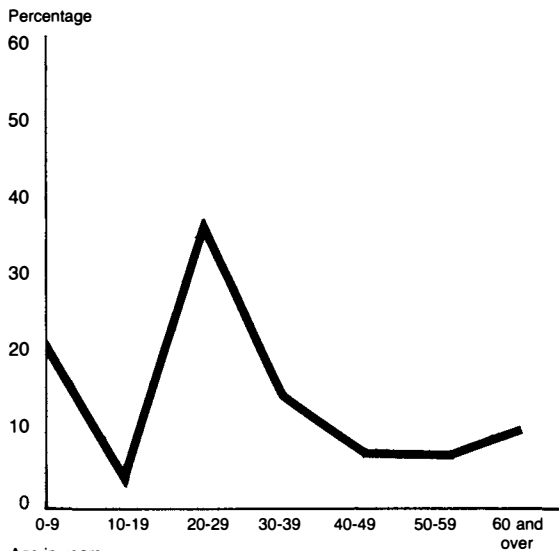
ities begin.

"This is shades of the Japanese-American experience of World War II," and "could have a horrible, chilling effect" on the rights of Arab-Americans, charged Albert Mokhiber, president of the American-Arab Anti-Discrimination Committee. Rep. Don Edwards (D-Calif.), a former FBI agent who chairs the House Judiciary Subcommittee on Civil and Constitutional Rights, cautioned, "Inherent in the current crisis is the very real danger of damage to civil liberties."

A coalition of groups—including the Japanese-American Citizens League, the Arab-American Anti-Discrimination Committee, the American Civil Liberties Union, and Washington Area Jews for Palestinian Peace—also warns that World War II-style internment camps are in preparation. According to the Jan. 12 *New York Times*, it was disclosed in 1987 that the FBI and the Immigration and Naturalization Service had drawn up a plan to quarantine Arab-Americans at a camp in Oakdale, Louisiana, in the event of war with certain Arab states.

## Correction

### Influenza and pneumonia deaths: percentage in each ten-year age group, Louisville, Kentucky, April 1918



(Derived from the Death Certificate files of the Board of Health of Louisville, Ky.)

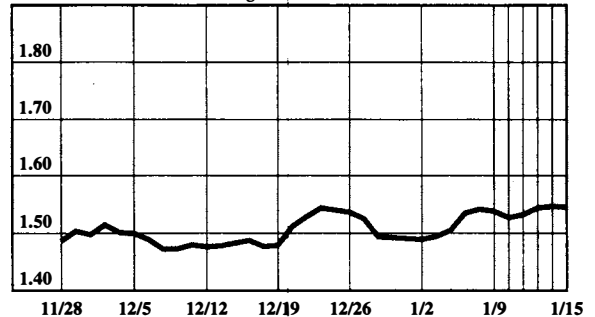
Source: *America's Forgotten Pandemic: The Influenza of 1918*.

The graph accompanying the book review on *America's Forgotten Pandemic, The Influenza of 1918* on p. 13 of last week's issue was incorrect. The correct graph, which we reproduce from the book here, shows the apparently anomalous rise in deaths from influenza in the 20-30 age group, rather than populations that would seem to be most at risk—the very young and very old.

## Currency Rates

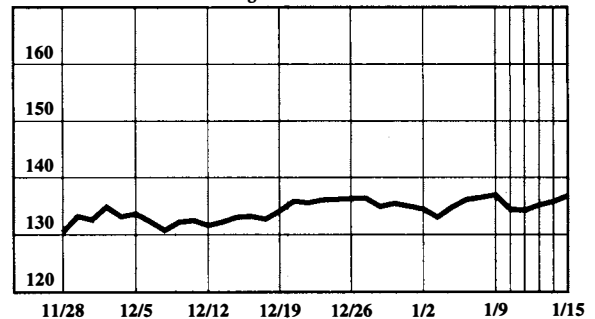
### The dollar in deutschemarks

New York late afternoon fixing



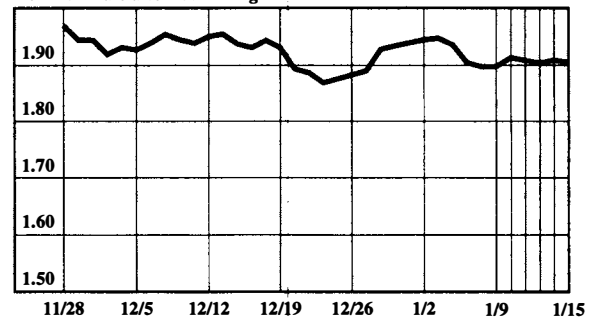
### The dollar in yen

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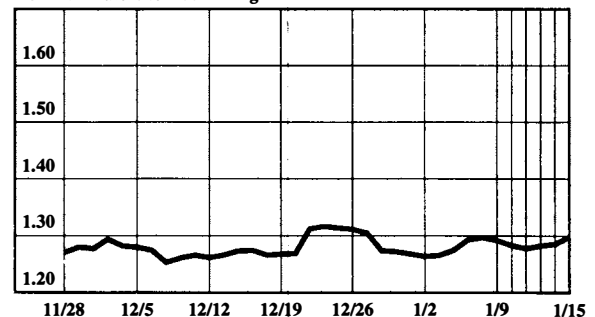
### The British pound in dollars

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### The dollar in Swiss francs

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# Brazil, Mexico in war economy's grip

by Peter Rush

In the wake of the failure of the Jan. 9 meeting between U.S. Secretary of State James Baker and Iraqi Foreign Minister Tariq Aziz, Ibero-American politicians and public figures responded with near panic, as they suddenly woke up to the reality that war was imminent, bringing with it devastating effects for their own economies. Since Jan. 9, many nations have announced drastic emergency plans, political leaders have warned of everything from Iraqi terrorist attacks on their oil fields to a U.S. military takeover of their fields, and religious and other leaders have issued statements forecasting economic catastrophe.

Nowhere is the concern greater than in Brazil, the Ibero-American nation most heavily dependent on oil imports—they import 40% of their 1.1 million barrel per day (bpd) consumption. Awakening from a complacent slumber, the Brazilian government finally called an emergency meeting on Jan. 10 to deal with what Brazilian analysts began to call the coming “hecatomb” and “catastrophe.” According to participants, as reported in the *Jornal do Comercio*, the government had underestimated the likelihood of war, and was now in a panic over domestic fuel supplies. While the country has a 90-day supply of petroleum, it only has 45 days worth of diesel fuel, on which 80% of its transportation relies, and only 5 days of natural gas. As a result of the emergency meeting, President Fernando Collor de Mello reportedly approved a plan to ration fuel at the point hostilities broke out in the Persian Gulf. Speaking on Jan. 14, Justice Minister Jarbas Passarinho announced that the government was prepared to adopt a “war economy.”

In addition to shortages, Brazil will also suffer hefty oil price hikes, derailing the government anti-inflation program that was already in deep trouble. Monthly inflation has been accelerating back toward hyperinflationary levels, and oil at \$50 a barrel, much less \$75 or \$100, could push it over the brink. The prediction is that Brazil's GNP would fall by 10-15% over the next year under the combined impact of sharply higher oil prices and the other impacts of the Gulf war. Central Bank President Ibrahim Eris said that a shooting war would “prevent Brazil from continuing debt interest payments.”

In Mexico there is now great fear over what a war in the Middle East will do to the economy, despite the apparent benefit to the country from higher oil prices. The daily *El Universal* warned Jan. 14 that “the Mexican economic recov-

ery project is in grave danger,” referring to the multiple damage that will be done to the economy, including inflation, loss of export markets, loss of tourist revenues, increased interest rates, and drying up of investment capital. *La Jornada* warned a few days earlier that the government needed to prepare for new economic contingencies so as “not to be at the complete mercy of foreign vicissitudes,” referring to the Middle East crisis. The anti-U.S. mood in the country was reflected by the statement of Sen. Humberto Lugo Gil from the ruling PRI party, who warned Jan. 9 that Mexico must be prepared to reject the pressures from other nations, in reference to the U.S., that are trying to increase Mexico's oil export quota. And opposition PARM party leader Gastón García Cantú was covered on the front page of the daily *Excelsior* in a warning that the U.S. will not get away with “its policy of Hitlerian destruction” of the sort visited on Vietnam.

In Venezuela, the head of Military Intelligence, Herminio Fuenmayor, warned against the possibility of terrorist attacks on the oil fields. Former congressman Juan José Monsant, writing in the daily *El Nacional* Jan. 10, concurred that there was such a danger but added that Venezuela must also “foresee the necessity of the West making its military presence known in Venezuela to safeguard its strategic [oil] reserves, and this would constitute a national trauma.” Rumors of U.S. military actions toward this end were so widespread that the U.S. Embassy in Venezuela had to issue an official denial.

Other nations have also announced measures to try to protect their economies. Peru followed Brazil's lead and announced that it would ration oil if and when war broke out. Honduras started rationing even before the shooting started, and called on its people to sharply curtail their use of petroleum. In the Dominican Republic, where public sentiment is very strongly against the war, diesel fuel rationing has also begun, while the population is stocking up on canned goods and rice.

## Extreme vulnerability

In all likelihood, the effects of a prolonged military conflict in the Persian Gulf will be even worse than Ibero-America's worst fears. The economies of virtually every country are already at an extreme point of instability, where even a slight push from an external crisis such as this can be the impetus to uncontrollable financial crisis, hyperinflation, and collapse of production.

As the war approached, anti-war movements sprung up from Mexico to the Dominican Republic to Brazil, with large demonstrations in several countries, and a vocal public demanding their governments break with the United States. With the outbreak of hostilities, these movements can be expected to grow rapidly and possibly threaten the political stability of those governments that stick to their current strongly pro-Bush attitudes.

# Free market economics aids Colombian narcos

by Gerardo Terán Canal

The Colombian government of President César Gaviria announced on Jan. 9 that it was imposing a staggering 100% reserve requirement on all new deposits in the country's banking system. This means that the banks will not be able to lend out a penny of new money deposited as of that date, which will drastically reduce the availability of credit throughout the financial system. Although Finance Minister Rudolf Hommes explained that the purpose of the measure was to "control the rate of inflation, by hook or by crook," the more important immediate result will be to drive the entire Colombian economy further into the waiting arms of the drug cartels. The cartels, with their billions of dollars of hot money, will now be virtually the only source of liquidity for any and all business activities in Colombia—including heretofore legitimate ones.

In announcing the measure, Minister Hommes explained that the government wants to send a clear signal that it is serious about its anti-inflation program. The tight money policy, he stated, would be continued indefinitely, until there are clear signs that the rate of inflation is slowing down.

The government's move was triggered by the announcement by the National Department of Statistics, that inflation for 1990 had exceeded 32%—the highest level in 30 years.

The new reserve requirement is only part of the Gaviria government's foolish free market strategy. The government has also stated that its goal is to reduce the budget deficit to 1% of GNP. Expenditures on health, urban infrastructure, and other social programs, will be frozen, as part of the plan to keep the growth of expenditures down to 22% this year, which is also the target for inflation for 1991. But with inflation now running at over 32%, this means a 10% *reduction* in real expenditures.

One good example of what this policy is producing, is the suspension of the government's malaria vaccination program in the Tumaco region, which was being pioneered by the Colombian scientist Manuel E. Patarroyo, the inventor of the anti-malaria vaccine. Dr. Patarroyo recently announced that he was leaving Colombia, for lack of govern-

mental support for his research and activities in this crucial area.

## Budget cuts not curbing inflation

Of course, none of this dismantling of necessary social programs is having the slightest effect on inflation. Over the last four months of 1990, public service rates rose by an average of 70%, and a new rise of 22% has just been announced. Gasoline prices were raised by 22%.

In the face of this breakaway inflation, the government has only authorized a 26% increase in the minimum wage—6 points below the inflation rate. Needless to say, the Colombian trade union movement has strongly protested this inadequate increase, and went so far as to call a national strike back in November to try to get the government to change its mind. But the strike failed, and the 26% figure held.

The other anti-inflationary measures being taken by the government are in the area of opening the Colombian economy to foreign imports. Right after the 1990 figures were announced on Dec. 26, the government announced a decree eliminating import tariffs on those products that were declared responsible for the high cost of living: toothpaste, toilet paper, soap, and staples like potatoes.

Tariffs on other products will also be eliminated, in order to "punish" inefficient Colombian businessmen, despite the fact that this will mean throwing thousands out of work. What the government has refused to admit, is that one of the main reasons prices of locally produced items have been rising, is that the cost of their imported inputs has soared principally because of the devaluation of the Colombian currency vis-à-vis the U.S. dollar.

## Gaviria supporters breaking ranks

In the face of these policies, political sectors which had heretofore been among President Gaviria's strongest supporters, are breaking ranks, and predicting utter economic chaos unless these policies are reversed. Particularly significant were the editorial remarks of Fidel Cano Izasa, in the Jan. 4 issue of *El Espectador*: "The price rises, especially those of gasoline, are being adorned with lies, plain and simple, saying that they do not affect the cost of living. They are promoting the [economic] opening by sacrificing workers with wages of hunger and contractual conditions which leave them at the mercy of their employers. The government decided to trade high prices for violence; it will soon reap the fruits of an economic policy that ignores the burning reality of the majority of the population. The government is governing with giggles and practical jokes, behind the back of popular hunger. A country in the hands of a playful kindergarten."

Cano, one of the most respected newspapermen in the country, went on to call for the replacement of President Gaviria: He suggested that the upcoming Constituent Assembly convoke new presidential elections in the immediate future.

# Will California get smart about water?

by Pamela Lowry

There are signs that the ongoing battle in drought-stricken California over diminishing water supplies is about to enter a new phase. As southern California's Metropolitan Water District voted Jan. 8 to move to the third of its five-phase water restriction plan, five years of drought have begun to raise questions about the wisdom of 20-odd years of environmentalist strictures against building large-scale water projects, projects which could now be mitigating the drought's effects.

Last September, the *Los Angeles Times* reported that "with counties broke, schools in decline, public health a disgrace, and highways in disrepair, a new water system is hardly an urgent necessity." On the contrary, recent events suggest that there is a growing demand for exactly that.

For example, in 1972, environmentalist pressure convinced the voters of the northern California counties of Marin and Sonoma to reject a plan to cooperate in sharing water from the Russian River. Now, those counties are taking measures to implement the plan, whose 10,000 acre-feet of water per year will allow Marin County to lift its water rationing regulations.

## Conservation or water development?

In the California statehouse, Republican State Sen. Matt Maddy has proposed building additional dams and reservoirs to ensure a continued water supply for the state. According to the opposing environmentalist faction, damming rivers only destroys wetlands, for the benefit of greedy and wasteful farmers. The drumbeat in favor of destroying California's irrigated agriculture, which supplies a large proportion of the nation's food supply, is exemplified by State Senate Leader David Roberti, who proposed writing a new state water plan which would include mandatory water conservation for farmers and other agricultural users. He said he had been told that "much of the urban problem would be solved" by a 10% agricultural reduction of water use. This "solution" has been consistently pushed by environmentalist scribblers like Marc Reisner, who contend that California is "squandering water" in an arid desert that has no business sustaining so many people.

With the defeat of Proposition 128, the "Big Green" ref-

erendum, in the November elections, environmentalist pressure has merely taken another tack. The *Los Angeles Times*, even before the defeat, argued that the machinery was already in place to implement the proposition, even if it were to be defeated. This confidence stemmed not only from the passage of draconian federal regulations like the Clean Air Act, but from the fact of the ongoing takeover of public and private utilities by hard-core zero-growthers. At the Los Angeles Department of Water and Power, the nation's largest public utility and historically one of the bastions of pro-nuclear, pro-water, and pro-development outlooks, the environmentalists now control a majority of the board.

What the environmentalists hope, in the face of emerging rejection of no-growth, anti-population policies, is that they can maintain the conflicts between city-dwellers and farmers, northern California and southern California, industry and agriculture—all in the name of deciding who will get the shrinking supply of water. This has led to some strange goings-on: Some environmentalists find themselves defending the electronics industries of Silicon Valley, which need large quantities of water to flush the chemicals used to etch printed circuit boards, against the "greed" of those who want to raise food.

## Farmers in desperate straits

California farmers, scheduled to be the first group eliminated from access to water, find themselves urged to view water as a "cash crop" which they will sell to parched cities or wetlands reclamation projects. This precedent has already been set on the California-Nevada border at the town of Fallon, where farmers are directed to sell their water to flood the Stillwater Wildlife Management Area. So far, the only taker has been the Nature Conservancy group, which has tried to set an example to protesting farmers by selling 5,000 acre-feet of water for a cool \$1 million.

The cruel bind faced by farmers and ranchers who are trying to survive the drought, while waiting for more large-scale water infrastructure to be put into place, is exemplified by the situation of wool-growers in Marin and Sonoma counties. There, a fungus called ergot grows naturally on grass in the cool, moist climate near the coast. A relative of LSD, the fungus kills sheep during lambing season, but its effects are minimized when spring rains wash it from the old grass and new grass grows in its place. However, drought conditions this year mean that the old grass contains lethal doses of ergot. Many ewes have died before their lambs were born, and the alternative of feeding them hay is unavailable to many ranchers, because the drought has driven the price of hay to \$145 a ton. Even were the farmers able to make the investment, it would only leave them further in debt, because the consolidation of the area's sheep markets into a single remaining one at Dixon has fixed the price of fat lambs at 49¢ per pound, whereas last year the going price was 57¢ per pound.

# Space programs retrenching in many nations; manned efforts suffer most

by Marsha Freeman

At the same time that the plans of the U.S. space program and the National Aeronautics and Space Administration's (NASA) budget have been under attack, the space programs in the Soviet Union and in Europe have also been contracting. Budget squeezes in every major space-faring nation except Japan are throwing long-range projects into chaos, and disrupting short-term space operations.

The most dramatic situation is that in the Soviet Union, where the visible civilian space effort is only a small portion of a much larger military capability, and, unlike the U.S., the two programs are intimately intertwined. There is *no* indication that there has been *any* pull-back or slow-down in Soviet strategic military space capabilities, such as beam weapon defense, anti-satellite systems, or reconnaissance satellites. In fact, with the increasing militarization and attempted re-centralization of Soviet foreign and domestic policy, it can be expected that these military space programs will accelerate.

But the chaotic domestic Soviet economic situation has led to a contraction of the more expensive manned space programs. According to analysts of the Soviet program, the civilian space budget has been cut by about 10% in each of the past two years.

James Oberg, a specialist on Soviet space affairs, has termed this a "major retrenchment". Oleg Y. Firsyuk, vice chairman for international affairs of the Soviet government-run Glavcosmos space agency, has described the country's spending on space as being in an "unstable position," according to *Aviation Week* magazine.

One problem has been the loss of centralized control. Manufacturing facilities that supply components and completed devices for the space program have shifted to produce items of more local interest than spacecraft. On Jan. 8, the *New York Times* quoted Nikolai N. Ponomarev-Stepnoi, deputy director of the prestigious Kurchatov Institute of Atomic Energy, that a factory that made space reactors "is now being converted for the manufacture of automatic systems for producing, of all things, milk cartons."

On Nov. 23, a Gorizont communications satellite was launched, which is owned and will be managed by the Russian Soviet Federated Republic, and which paid the Soviet Defense Ministry to launch it. This state of program organization would be comparable to the state of Alabama launch-

ing its own communications satellite, which could lead to a chaotic situation in terms of achieving an overall space program objective.

## Soviet manned programs suffer

A series of manned space stations has been the jewel of the public Soviet space effort since the early 1970s. The Soviets hold all records for long-duration manned space missions. When the currently operating Mir space station was launched in early 1986, it was advertised as the first permanently manned space station. Yet, in 1988, it was vacant for four months, as the Soviets decided not to send a crew to man the station. Three-man crews have now been replaced by two-man cosmonaut teams.

The Mir station is of a modular design, with six docking ports around the central core. The announced plan was to have four major laboratory and living modules docked to the Mir by 1990, to extend its capabilities. So far, only two have been added. Both technical and budgetary problems have been cited as the causes.

Instead, the Soviets have attempted to commercialize the Mir, in the same way they have desperately tried to attract foreign currency by offering to sell space services such as Proton booster launches and Earth remote-sensing images. The Japanese Tokyo Broadcasting System recently paid the Russians over \$12 million to fly a journalist to the Mir, and other deals are in the making. U.S. companies, frustrated with the equivocation surrounding the Space Station Freedom, are contracting laboratory space for science experiments aboard the Soviet station. It has recently been mooted that a U.S. astronaut will train for a stay on the Mir, and that a cosmonaut may participate in the U.S. program.

One of the most mysterious Soviet space capabilities has been the Buran Space Shuttle, modeled after the U.S. Space Shuttle orbiters. The Buran underwent its first flight test in November 1988 in an unmanned, automatic mode. The Russians announced that it would be flown manned "soon," and would make up to four flights per year to the Mir, but it has not been tested since its maiden flight. James Oberg has commented that the "question is not when, but if, it will ever fly again."

The empty, previous-generation Salyut 7 space station is currently heading toward a fiery Earth reentry in the next few weeks, because the Soviet shuttle was not ready to rendez-

vous with it to bring at least parts of it back to Earth, as had been planned.

In May 1987, the Soviets flight-tested their Energia heavy-lift rocket, which is the first such heavy-lift capability developed since the U.S. ended production of the Saturn V. Two years later, after flights were delayed due to technical problems, a formal announcement was made that the flight rate would be slow due to a lack of payloads. One primary mission for the Energia had been to carry the Buran shuttle into Earth orbit, but that launch schedule has been stretched out.

Soviet officials have also stated that budgetary constraints meant that space science payloads would not be ready on time. The next launch of the Energia was supposed to have been in 1990, but it never took place.

In September 1989, Boris I. Gubanov, Energia's chief designer, explained that 1.2 million people in the Soviet Union were employed in the Energia and space shuttle programs. "If we start implementing an austerity plan, we'll destroy everything we've done up to now," he stated. Later that year, the 1990 Energia launch was canceled, with the next planned flight some time in 1991.

### **Soviets selling space reactor to U.S.**

The most recent indication of how anxious the Soviets are to gain foreign currency, is the announced sale of a Topaz space nuclear reactor to the United States. The Soviets have used a family of space nuclear reactors, primarily for ocean reconnaissance satellites, for a number of years. The U.S. is not planning to fly such a reactor until near the turn of the century.

One year ago, Soviet scientists attending the annual conference on space nuclear power in Albuquerque, New Mexico, astonished the audience by declassifying the advanced Topaz nuclear design in technical papers they presented. A U.S. company offered to broker the technology, and apparently the offer has been accepted.

The newly won independence of nations in Eastern Europe has also put pressure on the Soviet space program. The fine technical capabilities of the Carl Zeiss company, formerly in East Germany, for example, which has years of experience in developing space optics systems, will now be coordinated with programs in the former West Germany, and will be less integrated with the Soviet programs.

But the situation is not unique to the U.S.S.R. Large Western European space projects have come under heavy budgetary attack as well.

### **European, U.S. programs cut back**

For the past few years, there has been pressure from the British government to cut-back spending by the European Space Agency (ESA) on its large, manned programs, and more recently, pressure had come also from West Germany. The Europeans have committed to build the Columbus laboratory module for Freedom, in addition to an unmanned free-flyer for experiments coordinated with the Space Station. As

well, the French have organized an effort to build a small European space shuttle called Hermes, which other European nations are contributing to. The Ariane 5, which will be the launch vehicle to carry the Hermes and will be the first European booster reliable enough to carry astronauts, is also under development.

This year, all three projects will move from the design to the hardware stage, if ESA members decide to proceed, which will involve an approximate \$12 billion price tag for all three programs. Britain has opted out of participation in Hermes, Ariane 5, and Columbus, stating that it is too risky and costly, and also unnecessary for Europe to have an independent manned space capability. There have been technical design problems with Hermes, and doubts about the U.S. commitment to Freedom.

In October, Wolfgang Wild, the director of the German Space Agency DARA, called for the stretchout of both the Columbus and Hermes programs at the annual meeting of the International Astronautical Federation held in the German city of Dresden. Three years ago, Germany requested that the ESA budget be cut 15-20%. West German aerospace managers have pointed out that the economic strain of the unification of Germany will translate into less money available for the space program.

This spring ESA officials will make decisions which will determine the direction of the European space programs to the turn of the century. At this point, member nations are not confident they can continue to finance a full range of manned space programs, while pushing forward on the high-quality technologies for planetary and space science.

In the United States, there has been virtually no institutional opposition to the demoralized recommendations of the Advisory Committee on the Future of the U.S. Space Program to, in effect, phase out NASA's manned space programs. In hearings on Jan. 3 before House Committee on Science, Space, and Technology, Advisory Committee chairman Norman Augustine stressed the belief of the group that there is no future for the U.S. in space.

Augustine repeated to dismayed committee members the unsupportable belief that there is a "lack of consensus of what should be the goals" of the U.S. space program. Rep. Glen Browder (D-Ala.) asked the most profound question to the witness, regarding the committee's proposal that the manned missions to the Moon and Mars be undertaken only as the money becomes available. "Do you have any evidence to show that a go-as-you-pay program is not a not-going-anywhere program?" Browder asked. He reminded Augustine that the history of the space program showed that great things were accomplished when there were "bold goals."

Augustine responded that the difference with the Apollo program is that we then "thought we were in a race with the Soviets," and that more of GNP was being spent on space than "we would propose, even as advocates of the space program," today.

## Cartels move in on eastern Germany

*From the frying pan of communist collectivization, farmers are now being thrown into the fire of cartel dictatorship.*

**S**hady deals are now in the works between mega-brokers in the international food trade, and chairmen of the collectivized farms in eastern Germany, to create giant counterparts of the vertically integrated, or "factory" farms, which the cartels have imposed in the United States. This could provide special interests, such as Britain's Lonrho, with "food power" weapons to wield in any way they choose.

The ugly threat has come about because of the continued laxity of the German government in doing anything to dismantle the communist system's agriculture collectives, and to restore private family farms.

Under the East German communist party after World War II, individual private farms were forcibly agglomerated into collectives (LPGs) of 10,000 acres and more. Central management bureaucracies ran the farm operations, with, in many cases, former farm owners working as employees. Over the last 18 months of the creation of the free, unified Germany, these collectives have been hit hard by low prices for their output. Most LPG bureaucrats have resisted restoring private farms, and many have succumbed to dealmaking with Western cartel companies.

The newest model for such a deal is that of the Börde Agro AG, a new business set up in mid-December in Hamburg, long a center of grain market control. ADM, the world soybean giant, runs its European operations through the old Hamburg company Toepfer, with which ADM has merged.

Börde Agro plans to contract for

use of 123,000 acres of prime farmland in the vicinity of Magdeburg. The chairman of the board of Börde Agro is Peter Rothe, who is also chairman of the board of Getreide Rendsburg, an international trading house for grain and farm supplies. In a recent interview, Rothe stated bluntly that he considers the LPG collectives to be the "best structure in agriculture," and "absolutely the most worth saving."

Rothe referred to the ease with which the land can be grabbed and assembled into huge parcels for factory farming. He has ordered his company officials to stay in the background, and to work through fronts.

The desperate bureaucrats of the LPGs have been lining up land for Börde to acquire. Others in the market include the Munich-based Associated Livestock Processors, Krupp-Lonrho in Dortmund, and Agricultural Products AG in Saxony.

A middleman's fee of 300 deutschemarks per hectare is a sweetener for the LPG chairmen, who are trading and closing contracts over the heads of the rightful owners of the farmland, i.e., the members of the collectives. The bureaucrats are using persuasion and subtle threats and even violence to silence any farmer opposed to the transfer of land for the use of the cartel companies. Cartels are also lining up use of land under government control intended for "land reform."

Börde Agro plans to provide the inputs to the collective farms on favorable terms, and then relieve them of their entire crop. In this way, the col-

lective ends up with only one supplier, and one customer, to whom they are contractually bound, and who can dictate the details of their operations and decide whether they survive or fail.

Sound familiar? The cartel company officials will function just the same as the officials of the East German communist Management Districts to give orders to the LPGs.

The conglomerates in question will be able to use their command and control over the collectives to force low prices, and intervene on international commodity markets. The grain traders boast that any losses will go on the books of the collectives, not on the accounts of Börde Agro.

Justification for this transformation of Marxist collectivized farms into free trade factory farms has come from a gallery of pathetic agriculture economists in Germany and in the United States. Prof. Edgar Harsche of the University of Giessen issued a piece last year called "German unity: the end of the model of the independent family farm?" Harsche wrote that the family farm was "obsolete," and that free market wage labor in agriculture was the wave of the future. He praised the "organization innovations" under way, including how LPGs might privatize themselves into cooperatives, or limited partnerships, and lease their land.

Over the past few months, LPG chairmen were shuttled through crash courses at expensive West German managerial schools, where, following Harsche's line, "the ideology of the family farm was critically questioned," and shown to be "absurd in general practice."

At Iowa State University, Prof. Neil Harl, considered to be the guru of agriculture economics in the United States, has likewise developed courses in "free market" agriculture for Eastern Europeans.

## **Brazil's patrimony ambushed**

*In his zeal to "internationalize" the economy, Collor is serving up the state sector on a silver platter.*

**P**resident Fernando Collor de Mello's economic cabinet has announced that the next sacrificial victim of its failed anti-inflationary policy will be the wealthy Brazilian state sector. It, and the private companies associated with it, will be offered up to the creditor banks as tribute for "inserting" the country into the internationalized free market economy which President Bush has been peddling.

Following a visit from Trilateral Commission banker David Rockefeller to Brazil in December, the Collor government agreed to submit to the scheme of swapping its foreign debt for equity, a scheme it has resisted since former Secretary of State Henry Kissinger first launched it in 1983. And thus it is revealed that the government's so-called toughness in its negotiations with the banks is nothing more than theatrics, to divert attention from the most scandalous surrender of the national patrimony in the country's history.

In fact, when talks with the steering committee of creditor banks resume shortly, the Brazilian government will offer as its "trump card" the green light that central bank president Ibrahim Eris gave on Jan. 4 for "conversion of debt into fixed assets." That is, bankers with worthless foreign debt paper will be able to capture whole chunks of national equity.

Eduardo Modiano, president of the National Economic and Social Development Bank (BNDES) and president of the Commission for Privatization, gave an interview to *Jornal do*

*Brasil* Jan. 6, in which he explained that the objectives of the privatization plan have nothing to do with encouraging productive investments. "The idea is that resources derived from the sale of state companies be used principally to rescue internal and foreign debt. . . . We are talking about selling assets worth \$18 billion, through the end of 1992."

The government, in its zeal to accelerate the privatization program, has added to the number of companies on the block, to include the National Steel Company of Volta Redonda and the Rio de Janeiro electrical company, Light.

Modiano frankly admitted that his sole function is to bolster the value of the international banks' debt holdings by plundering Brazil's patrimony. "To the extent that the government is privatizing and thus reducing its debt, the debt will begin to be worth more. That will be the point at which debt holders will be more interested in exchanging it for state sector assets."

In its drive to internationalize Brazil's economy, the economic cabinet is trying to force changes in the Constitution which would, among other things, permit changing the percentage that today limits foreign investment in public companies to 40% of voting capital, thus allowing de facto foreign takeover of the companies. Central banker Eris, in a Dec. 23 interview with *Folha de São Paulo*, denigrated the 1988 Constitution as "inflationary," because of the social obligations it imposes on government.

The BNDES's Modiano cynically explained to *Jornal do Brasil* that, "case by case, the law allows us to consult Congress to increase the participation of foreign capital now limited to 40% of voting capital. However, there is no limit to non-voting stock . . . if we keep that structure, foreign capital could retain nearly 80% of total capital."

Economics Minister Zelia Cardoso de Mello told a cabinet meeting on Jan. 4 that this ambush of the public sector will include drastic cutbacks in state sector investment, equivalent to 1% of GNP. Such a measure will not only dramatically worsen the economic depression, but also the financial problems of the public sector itself, thereby increasing their vulnerability to takeover.

To complete this assault on the state companies, it is rumored in Brasilia that the government will shortly be declaring a moratorium on the \$10 billion in debt that the state companies have with the private sector. This will in turn unleash a chain reaction that could collapse a substantial portion of the capital goods industrial sector centered around such energy giants as Petrobras and Electrobras, the most powerful in all of Ibero-America.

It could even reach the state banks which hold a large part of that debt. On Jan. 11, M.F. Thompson, vice president of the Brazilian Association to Develop Basic Industries, warned that "the major creditor of the state companies is the state banking system. The BNDES, for example, holds \$2.5 billion from the steel and electric sectors alone. . . . Some state companies are also creditors of other state companies. Last November, Petrobras held nearly \$1.2 billion worth of credits, \$470 million with the electrical sector, \$140 million with Siderbras, [and] \$53 million with the Federal Rail System."

### India goes to the IMF

*The loan package is almost finalized, but the Gulf war could still blow it to bits.*

**B**urdened with a massive \$62 billion foreign debt and depleted foreign exchange reserves (which dipped to a mere \$1.33 billion, or two weeks of imports, in mid-December), as well as a chronic balance of payments crisis, Indian officials are now in Washington, D.C. negotiating with the International Monetary Fund for a \$1.5 billion loan. The IMF has said it will also make available a stand-by credit and assistance to the tune of \$400-800 million under the Compensatory and Contingency Financing Facility.

The talks have reached an advanced stage, according to Asian News International (ANI), and it is expected the loan will be finalized by the end of January. Although neither the size nor category of the loan has been determined, it is reported here that the IMF will impose conditions requiring India to cut farm product subsidies, reduce annual budget deficits, and slash non-developmental expenditure. A senior IMF source told ANI that "intense negotiations" were under way on the economic and fiscal adjustments demanded by the IMF.

India's decision to go to the IMF was finally taken by the present Chandra Shekhar government, but the seeds were sown earlier. Previous Prime Minister V.P. Singh's finance minister, Madhu Dandavate, a self-proclaimed socialist, stated several times that despite his misgivings about conditionalities, India would keep open the IMF option.

In subsequent months, particularly after details of the V.P. Singh government's disastrous economic dispensation became known, pressure to

go to the IMF increased. Except for a few die-hard Marxists, all and sundry who comment on the Indian economy had reached unanimity that the IMF loan was necessary.

Some, like Pranab Mukherjee, finance minister of the late Prime Minister Indira Gandhi, have pointed out that the loan India took from the IMF in November 1981 in fact helped strengthen the economy. In 1981, India negotiated a \$5.8 billion Extended Financing Facility loan. India declined to take the last tranche, and ultimately used about \$4.52 billion of the loan. But due to the subsequent sharp devaluation of the Indian rupee against the IMF's Special Drawing Right (SDR), India has had to repay twice as much as it borrowed in rupee terms. The last repayment is due in February.

Mukherjee acknowledges that the large loan repayments to the IMF during the latter half of the 1980s did aggravate the balance of payments, but maintains that at the time, India got the loan on favorable terms. The "structural adjustment" demanded by the IMF was incorporated into the Sixth Five Year Plan (1981-85)—one might say "buried" there. And, as Mukherjee points out, the adjustments did not hamper subsidies to the needy, nor were public sector units closed down or handed over to the private sector.

Indeed, India's ability to resist conditionalities that are not consistent with real development needs and the country's own economic strategy, is well established. The bigger problem is the prospect of a prolonged war in

the Persian Gulf, which would certainly blow holes in all calculations. In the event of continuing crisis in the Gulf, \$1.5 billion will do little to aid India's foreign exchange crisis.

For starters, India imports about 50% of all the petroleum and petroleum products it consumes, the bulk of it from the Gulf. Besides proximity, which reduces shipping charges, Gulf crude oil is cheaper to refine. India has been negotiating with non-OPEC members for alternate supplies, but it is already clear that their exorbitant shipping charges and poorer quality will drastically raise oil prices within India. This will affect not only mass transportation, but industry and agriculture as well.

With limited foreign exchange reserves and ballooning foreign debt, India will be forced to slash imports of essential raw materials, intermediate goods, and capital goods, to sustain the essential petroleum product imports.

Further, a Gulf war will trigger a contraction of world trade, at a time when it is more urgent than ever that India boost exports.

India's frantic attempts to muster bilateral assistance from the oil-rich Gulf nations have so far yielded little. Proponents of the IMF loan point out that it will enable the government to go to the international commercial markets for further borrowings.

In this view, the IMF loan would raise the international market's confidence, which took a dive last year when both Moody's and S&P downgraded India's credit-rating by a notch. Then, India could get loans at reasonable rates of interest and repayment terms.

It is evident, however, that there is no real thinking here about how the debt will be repaid and what measures will be taken to reverse the chronic trade imbalances.



## Free trade zone spreads south

*Salinas met with the Presidents of Central America, and made them an offer they couldn't refuse.*

**M**exican President Carlos Salinas de Gortari hosted a meeting with his five Central American counterparts on Jan. 10 and 11, in the southern Mexican city of Tuxtla Gutiérrez, Chiapas, near the Guatemalan border. At the summit, the Mexican head of state offered that in exchange for supplying the oil-importing Central American nations with desperately needed petroleum at subsidized prices (a matter of life and death in light of the Persian Gulf war), they are to join Mexico in establishing a Bush-style "free trade zone" throughout the region.

When they left two days later, the heads of state of Guatemala, Honduras, Nicaragua, Costa Rica, and El Salvador had joined Mexico in signing the "Declaration of Tuxtla," which calls for establishing a regional free trade zone in Central America by 1996, with the intention of expanding it further south to include Panama, Colombia, and Venezuela.

In fact, Venezuelan President Carlos Andrés Pérez has offered to host a second meeting of the new grouping in Caracas at an unspecified date in the future.

Mexico is currently negotiating a landmark Free Trade Agreement with the Bush administration, under which the Mexican economy is becoming little more than an appendage of the U.S. New Age war economy. By dropping all protective tariffs and privatizing critical economic sectors, Mexico is abandoning all pretense of industrialization, accepting instead to become nothing but a supplier of cheap raw materials—oil in particular—to the United States.

The new Central American free trade zone means that those five econ-

omies will now in turn become extensions of the Mexican market—"appendages on the appendage," as one observer put it. In his speech to the group of Presidents, Salinas stated happily: "The program's objective is to form a free trade zone which will turn itself into the first region where Mexico has established an economic area of this type."

It is desperation that is driving the nations of Central America. They are totally dependent on oil imports, jointly importing in the range of 250,000 barrels per day—all of it from Mexico and Venezuela. With the United States putting enormous pressure on these two oil producers to increase their shipments to the U.S. because of the Gulf crisis, the Central Americans fear that they will be left high and dry—especially since they are all way behind in their payments to Mexico and Venezuela for oil already shipped. Nicaragua, for example, already owes Mexico \$1 billion—half of it for oil.

A number of the Central American nations have already adopted emergency measures to deal with the crisis. Honduras, for example, has begun to ration gasoline, and is planning to reduce automobile consumption by 50% at the moment that war begins in the Gulf.

A major feature of the Tuxtla meeting was thus to discuss how to handle energy emergencies that might result from the outbreak of war in the Middle East. The details of that discussion have not been made public, but one of the concrete results was the revision of the San José Accord, under which Mexico and Venezuela have been providing subsidized oil to their

Central American neighbors.

Under the new arrangement, which was co-sponsored by the Inter-American Development Bank (IADB), the consuming nations will pay 80% of their total oil bill (which has been running at about \$370 million per year) in hard currency to Mexico and Venezuela—who will in turn deposit that full amount into a new "co-financing fund" set up at the IADB. That fund will then be used to help finance "development projects" in the region. The Central American consumer nations will then pay the remaining 20% in local currency into their respective central banks. These percentages will hold so long as the international price of oil fluctuates between \$17 and \$27 per barrel. Should the price rise above \$27, then Central Americans would only have to cover 70% of the bill directly, paying the remaining 30% into their own central banks.

President Salinas was unabashed in advocating to his counterparts the need for them all to annex their economies to that of the United States, as Mexico is doing! In today's circumstances, he explained, no country can advance at all if it tries to do so "in isolation."

Speaking on behalf of all the Central American Presidents, Guatemala's Vinicio Cerezo agreed: To play a role in the great world transformation now under way, "we will have to do it jointly. . . . We are definitely initiating the new leadership of a great country, Mexico, that is inviting other countries of Latin America to share with us the destiny which we want jointly to forge."

Carried away with his own rhetoric, the lame-duck Guatemalan head of state expounded: "With this meeting we are initiating a new historical leadership. We Central Americans, Mexicans, and Latin Americans want to be the builders of our own destiny."

# Business Briefs

## Space

### U.S. to buy Soviet nuclear reactor

At the annual Space Nuclear Power conference which opened Jan. 7 in New Mexico, Sen. Pete Domenici (R-N.M.) announced that the U.S. government will be paying \$10 million to buy a Soviet Topaz 2 space nuclear reactor. As was reported in *New Federalist*, at the January 1990 meeting, the president of Space Power, Inc. announced that his company was selling the reactor for the Russians.

According to the *New York Times*, the aim of the purchase will be to learn about the Soviet technology, not to use the reactor. Though the U.S. pioneered the development of space nuclear power, when the plans for manned Mars missions were canned in the early 1970s, so was the research and development program. Though the Strategic Defense Initiative (SDI) breathed some life into space nuclear power, the demise of the directed energy programs pulled Defense Department support out from under space nuclear power.

The Soviets have developed new materials and energy conversion technologies to produce electricity from the heat of fission, and by default, are years ahead of the United States.

## Health

### Puerto Rican infants have bleak survival rate

According to researchers at the Centers for Disease Control in Atlanta, Georgia, Puerto Rican infants have the highest infant mortality rate among Hispanics in the United States.

Puerto Rican babies born in the continental United States have a 50% greater chance of dying before they reach the age of four weeks than babies born to non-Hispanic whites. The risk increases with infants born in Puerto Rico. Infants born on the island had a 130% higher risk than for non-Hispanic whites, according to another study in the *Journal of the American*

## Medical Association.

A University of Texas study found that more Hispanics lack health coverage than any other U.S. ethnic group.

Health insurance coverage in Texas was found to be generally declining by a Texas Department of Human Services study. More than 3 million Texans reportedly have no health insurance—400,000 more than in 1985—and another 3.73 million cannot pay the difference between what they are billed and what the insurance costs, according to the Jan. 12 *Houston Chronicle*.

## AIDS

### African women seen as victims in 1990s

"Women and AIDS in the 1990s," a new World Health Organization analysis, sees a rapid worsening of the spread of AIDS. "WHO estimates that AIDS will kill at least 2 million women during the 1990s, most of them in sub-Saharan Africa," WHO's press release reads.

"An estimated one in 40 women in sub-Saharan Africa is already infected with HIV," it continues. "Elsewhere, for example, one in 500 women in Latin America and one in 700 women in North America is infected. In Asia, and particularly in South and Southeast Asia, recent data indicate that within the past three years alone, close to 200,000 women may have been infected.

"In some cities in sub-Saharan Africa, up to 40% of men and women may be infected with HIV, and these infection levels will cause a doubling or a tripling of the total adult mortality rate during the 1990s. They will also cause up to a 50% increase in the child mortality rate, thus wiping out the gains in child survival laboriously achieved over the past decade.

"WHO estimates that approximately 30% of infants born to infected mothers will become infected with HIV before, during, or shortly after birth. A cumulative total of as many as 10 million infants will be born infected with HIV worldwide by the year 2000."

Meanwhile, Uganda's President has stated that his country will have only 20 million citi-

zens in 2010, instead of the projected 37 million, due to AIDS. Six million children will be orphans by then and more than 1 million citizens are already infected, he added. Zimbabwe's President also sounded the alarm: He estimates that 490,000 of his citizens will die of AIDS within the next 10 years.

All hospital beds in South Africa will be occupied with AIDS patients in the next seven years, Professor Odendaal of Stellenbosch University warns.

## Biological Holocaust

### AIDS, TB linked, warn German researchers

The December 1990 issue of the German magazine *AIDS Forschung (AIDS Research)* reports a lecture on "Tuberculosis in AIDS" by Peter Eriki, presenting a review of the consequences of the HIV epidemic for the global incidence of tuberculosis:

"About one-third of the world population is infected with tuberculosis (in developing countries, about 80% of the adult population). At the present time, about 20 million suffer from active tuberculosis, and every year an additional 3 million develop the disease. Among infections caused by bacteria, tuberculosis is the most important cause of death. Globally, about 2 million individuals are simultaneously infected with tuberculosis and HIV (1.5 million of these in Africa, 300,000 in South America, and 100,000 in North America).

"Because of activation of tuberculosis in HIV-infected persons, an increase in active tuberculosis is seen since 1984-85 in areas of Africa having a high prevalence of HIV. . . . In Africa, persons with active tuberculosis exhibit about a six-fold higher HIV prevalence (20-60% anti-HIV positive) than comparable population groups without active tuberculosis.

"Until 1986, the HIV epidemic probably caused more than 9,000 additional cases of tuberculosis in the U.S. . . . This increase affected mainly blacks and the 25-45 year age group."

According to Eriki, "Programs to control

tuberculosis have top priority within any HIV prevention strategy. Tracing of contacts of persons with tuberculosis, and tuberculin testing of contact persons, are essential elements of such control programs."

### **Ecological Fascism**

## **DDT ban spreads malaria in Brazil**

A million more Brazilians fell victim to malaria in 1990, according to the Health Ministry's National Epidemiological Center, as environmentalist policies have halted the use of DDT to control mosquitoes. Most of the malaria cases are in the Amazon, with 150,000 in the city of Manaus alone.

The health authorities of the previous government ordered 3,000 tons of DDT from Indonesia in 1989. By the time it arrived in June, the new President, Fernando Collor, had ordered the health authorities to limit the use of DDT against malaria, and Environment Secretary José Lutzenberger intervened directly with the health ministry to stop all use, until there was a full environmental impact study. At the end of December, the solicitor general asked for a total halt of DDT use.

National Health Foundation chairman Waldir Acoverde responded, "Despite the appeal from the solicitor general, we have two choices at the moment for the Amazon Region: DDT or malaria."

Acoverde noted that in 40 years of using DDT against malaria in Brazil, there has been no contamination problem. In the early 1940s, Brazil had 6 million malaria cases per year. With the DDT campaigns, this fell to 50,000 by the early 1970s. Since then, with the opening of the Amazon to settlement under World Bank conditions, new cases grew to 660,000 in 1989 and 1 million in 1990.

World Wide Fund For Nature spokesman Theo Coburn charged, "DDT is going to penetrate the aquatic system and the jungle food chain. This will poison birds and fish, harming their reproductive system and weakening their eggs."

### **Development**

## **Japan building infrastructure, markets**

Japan is providing more than \$2 billion of bilateral aid annually to the nations of South Asia, to build up the infrastructure of poorer nations and increase the markets for its own companies, the *Washington Post* reported Jan. 12.

Japan's Overseas Economic Cooperation Fund (OECF) provided \$222 million to India, \$218 million to Bangladesh, \$92 million to Sri Lanka, \$88 million to Pakistan, and \$21 million to Nepal in 1989.

Total OECF aid rose from \$2 billion in 1980 to nearly \$7 billion in 1989.

### **Labor**

## **'Mild' recession to triple homelessness**

A study by Rutgers University estimates that 10-14 million people will become homeless in the United States over the coming year because of the "mild" recession. The current estimate of the U.S. Census Bureau is 3-4 million homeless.

According to the National Coalition for the Homeless, the new homeless are those who were formerly employed in heavy manufacturing, mining, and the petrochemicals industry. At the same time, cities' budgets are being cut, and shelters are disappearing. Some cities are razing shelters for the homeless and building convention centers. Investors, meanwhile, can no longer expect tax breaks if they invest in shelters.

In many cases the homeless are the new "walking dead." One estimate puts the number of AIDS cases among the homeless in New York City at nearly 12% of the street population, or about 13,000 people. In other cities, there are outbreaks of cholera and TB. The sick don't have the strength to go from agency to agency for help; and are unable to work, so they cannot get the health insurance for adequate medical care.

# Briefly

● **A RECORD** 768 U.S. corporate credit ratings were downgraded by Standard and Poor's in 1990—double last year's record-setting level—while just 189 were upgraded. The volume of corporate downgrades was \$510 billion, compared to \$174 billion in 1989.

● **THE ENVIRONMENTAL** Protection Agency will spend \$210,000 on a three-year study to determine the effects of cow belches on so-called global warming. Three scientists at Washington State University said that they will study how much methane gas cows and other cud-chewing animals produce when they belch.

● **AIDS** was apparently transmitted by one football player to another during a collision in a game in Germany in December 1989 in which both were left bleeding, researchers report.

● **'THE PSYCHOLOGY** of fear is beginning to take hold," said the Jan. 8 *USA Today*, "One of the most enduring and vivid images of the 20th century is the run on the bank. Seared into the national consciousness is the sight, the sound, even the smell of fear as panicked customers" demand their money.

● **500 MILLION** square feet of office space is vacant in the U.S. Behind that empty space, the Jan. 13 *New York Times* warned, stands the U.S. banking system. According to a study by McKinsey and Co., if commercial real estate values fall 20-25%, it will cost the FDIC \$20-40 billion over the next few years.

● **ALCOA** has announced that it will write off \$275 million in the fourth quarter of 1990 to cover costs of abandoning most of its non-aluminum operations, including the new technology areas of ceramics and composites.

## The banking crisis that never had to happen

by Chris White

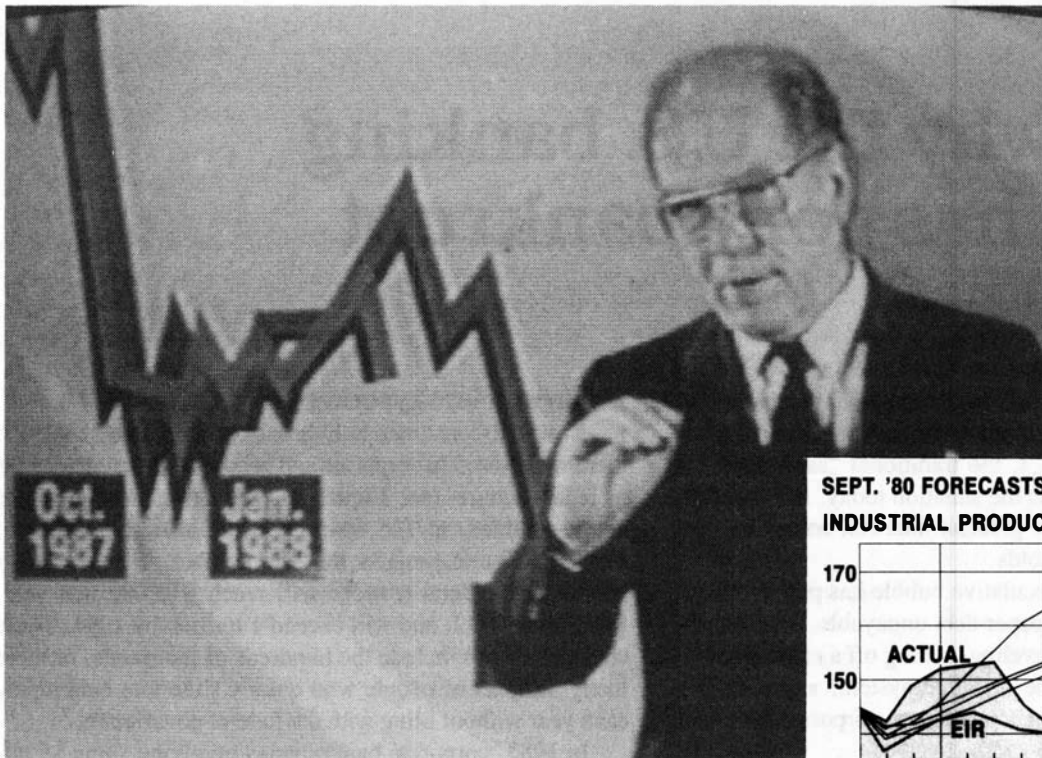
On Jan. 6, the Boston-based Bank of New England was closed and taken over by the federal government. The next day, the holding company filed for Chapter 7 involuntary bankruptcy. The collapse of the Bank of New England ushers in, with the new year, the imminent prospect of a new round of bank failures, as panic-stricken depositors withdraw their funds, as they did in Rhode Island and from offices associated with the Bank of New England.

Academic economist Paul Samuelson, one of the 1960s authors of the so-called “built-in stabilizers” which supposedly would ensure that a 1930s-style economic depression and banking collapse would never happen again, complained bitterly that the recent developments in New England were an anachronistic throw-back to earlier days, which ought not to be happening. Unfortunately, they are happening. And, leaving Samuelson and his like aside, there really ought not to be such surprise.

The newly erupting banking crisis is among the leading symptoms of the reality that the economy of the United States is, and has been, in depression. If the lessons of the 1920s, of the administrations of Calvin Coolidge and Herbert Hoover, had been learned and understood, then maybe it wouldn't have happened. But they were not learned.

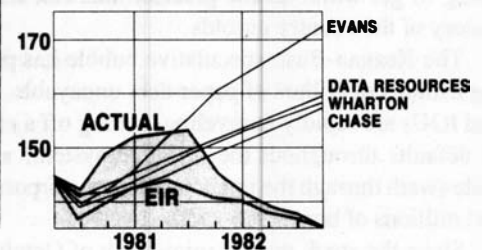
The proof is provided from the forecasting record of George Bush's jailed political prisoner Lyndon LaRouche. This deepening depression, which has turned the once mighty U.S. economy into a basket-case almost as destroyed as that of Britain, need not have occurred at all, if the principles of a national economic recovery program, as developed by LaRouche, had been adopted as and when, he forecast its necessity.

This does not mean a recovery program whose purpose would be to save the U.S. banks. The banks are bankrupt, and have been so for some time now. Rather, it means a recovery program which would create decent, well-paying, productive jobs, in order to create the new wealth, through rebuilding the destroyed capacity



*In April 1988, then Democratic presidential candidate Lyndon LaRouche explained in a nationwide television broadcast that the collapse of the rotting banking system had been postponed—not averted. Inset: The graphic representation of the accuracy of the EIR LaRouche-Riemann economic model in the early 1980s, in contrast to all other forecasting methods.*

**SEPT. '80 FORECASTS FOR 1981 AND 1982  
INDUSTRIAL PRODUCTION INDEX**



to produce for the country's needs, which would permit the obscene crisis conditions of unemployment, poverty, homelessness, genocide, through deprivation of the impoverished and the elderly, to be reversed. Under those circumstances, thorough banking reorganization can facilitate that purpose.

This could have been done, beginning 1975, when LaRouche put forward his proposal for the creation of an International Development Bank, which could effect the settlement of crises, such as those of the Middle East, through reorganizing the world monetary system, thereby making possible such development as could secure human survival, under improved conditions for further progress. It could have been done any time between 1979 and 1982, if LaRouche's opposition and alternative to the economic suicide represented by then-Federal Reserve Chairman Paul Volcker's high interest rate policy had been heeded. Subsequently, the 1984, and 1988 presidential election campaigns provided yet another vehicle for the adoption of the necessary policy changes.

It could have been different. Some, such as Ronald Reagan and the advocates of what he used to call the "longest sustained economic recovery" in U.S. history, insisted that LaRouche was a doom-sayer; all that was necessary, they argued, was to let the "magic of the marketplace" do its work. That was Calvin Coolidge's mistakes, repeated as farce. And then there was George Bush and the bankers' crowd who backed him: "George is in control, the policies are working," was their refrain. So, too, was Herbert Hoover, in his day. In December 1988, these circles railroaded LaRouche on

trumped-up charges. In January 1989 they jailed him, in order to shut him up.

Now we hear from the economists, with their business cycle theories, that the point in the business cycle has been reached where the economy goes into what they call "recession." Bunk! There is no such thing as what these characters call their business cycles. What there is, is choice of policy which governs human actions.

What is now unfolding, as the world slides into the depths of economic depression, is not the result of some mysterious cycle, but the consequences of choices which were made. It is not new. The policy, defended against LaRouche to the point of throwing him in jail, was adopted in the United States in the aftermath of the assassination of President John F. Kennedy. It was called the post-industrial society, or the counterculture. In Britain, somewhat differently, it was dubbed the permissive society. In both cases, the policies which political and financial establishments, typified by the crowd around McGeorge Bundy, insisted be adopted, proceeded from the revival of the cultist ideas of Parson Malthus, enforced by the genocidal spread of usury and financial speculation. Human population growth, they insisted, would outrun available resources to support further population growth; they therefore cut back on productive activity and employment, so as to enforce the reduction of population growth—and also to protect the historical claims of debt at all costs.

Exactly that was done in the 1920s and 1930s. The Great Depression was the result, and out of that depression, war.

# Here's why the U.S. banking system has gone bankrupt

by John Hoefle

The banking system of the United States is insolvent, the country's biggest banks are insolvent, and the Federal Deposit Insurance Corp. (FDIC), the traditional "safety net," is likewise insolvent. That is the situation today, and it is only going to get worse as the greatest financial collapse in the history of the country unfolds.

The Reagan-Bush speculative bubble has popped, leaving trillions of dollars of paper debt unpayable. These glorified IOUs are rapidly unraveling, setting off a chain reaction of defaults throughout the financial system, and cutting a wide swath through the financial system, corporate America, and millions of homes.

Since the stock market mini-crash of October 1989, the nation's banks have taken a devastating pounding. Category after category of their loan portfolios have gone sour, as the depression works its way through the economy. The Third World loans were rendered unpayable by the International Monetary Fund conditionalities which the bankers unwisely imposed upon those poor nations. The high-flying junk bond and takeover business came to a halt, leaving the banks holding junk bonds and bridge loans with nominal values in the billions of dollars and real values measured in cents. The real estate bubble, propped up by all sorts of get-rich-quick schemes which drove prices to dizzying heights, exploded as prices became too high for normal people to afford.

The supposed bright spots in banking were credit cards and other types of consumer debt. Despite our troubles in other areas, the bankers bragged, our consumer lending business is doing quite well, thank you. The implications of this personal borrowing binge are only now beginning to sink in, as the default rate on credit cards and consumer installment debt begins to skyrocket.

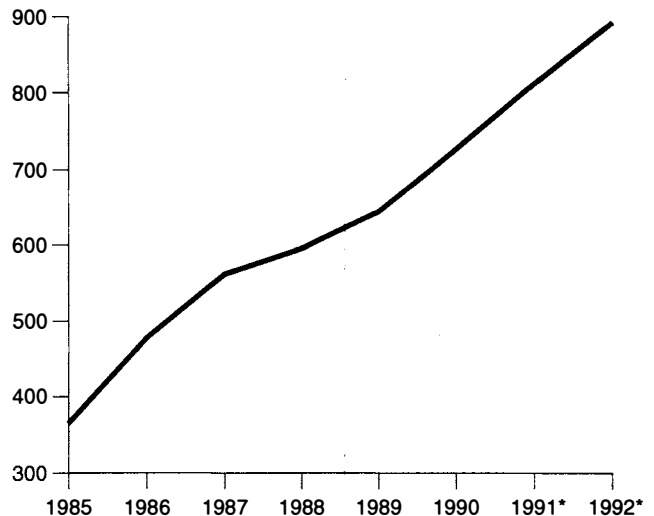
Individuals were borrowing all that money because they were broke. Their expenses were greater than their income, so they borrowed money to make up the difference. They ran their credit cards up to the limits—and beyond, thanks to eager bankers. They stretched their car payments out over absurdly long periods, and financed every purchase possible. They loaded themselves down with more debt than they could ever manage to pay, in the vain hope that the economy would somehow recover enough for them to dig themselves out of the hole.

## Bankruptcies skyrocket

Now the consumer bubble has popped, too. In 1985, there were 364,536 corporate and personal bankruptcies filed in federal courts (see **Figure 1**). By 1990, that figure had nearly doubled, to 725,484. The Administrative Office of the U.S. Courts projects that the number of bankruptcies handled by federal trustees will reach 810,000 this year, 890,000 in 1992, and will exceed 1 million by 1994. These statistics do not include the hundreds of thousands, or more likely millions of people who quietly slide into bankruptcy each year without filing with the federal government.

In 1985, corporate bankruptcies involving some \$5 billion in assets were filed. By 1988, that figure had increased nearly ninefold, to \$43 billion. In 1989, there were \$72 billion in assets involved in corporate bankruptcies, an increase of nearly 15 times in just four years. Over the first three

FIGURE 1  
**Personal and business bankruptcies filed with U.S. federal courts**  
(thousands)



Source: Clerk of the U.S. Courts

months of 1990, the asset size of corporate bankruptcies reached \$47 billion, more than the entire year of 1988. Given the growing problems in the defense, airline, retail, computer, and auto industries, just to name a few, the rate and size of failures is sure to accelerate.

Many corporations have staved off bankruptcy in the short term by massive borrowing, through bank loans, bond issues and the like. With business drying up, these companies are bankruptcies waiting to happen.

The impact of this wave of bankruptcies on the banking system has been devastating. Between 1934 and 1990, 1,948 FDIC-insured banks failed in the United States (see **Figure 2**). Of that total, 1,226, or 63%, occurred between 1982 and 1990. In the last four years alone, 799 banks failed, or 41% of all bank failures since 1934. Adding the 180 failures projected by the FDIC for 1991, that would mean 46% of all post-1933 bank failures in the country had occurred during the last five years. The picture is even grimmer if the 490 Depression-related bank failures in the 1934-42 period are removed. Of the 1,458 banks which have failed in the post-Depression era, 86% have failed since 1980, 73% since 1985, and 55% since 1987. More banks failed in 1988 alone than failed between 1943 and 1979.

While the number of failed banks per year has dropped slightly since the 1988 peak, bigger banks are now failing (see **Figure 3**). In 1980, the average failed bank had \$24 million in assets. In 1985, the average failure was \$73 million. The average dropped in 1986 and 1987, but came roar-

ing back in 1988 at a record \$162 million. After lesser averages of \$141 million in 1989 and \$96 million in 1990, the average failed bank in 1991, according to the FDIC's own projections, will some \$390 million in assets.

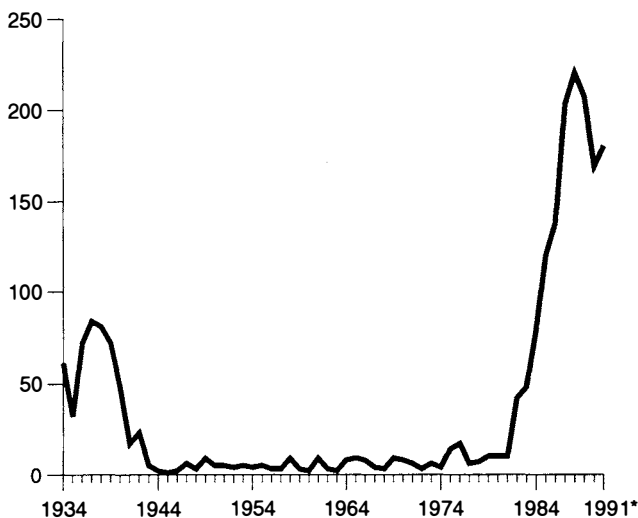
This rapid disintegration of the banking system has led many stock market investors to shun bank stocks. Since October 1989, the stock of the major New York banks—Citicorp, Chase Manhattan, J.P. Morgan, Chemical Bank, Manufacturers Hanover, Bankers Trust, and Bank of New York—has lost about 50% of its value. While J.P. Morgan has recovered about 95% of the ground it lost since October 1989, and the Morgan-controlled Bankers Trust has recovered nearly 80% of its losses, Chase and Chemical have lost about 75% of their value, with Citicorp, the nation's largest bank, down 65%. The same basic pattern holds true for banks in the rest of the country, with greater declines in New England and lesser declines elsewhere.

During the first nine months of 1990, the total value of all publicly traded bank stocks dropped \$25 billion, or nearly 25%.

The biggest banks in the country are in the worst shape, even by their deliberately understated figures. The 48 banks with assets greater than \$10 billion have the lowest equity-to-assets ratio and the highest level of non-performing assets of any of the four FDIC bank size categories (see **Table 1**). The equity ratio for the large banks is 30% less than the ratio for the smallest banks, those with assets of less than \$100 million. The biggest banks also have the worst equity to non-performing assets ratio.

**FIGURE 2**  
**Failures of FDIC-insured banks, 1934-91\***

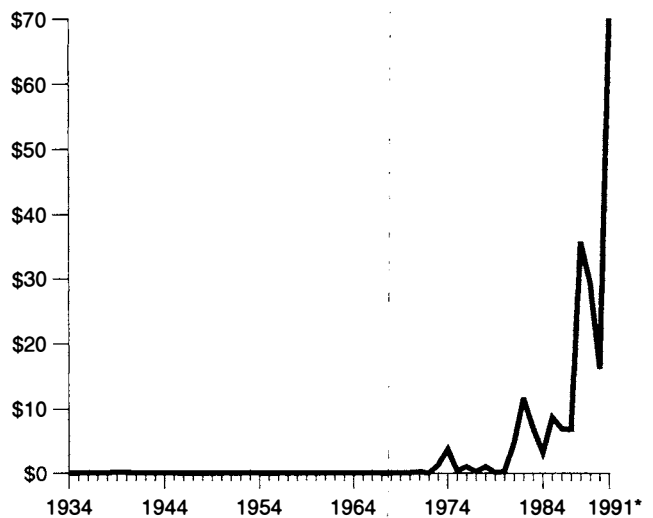
(number of banks)



\* FDIC estimate  
Source: FDIC

**FIGURE 3**  
**Assets of failed banks in United States, 1934-91\***

(billions \$)



\* FDIC estimate  
Source: FDIC

TABLE 1

### Financial status of FDIC-insured banks in the third quarter of 1990

(billions of \$)

	Number	Assets	Deposits	Equity capital ratio	NPA*
<b>By size of bank:</b>					
All banks	12,399	\$3,381.20	\$2,601.73	6.45%	2.65%
> \$10 billion	48	1,346.34	952.03	5.01%	3.38%
\$1-\$10 billion	331	1,037.44	783.45	6.55%	2.49%
\$.1-\$1 billion	2,653	638.06	548.15	7.80%	1.87%
< \$100 million	9,367	359.37	318.10	9.19%	1.73%
<b>By geographic region:</b>					
All banks	12,399	\$3,381.20	\$2,601.73	6.45%	2.65%
Northeast	1,075	1,326.12	953.97	5.57%	3.73%
Southeast	1,960	498.96	390.10	7.18%	1.75%
Central	2,746	544.20	433.53	7.10%	1.49%
Midwest	2,961	216.17	176.50	8.04%	1.49%
Southwest	2,193	263.28	222.25	6.70%	2.89%
West	1,464	532.47	425.37	6.55%	2.34%

\* NPA = noncurrent loans and leases plus other real estate owned, to total assets

Source: FDIC

The 48 largest banks have, according to the FDIC, roughly \$67.5 billion in equity capital and roughly \$45.5 billion in admitted non-performing assets. Were they to write off these non-performing assets, they would lose 67% of their capital. The banks in the \$1 billion to \$10 billion range have admitted non-performing assets equal to 38% of equity, compared to 24% for banks in the \$100 million to \$1 billion range, and 19% in the under \$100 million category.

### What the banks aren't reporting

What the banks report on their books, however, is but a small part of the story. By comparing the total amounts of debt owed in various categories to the reported delinquency rates for each category, we estimate that between \$940 billion and \$1.08 trillion of domestic paper assets have already evaporated (see Table 2). With the mortgage delinquency rate currently at about 5%, *EIR* estimates that between \$100 million and \$200 million of the \$2.6 trillion of total mortgage debt has already disappeared. We estimate that between \$40 billion and \$80 billion of consumer credit debt, including credit cards and installment loans, has disappeared. Given that the banks are insolvent and the government has thus far refused to stand behind bank bond holders, we have written off the roughly \$500 million in bank debt. Finally, we have written off the entire \$300 billion junk bond and highly leveraged transaction debt.

That means that between \$940 billion and \$1.08 trillion

TABLE 2

### Estimated debt defaults in the United States

(trillions \$)

Debt category	Amount	Delinquency rate	Estimated default	
			Low	High
<b>A. Already in default</b>				
Total debt	13.0			
Private debt	10.0		2.30	3.75
Consumer	3.7			
Mortgages	2.6	5.0%	0.10	0.20
Consumer credit	0.8	4.7%	0.04	0.08
Financial	1.1			
Bonds	0.5	100%	0.50	0.50
Non-financial	3.5			
Corporate	2.1	15%	0.30	0.30
Total already in default			0.94	1.08
<b>B. Potentially defaulting debt</b>				
Mortgages	3.70	33-66%	1.20	2.50
Third World loans	0.25	100%	0.25	0.25
Total potentially defaulting			1.45	2.75
<b>C. Total defaulted debt</b>				
Already in default			0.94	1.08
Potentially defaulting			2.45	2.75
Total estimated default			2.39	3.83

Source: EIR

of assets currently being carried on the books of banks, companies, and individuals is unpayable, and will have to be written off. This amount is four to five times the size of the equity capital for the entire U.S. banking system.

This trillion-dollar hole in the financial system will set off a chain reaction of devaluations and defaults. The most significant impact will be on the real estate markets, with \$3.7 trillion in mortgages and related real estate debt. Domestic real estate values will likely fall by between 33% and 67%, resulting in a loss of between \$1.2 trillion and \$2.5 trillion. Add that to the \$250 million banks have loaned to Third World, and the probable financial loss to the economy totals between \$1.45 trillion and \$2.75 trillion.

Thus, with between \$940 billion and \$1.08 trillion already lost, and the loss of another \$1.45 trillion to \$2.75 trillion likely, the estimated loss to the financial system is between \$2.39 trillion and \$3.83 trillion.

The United States currently has some \$13 trillion in domestic debt, of which \$3 trillion is owed by federal, state, and local governments. That leaves a total private debt—of banks, corporations and households—of \$10 trillion, of which 8.6-10% has already evaporated and as much as 23-37.5% is likely to disappear. Overall, the amount of assets which will soon disappear could amount to 22 times the equity capital of the banking system.



# How the depression was covered up

by Chris White

The United States entered into economic depression during the winter of 1981-82. It has been in depression ever since. It matters not that deepening depression has been called "the greatest period of sustained economic growth" in U.S. history, nor that recently, the pundits and the administration's responsables have begun using the word "recession," or "meaningful downturn." They are lying now, just as they have been lying since the winter of 1981-82.

What they called a "recovery" was a tragic farce. It never happened. Depression reality was covered over by two means.

First was the most rapid extension of indebtedness ever seen by any nation in the history of the planet. It was not until the middle of Ronald Reagan's first term that the debt of the federal government reached above \$1 trillion, more than ever before in U.S. history. Since then, it has doubled, and is set to double again. The growth of federal debt was accompanied by the burgeoning of consumer indebtedness, along with the debt of financial and non-financial corporations. By the end of 1990, the total debt of the United States, public and private, was in excess of \$13 trillion.

Second, the United States stopped producing for itself, and instead resorted to looting the production of those who had earlier been its allies and trading partners. Nowhere is this clearer than in the case of Ibero-America. Before 1982, the nations of Ibero-America could and did find a lot that was not right in their economic relations with the United States. But prior to that date, they were importers of U.S. goods, such as capital equipment for their oil industries. This provided a basis for productive employment inside the United States. During 1982, that ended. From that year onward, Ibero-America's exports to the United States exceeded its imports—not just in oil and raw materials, but in food products, clothing, and other manufactured goods, looted under extortionate terms of trade to pay debt, to cover what the U.S. would no longer produce for itself.

Since 1982, more than 20% of the current consumption of U.S. households and producing industries has been met with goods which have been either looted from Third World producers or extorted from advanced sector allies such as

Germany and Japan. This includes about 10% of the food consumed, about 25% of the clothing, about 80% of the shoes, about 30% of the automobiles, the majority of household electronic appliances. And on the producer side, about 60% of the machine tools, about 25% of the steel, and about half, since 1987, of the oil.

The imports, combined with the domestic production, have been less than the level required to keep the economy of the United States functioning, and less than required to bring the collapsed level of activity back to where it was before the winter of 1981-82. It has been more than the U.S. can pay for, hence the trade deficit, running at over \$100 billion per year from 1985. And it has been more than the wages and salaries of the U.S. work force can afford to pay for, hence the growth of consumer installment and credit card debt to over \$700 billion, about 20% of the population's after-tax disposable income. This does not take into consideration the millions who do not have employment, or incomes.

It was in 1981-82 that the United States was bankrupted, for it was then that the internal resources of the economy were driven below the level at which the economy could keep functioning. By 1984-85, the financial system had been bankrupted too, for in that year the growth of debt and speculation had pyramided to the extent that the service of debt and claims of speculation exceeded the annual wealth production capability.

## Pickpockets on board the Titanic

None of this was the result of the inscrutable working of any "business cycle," or other kind of cycle, as we now hear discussed. It was the result of consciously imposed policy choices. On July 20, 1982, *EIR* published an article by Lyndon LaRouche, "U.S. not responsible for Eurodollars," in which he wrote: "I hold out an alternative to these would-be, lecherous looters of the people of the United States. It is time to scrap the Rambouillet and subsequent foolish agreements, and to institute quickly those measures of sweeping monetary reform I have been consistently proposing since the spring of 1975. . . . The point of monetary collapse has been reached at which the bankruptcy of the Third World debtors has become the bankruptcy of the Third World's creditors. . . . Only a new gold-reserve-based New World Economic Order can salvage a trillion dollars or so of unpayable debt. You gentlemen are behaving like pickpockets plying their profession among the passengers and staterooms of the sinking ocean liner *Titanic*, who seem to prefer lying rich at the bottom of the Atlantic, to surviving the catastrophe you have brought largely upon yourselves."

## The critical turning point: 1982

As LaRouche wrote, the U.S. banking system had begun to come tumbling down. On July 5, 1982, the Oklahoma oil patch bank, Penn Square, went belly-up. The bank's failure

spread shocks rapidly into New York, and more slowly into Chicago. The winter 1984 collapse of Chicago's Continental Illinois began on that July 5, 1982. By July 9, the Federal Reserve had begun pumping funds into the banking system to prevent its collapse into bankruptcy. By the end of August, Mexico's President José López Portillo had taken the first steps to implement LaRouche's proposals for a new monetary system, when he telephoned the Presidents of Argentina and Brazil to ask their support in declaring debt moratoria. The world financial system was on the edge. By the first week in September, the large U.S. banks—Chase Manhattan, Citibank, Bank of America—were unable to market their certificates of deposit. There were no buyers for U.S. bank paper.

The crisis of the spring and summer of 1982 had been the subject of repeated forecasts by LaRouche. Between October 1979 and the end of 1982, forecasts of the LaRouche-Riemann econometric model, published in *EIR*, were consistently the only accurate forecasts produced by any agency. The others were, and continued to be, absurd. Beginning October 1979, LaRouche forecast what the economic and financial consequences of the Volcker high interest rate policy would be. His forecasts warned of economic depression and financial collapse by 1981-82. On Oct. 16, 1979 LaRouche issued a call for the impeachment of Volcker, from his New Hampshire election campaign headquarters: "I have caused my staff to conduct an analysis of the near-term consequences of Volcker's measures. The results indicate that the measures already enacted by Volcker will cause a 15% recession in the U.S. economy, probably putting the United States into a recession twice as severe as that of 1974." It happened. And from 1980 to 1982, the economy followed the downward trajectory laid out by LaRouche in his forecasts.

With the forecasts, LaRouche put forward an alternative pathway. This required monetary reorganization, and the direction of credit flows to the promotion of employment in industry, agriculture, and basic economic infrastructure, in technologically progressive modes of investment, to turn around and reverse the downward spiral.

Through a combination of military deployments—including Britain's U.S.-backed war against Argentina—plus thuggery and blackmail, those who rejected LaRouche's warnings and alternatives from 1979 onward enforced the submission of those who, like López Portillo, had challenged the bankers' rule during 1982. By the fall of 1982, LaRouche warned Citibank's Walter Wriston, then Treasury Secretary Donald Regan, Henry Kissinger, and their cohorts that through such means of genocidal looting, they might perhaps buy themselves five years for their usury system, but that could only be done at the expense of building up the potentials for a far bigger crisis down the road than that which they thought they were overcoming in 1982.

Five years after the autumn of 1982: That brings us to

the stock market meltdown of Oct. 19, 1987, when the Dow Jones index lost 20% of its so-called value in a single day's trading. On May 26, 1987, five months before that crash, LaRouche had warned: "Whether the great financial crash of 1987 erupts by October or later, will depend on what leading governments do at the international monetary 'summit' held in Venice June 12. Those bankers who are expecting a crash by October, make that forecast on the basis of assuming that the U.S. government's role at Venice will be a continuation of the foolish monetary policy which the Reagan administration has followed over the past five years. . . . Under those conditions, an October crash would be very probable."

### **Who was right, and who was wrong?**

More than three years later, there are now people, like Norman McCrae, the former deputy editor of the *Economist*, who denied it both at the time and until very recently, but who now say that the collapse of 1987 was to the depression of the 1990s what the collapse of 1929 was to the depression of the 1930s. They failed to forecast either the crash of 1987 or the crash of 1989. But LaRouche warned on July 4, 1989, two months before the collapse of the junk bond market ended the financial bubble of the 1980s, and three months before the stock market slide of Oct. 13, 1989: "Unless some very radical change in policy occurs by approximately July 14, a coming crash should be visibly in progress during August, and will erupt most probably during September or October."

As they had done repeatedly since 1975, the pundits refused to abandon the policies which had been proven such a monstrous failure. They insisted, in the middle of depression, that there would be no depression. They asserted, in the middle of financial collapse, that there would be no financial collapse. "It's under control," is the slogan that came, and still comes, from the crowd around Bush and their friends in the financial community. They overlook the fact that financial obligations and debt service are ultimately supported by physical production of new wealth, in the form of production, capital improvements, and technological innovation.

Locking up the person who had forecast the course of events and offered alternatives which would work, they insisted, in their insanity, that they knew best. Locking up political fundraisers for the LaRouche movement, the Establishment's prosecutors charged that those fundraisers committed "fraud," by telling people that their money was not safe in the banking system, and should be used instead for a political fight to save the country.

Now, it should be apparent to all that LaRouche and his associates were right, and the Establishment's enforcers were wrong. Now, everyone is going to have to pay the price, in pain and suffering, for what could otherwise have been avoided.

# The Bushmen's banking reform proposals could never work

by John Hoefle

The Bush administration's planned banking "reform" will not save the U.S. banking system; rather, it will destroy it. Under the envisioned measures, the American system of banking, in which local banks supply credit based upon intimate knowledge of the capabilities and needs of the local economy, will disappear. Taking its place will be a British-style banking system, dominated by a handful of parasitical giant banks whose only interest in local economies is the amount of physical wealth which can be sucked out of them.

Under the guise of reform, the administration plans to establish a virtual bankers' dictatorship, under which this handful of surviving banks will have control over the availability and distribution of credit, the very life-blood of the economy. The needs of individuals, farmers, businessmen, state and local governments, and even of the federal government itself, will be subservient to the demands of the bankers and their Olympian controllers.

The key elements of this scheme—a scheme which is fascist in the fullest sense of the system set up by Hitler's economics minister Hjalmar Schacht—have been stated repeatedly by administration officials, including President Bush, Treasury Secretary Nicholas Brady, Securities and Exchange Commission head Richard Breeden, and Federal Deposit Insurance Corp. (FDIC) Chairman William Seidman. But make no mistake: These men are mere salesmen for policies decided at a much higher level than mere politicians.

## License to plunder

The major elements of the reform proposal are:

- streamlining the regulatory process;
- eliminating restrictions on nationwide banking;
- eliminating barriers among commercial banks, securities firms, insurance companies, and other financial and non-financial companies; and
- restricting the scope of deposit insurance.

The regulatory process would be streamlined by combining the bank regulating functions of the Federal Reserve, the Office of the Comptroller of the Currency, the FDIC, the

Office of Thrift Supervision, the Resolution Trust Corp., and the National Credit Union Administration into one "super-regulator" with control over the nation's banks, savings and loan institutions, and credit unions.

The effect of this move would be to increase the power of the Federal Reserve System, a private institution which has usurped the constitutional power of the federal government to regulate the creation of money. While the Federal Reserve would give up regulatory oversight of the nation's 6,444 bank holding companies, it would in turn receive total authority over the nation's 50 largest commercial banks. All other banks would be delegated to the so-called "super-regulator." Banks in this second group will be looted in order to keep the first tier banks alive, and the Federal Reserve will wind up as the sole bank regulator.

The elimination of restrictions on nationwide branch banking will allow the Federal Reserve's favorite banks to rapidly establish nationwide branches, either buying up or running out of business their local competition.

Since the major banks are in such dire financial condition, the intention is to not only allow them to expand their income by selling securities, insurance, and the like, but also to allow them to merge with securities firms and insurance companies. However, given the financial condition of the securities and insurance companies, that is not enough. So the administration is planning to let non-bank corporations buy banks. Besides allowing huge corporations like Ford and General Electric to own banks, this will also open up the banking system to attack by corporate raiders.

## No deposit, no return

The final major aspect of the banking proposal is the reduction of deposit insurance. The major problem with deposit insurance, from the regulators' point of view, is that it makes the local bank just as safe a place for customers' deposits as the big banks. That makes deposit insurance a major obstacle to consolidation. Reducing or eliminating government deposit insurance will force depositors to flee the smaller banks for the perceived safety of the giants.

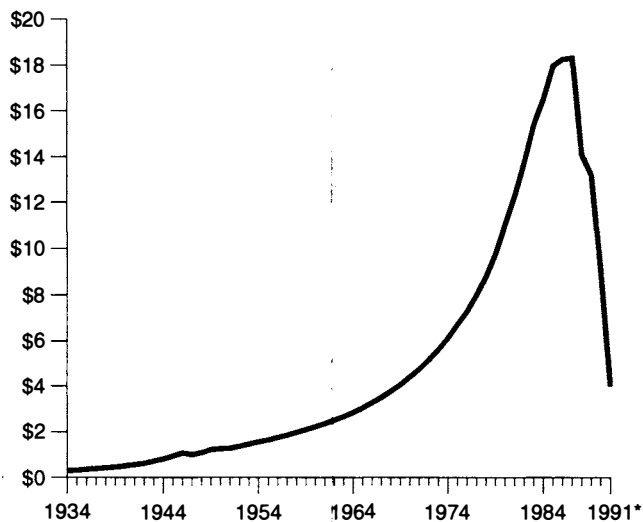
But the decision to cut bank deposit insurance is quite tricky, since the perception that deposits are backed by the federal government is the only thing standing between the banks and massive runs on deposits. In fact, such runs are already under way, not only in New England, but also in New York and other parts of the country.

To make this fascist reorganization palatable to the public, the regulators and the bankers are attempting to portray it as a way to ensure that the taxpayers don't get stuck with the tab, as they did in the S&L fiasco. The big problem with this consolidation scheme, of course, is that it will cost a lot of money—money that neither the bankrupt banks nor the bankrupt FDIC have.

The FDIC is hopelessly insolvent. The agency's Bank Insurance Fund (BIF) peaked at \$18.3 billion in 1987, and has dropped like a rock ever since (see **Figures 1 and 2**). By the end of 1990, the BIF contained just over \$9 billion, a 50% drop in three years. By the end of 1991, the FDIC estimates, the BIF will have only \$4 billion to back some \$2.5 trillion in insured deposits, or about 18 cents for every \$100 in insured deposits (see **Figure 3**), and even less compared to total deposits.

To remedy this, the administration is considering several

FIGURE 1  
**Size of FDIC Bank Insurance Fund, 1934-91\***  
 (billions \$)



\* FDIC estimate  
 Source: FDIC

## How the banking system collapsed in 1933

The rapid escalation of bank failures in the United States today recalls the banking crisis of the 1930s, when the federal government was forced to declare a bank holiday and shut down the entire banking system.

The collapse started gradually. Between 1904 and 1920, some 1,170 of the nation's banks failed. That number jumped to 5,624 between 1921 and 1929. After the stock market crash in October 1929, the crisis deepened, and 3,635 banks failed in 1930 and 1931 alone.

The final phase of the banking crash began in October 1932, three years after Black Friday, when Nevada declared a statewide banking moratorium. As Christmas approached, sporadic runs hit country banks in parts of the Midwest and Pennsylvania.

In January 1933, the runs spread to Memphis, Little Rock, Mobile, Chattanooga, Cleveland, and St. Louis. By early February, they had spread further to Baltimore, Nashville, San Francisco, New Orleans, and Kansas City. On Feb. 14, 1933, Michigan Gov. William A. Comstock closed all the banks in the state. On Feb. 24, Gov. Albert

C. Ritchie declared a three-day banking holiday in Maryland. Three days later, the seven member banks of the Cleveland Clearing House Association limited withdrawals from their 103 branches. Similar restrictions were imposed in Akron and Indianapolis. Before the following dawn, the legislatures of Ohio, Pennsylvania, and Delaware amended their banking laws to allow regulators to limit withdrawals by depositors.

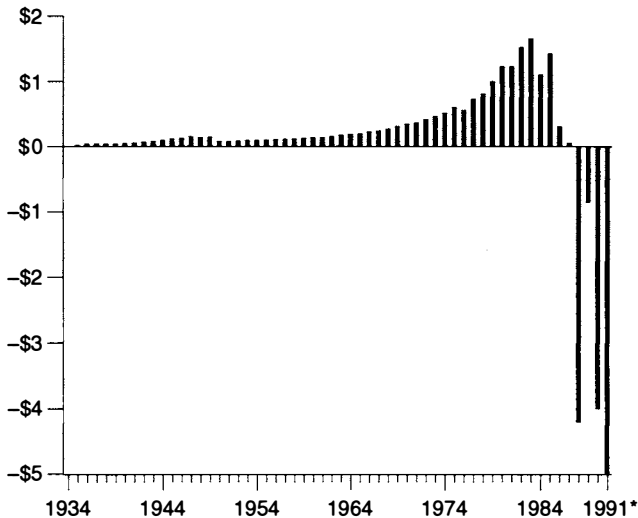
On March 1, bank holidays were declared in Alabama, Louisiana, and Oklahoma. The next day, banks were ordered shut in Texas, Oregon, Arizona, Idaho, Nevada, Washington State, and Utah. Visitors arriving for Franklin Roosevelt's inauguration found notes in their hotel rooms announcing that no out-of-town checks would be accepted.

On March 3, four more states—Missouri, Wisconsin, Georgia, and New Mexico—declared holidays. After midnight, a few hours before the presidential inauguration, state moratoria were declared in New York and Illinois. That was the knockout blow: By breakfast, every state that still had banks open, closed them.

It took from October 1929 until March 1933, nearly three and one-half years, for the financial blowout triggered by the stock market crash to bring the entire banking system to a halt. By that schedule, the events of October 1987 would bring down the U.S. banking system in March 1991.

**FIGURE 2**  
**Net income of FDIC Bank Insurance Fund, 1934-91\***

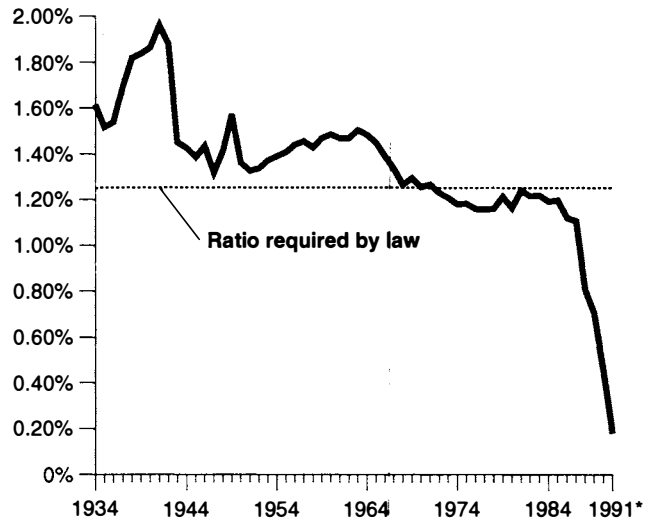
(billions \$)



\* Projected  
 Source: FDIC

**FIGURE 3**  
**Ratio of Bank Insurance Fund to insured deposits in U.S. banks**

(percent of insured deposits)



\* FDIC estimate  
 Source: FDIC

proposals. FDIC chairman Seidman has proposed assessing the banks a one-time special fee of 1% of their total deposits, on top of the 19.5 cents per \$100 in deposits rate they already pay. This fee would raise \$28 billion. Others, including the Association of Bank Holding Companies, favor a one-time fee of 0.5%, with the proceeds going to a joint private-government bailout fund. Considering that the banks reported a total profit of \$25.2 billion in 1988, \$15.6 billion in 1989, and \$15.5 billion through the first three quarters of 1990, that means that Seidman wants as much as two years' profits of the banks (see **Figure 4**). And judging by the way things are going, it could take a lot longer than that for the banks to earn the \$28 billion.

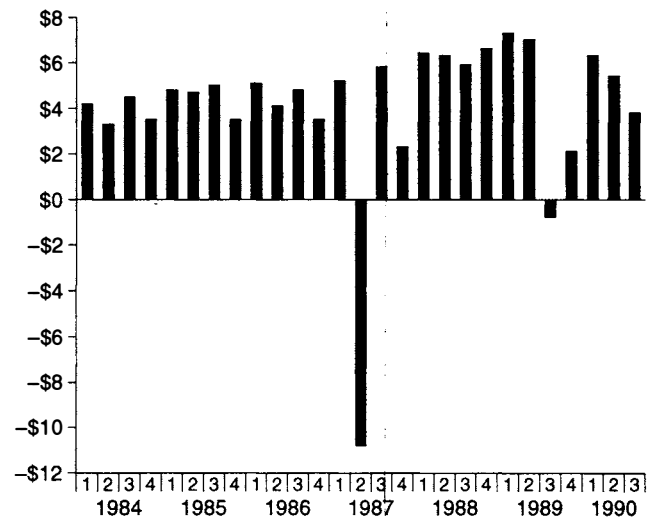
The final details of the administration plan may differ somewhat, as concessions are made to various political and economic factions; but the basic thrust will not change. The administration's intent is to protect the big banks, no matter what the cost to the nation's economy and the public.

The idea that the bankrupt banks can somehow pony up enough money to fund their own bailout is nonsense. That is merely a cover story for public consumption. The fact is, the bank bailout will fall squarely on the taxpayers' shoulders, and the amount will dwarf that of the S&L bailout, which is itself part of the same consolidation operation.

The administration's financial dictatorship will not restore economic health—just the opposite. It will destroy any hope of economic recovery by putting the vampires in charge of the blood bank.

**FIGURE 4**  
**Quarterly net income of FDIC-insured banks, 1984-90**

(billions \$)



Source: FDIC

# What will happen as the war spreads?

by Joseph Brewda

As we go to press on the afternoon of Jan. 18, it is already clear that the demented George Bush's initiation of a war against Iraq two days ago has put the entire world on a course toward World War III. Amid all the euphoria so graphically manipulated by the nation's press, there are two features of the ongoing war which are creating the conditions for global general war over the coming years, or possibly even coming months.

The first feature, which is already beginning to be manifest, is the inevitable, irrepressible, expansion of the conflict. This conflict will not merely expand throughout the Middle East. It will spread into Western Asia and the Indian subcontinent, into Africa, possibly Southeast Asia, and most ominously, into Eastern Europe. The U.S.-led war with Iraq is not the sole war, or even the primary theater of the war; the U.S. strike against Iraq has detonated a much broader war.

The second feature of Bush's actions, implied by the first, is that an already desperate yet militarily powerful Moscow will necessarily be drawn into the conflict over the coming period. Moscow will seek to broaden and deepen the conflict in an effort to exploit the strategic disaster that the U.S. government has fallen into. However, Moscow will be drawn into the conflict, in any case, because the spreading war will directly threaten its national security. The U.S.S.R. is, after all, less than 500 miles from the conflict.

Commenting on this situation on Jan. 17, within minutes of hearing of the Iraqi rocket attack on Israel, political prisoner and candidate Lyndon H. LaRouche stated: "The character of the recent situation has been this: The U.S. news media, the Bush administration, and every idiot in the United States, has insisted that we concentrate on discussing the issue of the Iraqi occupation of Kuwait as the one and only issue, and discuss the fulfillment of the corrupted U.N. Security

Council resolutions as the one and only issue.

"Now, people are saying, 'Let's discuss Iraq, don't bring other things in.' Well, other things have just brought themselves in. . . .

"Bush and his supporters could *lie*. They could convince most of the American people to accept the lie about the so-called Iraq agenda. They could contain the focus of attention on Iraq. But, they could not contain the reality."

## **How the war will spread**

The Iraqi missile attack on Israel on the night of Jan. 17—which Iraq had repeatedly warned prior to the war that it would carry out if attacked—has already assured that the war will, very rapidly, become a broader Arab-Israeli war, busting up Bush's cherished coalition. This is true whether or not Israel responds militarily to the Iraqi attack (which it almost assuredly will), and whether or not Iraq succeeds in ever striking Israel again.

The fact is that the Arab—and Muslim—masses, despite the wild lies of the U.S. media, have been opposed to the Anglo-American occupation of the Gulf since it began in August. The Arab population generally understands that the Anglo-American occupation of the region is an imperialist effort to control the Arab Nation's oil wealth; and is outraged by the double standards of Western conduct in respect to Israel on the one hand, and the Arabs on the other. For such reasons, Saddam Hussein has become a hero to even those who previously despised him. He is seen as, and compared to, a new Saladin ready to lead the Muslims into a war to expel the hated new Crusaders represented by America and Israel.

This is the view of even the populations of those states which have been blackmailed or bribed into collaborating with the Anglo-Americans.

The Iraqi strike against Israel will now detonate the rage that has been building for generations, and sweep away any Arab leader, such as Egyptian President Hosni Mubarak, collaborating with the Americans and Israelis, according to Arab and Muslim sources throughout the region). When news of the Iraqi strike against Israel reached the Arab world, there was spontaneous and deep jubilation. Mubarak is now finished, unless he pulls his army out of the coalition. The same is true for Syrian President Hafez al-Assad.

The government of the non-Arab, but Muslim nation of Turkey is also on the line. President Turgut Özal has been isolated by his decision to allow Turkey's airbases to be used in bombing raids against Iraq. An estimated 80% of the Turkish population was opposed to his war policy—even before the war began. The Turkish military is also opposed to the policy.

Even Iran, another non-Arab Muslim nation, which just ended its eight year war with Iraq in 1988, has been forced to tend toward an alliance with Iraq.

If, as appears almost certain, Israel begins an assault on Iraq, it will come into conflict with Jordan as it violates Jordanian airspace. It is well known in Jordan that Israel wants to seize chunks of its territory under the cover of defending itself against Iraq, and has been planning this for years. A Jordanian-Israeli conflict will spread rapidly into a general Arab-Israeli war, especially once Israel escalates its massacre of Palestinians in the occupied territories. If Israel uses nuclear bombs against Iraq—as it has been threatening—the effect will be unimaginable.

Yet this is not the only way the war will spread within the region.

Turkey has been promised the oil-rich Mosul region in northern Iraq (which it had controlled, together with most of the Arab world, before World War I) as its reward for doing America's bidding. Turkey has already warned Syria and Iran against entering Iraqi territory in a land-grab, if Iraq were to be crushed. Syria has threatened Turkey in identical terms. A war between Turkey, Syria, and Iran, consequently, is not to be excluded, especially in the aftermath of the defeat of Iraq.

### **Other theaters**

The U.S. war on Iraq has now detonated hot-spots throughout the world, as other powers seek to take advantage of the crisis to settle long-standing disputes. In many cases, various powers have been promised U.S. neutrality in reward for their support of U.S. Gulf policy.

For example, the communist People's Republic of China on the mainland, many fear, may soon attack the rival Republic of China on Taiwan. Taiwan is already on a high alert over this possibility. Some say that Bush gave the P.R.C. the go-ahead for its long dreamed-for, and previously attempted, conquest of Taiwan, in return for the P.R.C.'s agreement not to veto the United Nations Security Council resolution that

authorized war after Jan. 15. For similar reasons, South Korea could possibly soon be in trouble with the northern regime of Kim Il-Sung; a blow-up might occur along the already tense Indo-Pakistan border, especially if provoked from the outside.

In Africa, the Anglo-Americans are actually encouraging the spread of the war, in part for racist population-control purposes. Ethiopia, Somalia, Sudan, and Uganda, are being manipulated each against the other, especially to target Sudan, which has denounced the war as imperialist.

The most important arena in which the conflict will spread, however, will be into Eastern Europe and the Soviet empire. Bush has already promised Gorbachov that he can slaughter the leadership of the insurgent Baltic republics in reward for Soviet support of the war policy, which has already begun. At the same time Moscow will leap at the opportunity of mobilizing its large Turkic/Muslim population into a jihad—holy war—mentality against Bush, rather than against Moscow center.

Moscow understands that America's brazen cooperation with Israelis to kill Arabs, simply, in reality, for being Arabs and Muslims, will unleash a wave of anti-American and anti-Western fervor which can be manipulated to its advantage for the indefinite future. For example, all of northern Africa, in effect flanking the NATO countries, will now revolt against the West, with all the military importance that that implies.

The diverse religious, political, sectarian, nationalist, and other movements in the Arab world which had previously been at each other's throats will now unify, and Moscow is poised to eventually pick up the pieces. As Moscow deepens its operations in the Arab and Muslim world, it will be drawn into more overt conflict with the West. Yet Moscow will be drawn into the conflict not only to opportunistically exploit the American disaster, but also to protect itself.

Approximately one-half of the U.S. military is within a thousand miles of the Soviet southern border, as is an astonishing one-half of the U.S. aircraft carrier groups. NATO has, in effect, shifted from Western Europe into the Middle East.

This policy, Moscow knows, has nothing to do with Iraq per se, and had been planned long ago. For example, as far back as Feb. 1, 1989, Bush administration spokesman Gen. James Vaught (ret.) proposed transferring U.S. Army divisions into Turkey, leaving Western Europe. This concept was later proclaimed by Secretary of State James Baker in September in testimony before the Senate where Baker said that war or no war, U.S. forces would remain in the Gulf in a new "security structure" modeled on NATO.

Now, as the war proceeds, U.S. planes equipped with nuclear bombs are flying over Turkish territory within 200 miles of Soviet territory on bombing runs against Iraq—adding an element of incalculability to the situation that the idiots in Washington do not seem to yet understand.

## Key to solving Mideast problems is strong Christian-Muslim relations

Father Nicola Bux is the head of the Ecumenical Institute of Bari, Italy, the department of the Angelicum University that promotes ecumenical relationships with the Eastern and Orthodox Churches. Father Bux is also vice president of the Europe Near East Center (ENEC), the association that organized the Mideast tour of European Parliament member Roberto Formigoni at the beginning of December, to discuss the liberation of the Italian hostages. Father Bux has traveled extensively in the East, including Russia and in most of the Middle East countries. In 1985 he joined the Ecumenical Institute for Theological Research, which was created in 1964 by Pope Paul VI in Jerusalem following his visit there. He is very close to many religious leaders in that area, in particular to the Patriarch of Baghdad, Bidawid (see box).

Father Bux discussed the war situation with Umberto Pascali on Jan. 16 and 17, before and after the beginning of the hostilities.

“There is still time for a peace initiative. Both the Pope and the Patriarch Bidawid are working in this direction,” Father Bux says. He knows the situation in Iraq quite well. He had been there for two weeks until Dec. 8. More recently, from Dec. 26 to Jan 5 he was in Jerusalem. Shortly after the first bombing on Iraq, Bux urged caution before finally assessing the situation. “It is too soon, we are just at the beginning, we cannot draw any conclusion. It depends on what happens in the next hours and days. We do not know which kind of reaction there could be, knowing that the Arabs are very proud and tend to prepare things in an unexpected way.”

**EIR:** Father Bux, you have talked about the idea of a meeting in the Vatican between George Bush and Saddam Hussein, mediated by the Pope.

**Bux:** We made this proposal there, in Baghdad. We talked to the Iraqi leaders there, [Foreign Minister] Tariq Aziz and others. But they knew the proposal already because we had described it in a press release in which we presented our initiative. We noticed that when we touched the issue of the role of the Holy See and the Pope, we always got a positive answer. Saddam Hussein personally said that he has a great

respect for the Pope. Through us he asked the Pope to pray for peace.

**EIR:** Tell us about your proposal.

**Bux:** This is not a formal proposal. You could consider it like a message in a bottle. We advanced the idea of a meeting between the two Presidents, and in Baghdad the thing was taken with the utmost attention. The Pope spoke already several times about a “generous gesture” he asks the Iraqi President to make, and at the same time he speaks about the necessity of a global conference to discuss all the Middle East problems, including the Palestinian one. I am not saying at all that the Pope is following our modest suggestion. But there were already letters sent to the two leaders and it seems, a direct phone call. The personal approach by the Pope to them happened. But I want to stress that even after the beginning of the hostilities, the peace attempts continue.

**EIR:** What do you think about the attitude of the White House?

**Bux:** I think the Iraqi problem could be faced if there is more availability, more elasticity on the side of the American President. I know that the Catholic Church in the U.S. is asking for peace; I am thinking of the words of Cardinal O’Connor. Here it has been said—and I do not know whether this is true—that the speech on TV by George Bush had been prepared previously. If true, this provokes a reflection: Were they really ready for negotiations if the declaration of war was already written? This ultimatum is very strange, this unprecedented deployment of forces is very strange, because Kuwait is not the first country to be invaded, and this is not the first resolution of the United Nations not to be respected. Two months ago we had another one concerning Israel, and it was rejected. Kuwait is not a state known for its democratic internal life. So the only explanation appears to be: interest. As the Patriarch of Jerusalem, Sabbah, said when he came to Italy: They shouldn’t come to us saying that this was done for reasons of justice, because they use two weights and two measures. Why don’t they say, “We are there because of the oil”?



## Baghdad Patriarch: 'This war is a crime against God'

"This war is a crime against God and against man. I did not expect that Mr. Bush would go so far. The Pope had told me he was ready to go to Baghdad," the Catholic Patriarch of the Chaldean Rite of Baghdad, Bidawid, declared on Jan. 16. The Patriarch, who is responsible for 1 million Catholics in Iraq, had tears in his eyes when talking to the press. He was in Rome where he had arrived on Jan. 14 with an ecumenical delegation including the two other Christian Patriarchs of Iraq, the Archbishop of the Armenian Church, and the Assyrian Metropolitan. He was engaged in talks with the Vatican and the Italian government to explain the documents issued by the meeting of Iraqi Christian Churches in Baghdad at the beginning of December. The religious delegation was scheduled to leave soon for Switzerland, France, England, and the United States.

"I had hoped up to the last minute, but in politics there is no morality. The American decision prevailed. And even those states that tried up to the end to play an intermediary role had to give up. There will be hundreds of dead among the civilian population, among my faithful."

The day after, he explained how peace had been close and how it had failed. "Immediately after the synod [of Baghdad] I spoke to the Pope inviting him to come to Baghdad. This is the only thing that I kept confidential until now. And the Pope told me that he was ready to

come if diplomatic steps were taken toward the Vatican—in other words, if [besides the Churches] there was an invitation also on the side of the government.

"We did everything to explain to the world the value of the real peace. Iraq was the object of a plot. We tried to obtain Kuwait by peaceful means. We did not succeed. So the U.S. and its allies went wild because it is an oil country. Why did they not do the same thing with Moscow, which occupied the Baltic countries? International law cannot be considered with two weights and two measures. The same is true for Lebanon and Palestine."

In response to a reporter's observation that the Vatican has not distinguished the Gulf crisis from the other Middle East crises, Bidawid replied, "The position of the Vatican has been a reasonable position. And it is the same position as Saddam."

According to the Patriarch, Hussein was ready to accept a papal mediation, but he "did not have time." "Saddam appreciated the words of the Holy Father and appreciated that the Pope asked the Nuncio in Baghdad to remain. The Iraqi ambassador at the Vatican left yesterday afternoon from Rome with the Pope's letter for Saddam, heading toward a secret destination." Also the French peace plan was acceptable to the Iraqi President who "waited some hours before giving his answer to see the reaction of the U.S. and the Europe." If there had not been a negative answer, then "it could have been a good basis for negotiations. This was the opinion of the President, always on condition that the whole Middle East question were put on the table. I was told this by [Foreign Minister Tariq] Aziz's deputy, before leaving for Rome."

The Patriarch said that he had sent a personal letter to George Bush asking for a meeting.

**EIR:** What's the attitude toward the Church and the Pope in the Muslim world?

**Bux:** Why am I convinced that the Church has a key part to play for the solution of the conflict? Recently in Jerusalem I talked not only with the leaders of the Christian hierarchy, but also with several Palestinian Muslims, such as Feisal Hussein, and I found that if among the Muslims there is a certain sympathy for Saddam, there is no desire for a war, and also there, as in Baghdad, I saw a certain expectation of a papal initiative.

The Muslims see the Pope as an unchallenged moral authority able to make his voice heard against the injustice of which the Arab world believes itself to be the victim. Because it is evident that there is a certain moral equivalence between the position that Israel took toward the Palestinians of Lebanon, and the position of Iraq against Kuwait. But the United Nations didn't recognize it and used a double

standard. In the eyes of the Arabs this deprives the U.N. of any credibility for a mediation. My impression is that an initiative of the Church would help very much the non-fundamentalist forces in the Islamic world.

**EIR:** But the war is on right now.

**Bux:** We are convinced that the war, besides being morally unacceptable, is politically disastrous. It is not true, as some politicians say, that in this way we can solve problems in the area. The problems will be complicated enormously without considering that the distance between Europe and the Middle East will increase. History teaches us this; in fact, many of the problems the world suffers today derive from the last world war. Also consider that it is the Christian community in Middle East that will be crushed first in case of war. I found there, in the Middle East, that a strong Muslim-Christian relation in that area would be key to solve the problems.

# How peace could have been established in the Mideast

by Lyndon H. LaRouche, Jr.

*This statement was issued by the candidate on Jan. 14.*

I'm speaking in light of the past weekend's events, on the subject, implicitly, of how peace could have been obtained in the Middle East, and in terms of events of more than 15 years ago in which I was directly involved.

I refer to my discussions with Mr. Haider of the Iraqi National Command, and my discussions with Palestinian and Israeli representatives immediately following those discussions in Baghdad back in 1975. My case to Mr. Haider and to the Iraqi command generally, was as follows:

It is necessary to understand the deeper interests of the Israelis, in order to find there a common interest upon which genuine peace between Israelis and Palestinians immediately, and the Arabs generally, may be developed.

I pointed out to the Iraqis what was obvious to them, that among Arabs they were not unique, but distinctive in their emphasis upon the right to, and importance of, scientific and technological progress in national economic development. And I indicated, of course, my strong sympathies for that policy for the Arab world as a whole.

Then I said to Dr. Haider, "Well, the Israelis essentially have the same view, from their own standpoint. They are a people largely representing Western European culture, on a small piece of land, whose very existence in sustaining their population depends upon scientific and technological progress. The Palestinian people are an Arab people which is much attuned to scientific and technological progress, and thus, all these forces in the Middle East (those who share this interest in scientific and technological progress), have a common interest in furthering that, against those who wish to keep the Arabs in the darkness of the past. And we must understand that we cannot find a political basis for a solution, unless we find a deeper, common self-interest among all of the parties involved."

Dr. Haider was sympathetic, and indicated why the Iraqis could not make such a declaration themselves, but would be happy to observe the results of my effort to establish that, and would indicate happiness and an appropriate response should the Israelis voice such opinions, or indicate their interest in it.

I said the same thing to the Israelis, and to Palestinian representatives, in the same period, beginning late April 1975, that I had said to Dr. Haider. And, over the past 15 years, I have worked consistently for that approach to peace in the Middle East, and for that cause, for the Arabs and Israelis, independently and combined—as I have for all developing nations.

## **The right to scientific, technological progress**

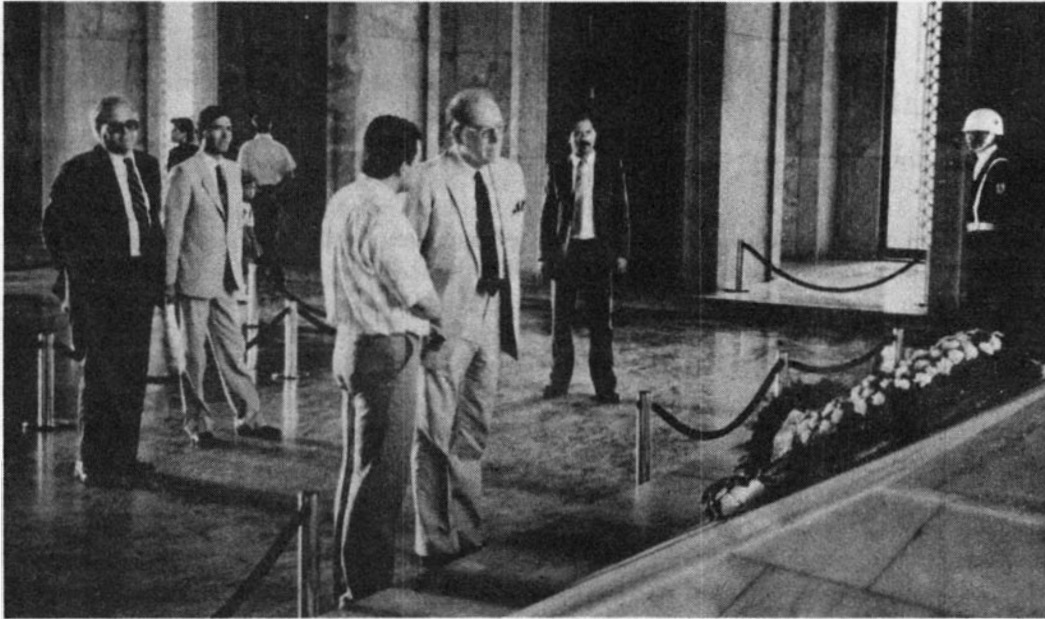
This dedication, which has been my dedication virtually all of my adult life, that is, scientific and technological progress as a right of the so-called developing nations, is the issue which has most sharply brought down upon me opposition from the friends of Henry Kissinger and his British masters, among others, and which has been at the center of sometimes mortal differences with the Soviet government: the equal right of all peoples to the benefits of scientific and technological progress. That has been my policy, that continues to be my policy, and that issue is the point of reference for all my differences with Henry Kissinger and President George Herbert Walker "Hoover" Bush.

I want to emphasize something two-sided in this connection; one more obvious, pragmatic side, the other the deeper side.

Obviously, this policy, which I have advocated for the Middle East, among other locations, is in the vital common interests of both the Iraqis and the Israelis, and also the Palestinians. Without this policy, *there is no other visible basis for a common interest among those three named, and other relevant parties.* There is no political solution possible unless that political solution is based upon a declared common interest in the benefits of scientific and technological progress. Every person, and every force, which had disagreed with that, which has sought a political solution without this kind of economic basis, has contributed to the folly which made it possible for George Bush and the British to set up the present threatened war in the Middle East.

## **The deeper philosophical issue**

That should be obvious. But there's a deeper aspect to this issue, a deeper philosophical aspect. And, *despite the*



*Lyndon LaRouche (foreground, in light suit) with an interpreter at the tomb of Atatürk in Istanbul in summer 1987. During his visit to Turkey, he again laid out the need to base peace in the region on scientific and technological progress, in discussions with Turkish government, labor, and political leaders.*

Rolf Pauls

*preference for pragmatism among my American fellow citizens, it's time they stopped being stupid, and woke up, and learned a few of the rudiments of serious philosophy.* Because if they don't, they're going to find the United States as an empire brought down, and as a nation brought into ruins, to a large degree not by foolish and dangerous leaders such as George Bush and Henry Kissinger, but in a very large degree by their own stupidity, in tolerating the processes which led to the establishing and maintaining of such leadership in Washington.

There is a fundamental difference between man and the beast. The practical expression of this difference, is located in the human being's capacity for fundamental scientific discoveries and the equivalent, creative discoveries, which are consistent with the lawful ordering of the universe, and which result in what we call scientific and technological progress. Without scientific and technological progress, and the other classical humanist types of activities which characterize this creative potential of man, man *descends* to the beast in his mode of existence. And, having descended to the beast, tends often to fall into a state which we consider lower than the warm-blooded mammals in general. That is the issue.

Scientific and technological progress has not only the function of meeting human material need—and certainly there's an abundance of human material need on this planet now, including inside the United States—but the other aspect is to activate, to employ, to place social value upon, that aspect of the human personality, which not only sets man apart from the beast, but which, in Christian theology, defines man as in the living image of God. Thus, we must practice scientific and technological progress, not merely because it is a source of material advantage—which in no other way can be realized—but because without that practice,

and without a comparable practice in classical art forms, that which sets man apart from the beast is not emphasized, is not made the centerpiece of the practical, day-to-day value of a human being. In this connection, there's one other point, which must also be made.

Creative processes may reflect the social conditioning of the individual, but the creative act of mind is a totally sovereign act of the individual mind, in the way negatively implied by the famous *Parmenides* dialogue of Plato. Creative processes are a *One*, an indivisible unity within the individual mind. They cannot be divided into parts and shared among other people. They may be replicated in other minds—and should be—but the process of creation cannot be partitioned into separate parts, and brought together, to effect a creative result. Creative powers—artistic creative powers, scientific creative powers—lie within the sovereign processes of the individual mind. It is in that sovereign respect, in respect to the sovereignty of that creative act, that creative process, that the individual is in the living image of God and *in no other way*.

Thus, it is only when we recognize that it is the sovereign individual's creative potential which makes that individual in the living image of God, that we can base society on a respect for the sacredness of life of every human individual.

Thus, to find solutions for the political problems, including threats of war which afflict nations, and to lift man out of the barbarism to which the New Age counterculture in the United States has done much to bring us in the recent quarter-century, we must emphasize scientific and technological progress, and classical forms of humanist art, in order that in the practice of day-to-day life—in schools, in the workplace, in community life—that this kind of artistic and scientific beauty, involving the sovereign individual

## Pope: War is 'defeat for international law'

"This war marks a serious defeat of international law and of the international community," John Paul II stated on Jan. 17, in his first public statement after the U.S. raid against Iraq. The Pope was addressing his collaborators in the Rome Vicariate.

"This meeting with you is taking place in a moment of deep sadness for my soul as father and pastor of the universal church. The news that arrived during the night about the drama going on in the Gulf region produced in myself—and I am sure in you all—sentiments of deep sadness and great discomfort. Up to the last minute I prayed and hoped that this would not happen, and I did what was humanly possible to prevent a tragedy. The bitterness comes from the thought of the victims, destruction, and suffering that the war can cause. I feel particularly close to all those who, because of it, are suffering on one side and on the other.

"In these hours of great danger I want to forcefully reiterate that war cannot be an adequate means to completely solve the problems existing among nations. It never was and never will be. I continue to hope that what has begun, will end as soon as possible. I pray that the experience of this first day of conflict be sufficient to make people understand the horror of what is happening and to make people understand that the aspirations and the rights of all the people of the region be the object of a particular commitment by the international community.

"These are problems whose solution can be sought only in an international gathering where all parties involved are present and cooperate with loyalty and serenity. I also hope for generous gestures that could shorten the test, reestablish the international order, and ensure that the star of peace that once shone in Bethlehem, may come back now to enlighten that region, so dear to us."

The Pope had talked about "generous gestures" twice before, in public speeches on Jan. 13 and 15, addressing himself to Saddam Hussein. In the same speeches he had made references to some form of international conference to solve all the Middle East problems including the occupied Palestinian territories.

creative powers of the person, be placed foremost, and that man's respect for the other person, and for the persons of other nations, be founded upon the daily exercise of this which sets man apart from, and above the beasts.

I have proposed this to the Israelis in particular many times. I have communicated and exchanged correspondence with one-time Israeli Prime Minister Shimon Peres and others on this subject—on the subject, for example, of a canal from the Mediterranean to the Dead Sea, lined on both sides with nuclear plants, which, among other things, are generating an added source of fresh water. I have emphasized again and again the use of nuclear power to generate new rivers of fresh water the size of the Jordan River, or the size of one of the great rivers of Mesopotamia. And that this added supply of fresh water, with the matching energy, transforms the Middle East as a whole from a desert into a garden. And that the common interest of the Arab and the Israeli, in such a transformation of the Middle East, not only brings them together in a peaceful way, on the basis of a common material interest, but invokes in both that which sets man apart from and above the beast, and causes each to recognize in the other that which sets man apart from and above the beast.

### Equal humanity of Arabs and Israelis

Let me speak finally of one problem of Israel, of Saudi Arabia, and of the Gulf states.

In Israel, we have apartheid, against the Arabs. The Arabs are treated as inferior. Fanatic racist—may I say racist—Israelis, who interpret the Eretz Israel in a racist way, do not recognize the equal humanity of the Arab, and therein lie the seeds of war. But among Arabs, we have those who, as in the royal family of Kuwait, hold human beings in chattel slavery, throughout the Gulf states. This was, until very recent time, the *official* state of affairs in Saudi Arabia. *Cultures which allow this kind of chattel slavery or conditions akin to it, which discriminate against the rights of human beings to vote, as did Kuwait—these cultures cannot be allowed to continue*, because in their denial of the humanity of other human beings, they deny their own and degrade themselves as to beasts.

There is a madness which grips Israel, a madness exemplified by the butcheries of Ariel "Arik" Sharon, and others. This madness flows from racism, which flows from beliefs which have nothing to do with God, but have a lot more to do with the satanic.

The practical answer, from the standpoint of politics, is that if we as societies commit ourselves to scientific and technological progress and to the promotion of those forms of art which are akin to the medium of the creative powers of the individual, we lay the cultural basis for valuing other human beings, and ourselves, in the way which leads to productive relations that, becoming good relations, lead thus to peace.

## 'We want peace at home and abroad'

*Mustafa Basoglu is the education secretary of the Turkish Labor Federation (Turk-Is). On Jan. 3, Turk-Is led a nationwide, one-day general strike against the economic and foreign policies of President Turgut Özal. The 2 million-man strike was the largest in Turkish history and the first general strike in 10 years. Turkey is now deep in crisis as a result of the government's capitulation to Anglo-American pressure to participate in a war with Iraq. The interview was conducted by telephone by Joseph Brewda on Jan. 14.*

**EIR:** Mr. Basoglu, regarding the general strike which had economic and political aims: I understand that one strike demand was that Turkey not participate in an Anglo-American-led war with Iraq. Could you give some background on why the strike was called, how successful it was, and what the key issues were?

**Basoglu:** Our collective action was very successful and the participation of our members was about 90% nationwide.

The working class and Turk-Is, which represents a large group of the population who suffer greatly from the results of the economic and social policies of the last 10 years and are heavily exploited, want to regain and set up pluralistic and free democratic regimes.

There is not any concrete result to report regarding our request to the government or to Mr. Özal to make necessary changes in the Constitution and in the labor laws; to ensure the fair distribution of national income; the superiority of law; and to open the doors to seek for our rights. . . .

Our confederation started to take actions beginning in 1985 against the Özal government. We played a great role in the change of the Constitution which gave civil rights back to former politicians.

In 1988, Turk-Is struggled against the governing party in the general local elections and succeeded in lowering the governing party's vote from 36% to 21%.

In these struggles, the main purpose of Turk-Is was to protect our human and union rights and freedoms, and also to have a democracy without prohibition.

To achieve its purposes, Turk-Is held seminars in 53 provinces and discussed the problems with almost 10,000 local union leaders and workers' representatives. Between 1984 and Dec. 20, 1990, Turk-Is protested [against] the government through conducting eight rallies and 19 big-hall meetings which drew over a million workers.

Today, in addition to these reasons, the workers and the great majority of the population are against a war, unless our territories are attacked. We want peace at home and abroad.

These are the main reasons why the executive board and other committees of the confederation took a decision for a general action, and put it into practice with great success.

**EIR:** What is the average Turkish worker and citizen's view toward a likely Gulf war, and the government's agreement to collaborate with the Bush administration's Gulf policy?

**Basoglu:** Turkish workers and the citizens of Turkey in general, and also other organizations, are against a war unless Turkish territories are attacked, and prefer to live as a peaceful nation. The opposition parties also share our point of view.

**EIR:** I understand that the Zonguldak mine workers, who have been on strike for over a month, have organized a march to Ankara. What are their demands?

**Basoglu:** The Zonguldak mine workers did not receive fair wages for many years, and were forced to work under unsafe and unhealthy conditions as a result of the government's economic policies. This is why they went out on a strike, which is fully supported by Turk-Is and its affiliated unions. They marched to Ankara to force the government to accept their rights.

At the moment, the Turk Metal Union [metal workers] with 87,000 members, and the Seluloz Is Union [paper workers] with 11,000 members, are out on strike in the metal and paper industries. This is also fully supported by Turk-Is and its affiliated unions.

**EIR:** The participation by the Turkish government in the embargo against Iraq has severely affected the Turkish economy. How has this policy affected the Turkish workers' standard of living?

**Basoglu:** The Turkish economy was severely affected as a result of the embargo against Iraq. Large numbers of transportation workers lost their jobs. Also, other side industries related to the transportation industry were closed down on that transportation route [to Iraq]. Almost 100,000 other workers lost their jobs. Because of the high price paid for petroleum, which is now bought from the world market [but previously from Iraq], the prices of goods increased, and as a result of these increases, the purchasing power of workers has gone down.

**EIR:** Do you plan further labor actions?

**Basoglu:** New labor actions will be planned and put into practice by the Turk-Is executive board and other boards until its requests are accepted to change the Constitution and labor laws, and to realize the real pluralistic democracy, which were unanimously approved by the Turk-Is 14th and 15th congresses.

# Vilnius under siege by Moscow

*Writing from Wiesbaden, Germany on Jan. 17, Hartmut Cramer reports on the news from inside the Lithuanian capital.*

The Lithuanian capital of Vilnius, the political center of the Baltic independence struggle which began with such high hopes about 10 months ago, is now under siege, since Moscow began to move additional, elite troops into Lithuania on Jan. 8. The tactic of the courageous Lithuanians, who share many similarities with Indians—not only in their national language, which is close to the old Sanskrit—was to employ the principle of non-violence, used by the great Indian patriot Mahatma Gandhi so effectively to gain India's independence after a long struggle against the British empire, an empire equally as evil and powerful as the one Lithuanians and their brothers and sisters in Latvia and Estonia face today.

The tension could be already felt, physically, in early December, after Moscow's "liberal" Internal Affairs Minister Bakatin was suddenly fired and replaced by hardliner Boris Pugo, especially feared by the Baltic people for his brutality since his days as KGB boss of Latvia. Hence the Lithuanians, though firmly adhering to their more than justified right to national sovereignty and independence, carefully avoided anything the Russians could use as a pretext to start a bloody crackdown.

The bloodbath has now begun in Lithuania, and there is more than one sign that it will quickly spread to Latvia and Estonia, as well to other republics. From a brutal communist regime—such as Gorbachov's, despite Western illusions never shared by the Soviet population—one couldn't possibly expect anything different in the current strategic situation, which for the Russian generals is an invitation delivered on a silver platter with silk handkerchiefs.

Even *after* the crackdown had started, and after Gorbachov could no longer publicly deny that he was responsible for it, the governments in Washington, London, Bonn, and Paris, ever eloquent in defense of "human dignity," "freedom," and "justice," continued to defend Gorbachov as a "reformer," and, incredibly, blamed the massacre on the courageous Baltic leaders, above all Lithuania's President Vytautas Landsbergis, one of the finest politicians imaginable, ranking way above the "realpolitiking" dwarfs who dominate the Western states.

Therefore, it is more than needful that the ugly facts about this crackdown be told, so that no responsible politician can pretend he or she didn't know.

## **The storming of the TV tower**

The Lithuanians had made it clear to everyone that they would *not* use force, and yet they were attacked bloodily. On Friday Jan. 9, the officers' school in Kaunas was taken over. As residents nearby reported, 30 cadets were arrested and subsequently disappeared. Their fate is unknown. The next day, the Russian troops, elite paratroopers flown into Vilnius on the pretext of "rounding up the Lithuanian deserters and bringing them to the Red Army," shot their way into the press building, wounding people, and smashing everything inside, from bookshelves to typewriters to telex machines. One older witness, a university professor, who had helped in the attempt to protect the building, describe their behavior as "barbarian."

Next, the site of the independent Lithuanian TV, on Jan. 12, was surrounded by tanks whose commanders first tried to deter the many people protecting the tower with their bodies by driving directly at them and quickly swinging their downward directed cannon in all directions. After realizing that the people wouldn't leave, they moved during the night, opening fire on the crowd and simply running over them with the tanks, killing at least 13 on the spot, and wounding more than 160, according to first reports. On Jan. 16, Lithuanian parliamentarian Antanas Racas stated in a declaration to all the parliamentarians of the world the official figures of 14 dead, 358 wounded, among them 27 seriously and 3 in danger of dying.

Once inside the TV tower, the paratroopers caused more casualties. When the night was over, 64 people failed to show up at their homes. People who lived near the TV tower in Vilnius could see during the next two days, that from time to time, "heavy sacks," ostensibly bodybags, were thrown out of the tower's windows, immediately picked up by Russian soldiers and then quickly carried away in military trucks. Speculation was that the paratroopers, who stubbornly denied Lithuanian doctors entrance to the TV tower, simply let the wounded die and "disappeared" them this way; how many they killed outright, is unknown.

It could be as much as 63, since Lithuanian Health Minister Oleka, a young specialist in microsurgery, found *no* wounded or dead in the tower, when he was finally allowed to enter together with some aides on Jan. 16, after long negotiations with the Russian military leaders. Another young surgeon, working in the Red Cross Hospital of Vilni-

us, reported that most of the wounded there were shot in the legs and had broken bones, with no adequate medicine—especially no antibiotics—to treat them.

The use of dum-dum bullets, outlawed by the Geneva Convention, is proven by the fact that a 24-year old was killed by a bullet which was shot into his upper leg, but was found in his stomach. Many wounded Lithuanians were taken out of the hospitals in Vilnius by the Russian troops in order to “substantiate” the later claim, that “no atrocity had occurred.”

### Parliament under attack

Now, since virtually all of Lithuania is under siege and almost all the major buildings, like the police and militia headquarters, the airport, the press building, the radio stations, and the TV tower are occupied, the main target will be the parliament, which has become a “fortress.”

“It really looks like at the time of the French revolution,” a secretary reported, speaking from within the besieged building. “People are building up a thick wall around our building, they dig trenches, and they put up barricades with everything they can get. It is a shame that something like this has to be done in our times.”

“People from all over Lithuania are streaming into Vilnius,” a spokeswoman of the foreign policy committee of the parliament reported. “They all want to protect our parliament and with it our freedom and independence with their bodies alone. They are very courageous. In the first days about 200,000 Lithuanians had guarded the parliamentary building, despite bitter cold.” Now the number has decreased, since President Landsbergis, after talks with the military commanders on Jan. 14, told them to go home during the night. “But still a large crowd, up to 50,000 people, are here during the day in order to protect the parliament; with several thousand also holding out during the night.”

“People are warming themselves up with little fires,” a prominent Lithuanian musician, who like many of his colleagues serves daily shifts in front of the parliament, explained. “Hot tea and bread is handed out free to those standing in the cold by many housewives who prepare these things at home and pass by the parliament to deliver it.” This musician described the situation in Vilnius as “almost hopeless,” but stressed the will of the Lithuanians to resist. “We have to make clear to the world, that notions like *freedom, human dignity, sovereignty, and independence* are not just empty words, but that they are *real*; and that we are ready to die for them, rather than to give in like slaves. I fear, unfortunately, that a lot of our people will have to die in the next days, unless a miracle happens. And it is all the fault of the West.”

### The funeral

Refuting the lies maliciously propagated by Gorbachov and the communist press in Moscow and perpetrated for some time in the last weeks by Western media, which claimed that President Landsbergis was “too nationalist,” “too arrogant,” and got

*Call by Antanas Racas, deputy of the Supreme Council of Lithuania and member of its foreign policy committee, released in Vilnius, Jan. 16, 1991 to the parliamentarians of the world:*

Dear deputies,

Lithuania, its parliament, its deputies, and the unarmed people, who came to the parliament building in order to protect the freedom of Lithuania, are all in grave danger.

We are threatened by a new attack of the Soviet Army. Heavy tanks smashed unarmed people, while the Soviet leaders are trying to put the entire blame on those who wanted to stop the occupants with their mere bodies.

We urgently need your support. Each hour can be decisive for us! Your political actions can help us a lot!

“isolated from the Lithuanian people,” about *half a million* Lithuanians traveled into Vilnius to attend the Jan. 16 funeral of those who had died in the bloody attack on the TV tower.

“The entirety of Lithuania is on its feet; they come from all the parts of Lithuania,” reported a deputy who belonged to the small group of people who had to remain in the parliament building that morning. “The entire government and almost all my colleagues are there. Right now, the mass is going on in our cathedral, and afterwards there will be a huge political meeting with all the many people who came.”

Despite bitter weather, hundreds of thousands of people holding candles in their freezing hands stood on the sidewalks as the coffins covered with the national flag passed by. A whole sea of Lithuanian flags was to be seen, and literally tens of thousands of wreaths and flowers were carried, as well as the pictures of the dead, some of them very young. The youngest victim was a 13-year-old girl, run over by a Russian tank.

Moscow had tried to prevent this demonstration with the usual tricks. The military commander had ordered a curfew overnight, knowing that with the miserable infrastructure and the lack of cars, Lithuanians from the countryside couldn't make it in time for the funeral if they left on the same morning. In long negotiations President Landsbergis had convinced the Russian military commanders, who justify their presence in Lithuania by pretending to “guarantee law and order,” with the argument that “chaos and civil war will indeed break out, if you try to stop the many hundred thousand people who are already on their way to Vilnius from attending the funeral; they, being Christians, will never let that happen.”

Having lost the battle on this level, the military tried another trick. All of a sudden, reports emerged in the morning hours of Jan. 16, that a group of well-trained “athletes” from Moscow had arrived at Vilnius airport. Everybody understood immediately that these people were part of a KGB

## Soviet 'devil's plan' has only just begun

The Soviet troops who massacred 14 Lithuanians on Jan. 12-13 were brought in to Vilnius, the Lithuanian capital, following ultimata by Mikhail Gorbachov and Baltic Military District Commander Gen. Col. Fyodor Kuzmin. They demanded that Lithuania renounce its March 1990 declaration of independence by Jan. 13. The massacre came within hours of the U.S. Congress giving its approval for Bush to use force against Iraq.

Lithuania's President Vytautas Landsbergis described the Soviet crackdown as the "devil's plan," timed to proceed while the "world's attention is directed at the Gulf crisis." Landsbergis appealed to Bush and other Western leaders not to go to war. He warned that starting a war in the Gulf means that the West will "fall into a Russian trap," because "Russia will use the war as a cover to come down on Lithuania." In a press conference in London on Jan. 15, Lithuanian Foreign Minister Algirdas Saudargas underlined that "the Second World War between East and West is still going on in Lithuania. You cannot begin a third world war between North and South without finishing the Second World War."

Landsbergis, Russian Federation President Boris Yeltsin, and others have pointed to the grim 20th-century precedents for the Soviet action: 1) June 1940, when Moscow invaded and annexed the three Baltic republics while Hitler was conquering France; 2) the 1956 parallel between the Suez Crisis, the Anglo-French-Israeli invasion of Egypt to occupy the Suez Canal, and the deployment of the Red Army to crush the Hungarian Revolution; 3) the 1968 Red Army march into Prague, while America was immersed in the quagmire of Vietnam.

### Gorbachov's war cabinet

The crackdown in the Baltic republics, which *EIR* has long forecast, is the result of the consolidation of power in the Soviet Union by a hardline policy grouping that we have identified as the "Third Rome" faction, a post-

Bolshevik Russian-chauvinist tendency that sees Moscow as becoming the capital of a new "Roman Empire."

This tendency can also be seen in Gorbachov's Jan. 14 appointment of key figures in his new presidential cabinet government. The most senior cabinet members after Prime Minister Valentin Pavlov, formerly U.S.S.R. finance minister, are the two new first deputy prime ministers, Vitali Dogushiyev and Vladimir Velichko. Both are members of the Soviet Union's arms industry leadership. Velichko was Minister for Heavy Machine Building. The new deputy prime minister with special responsibility for the defense industry, is Yuri Maslyukov, for many years a leading figure in the military-industrial complex, and till now head of Gosplan, the state planning agency.

On Jan. 15, the U.S.S.R. Supreme Soviet confirmed Gorbachov's appointment of Aleksandr Bessmertnykh, the Soviet ambassador to Washington, as new foreign minister, replacing Eduard Shevardnadze. This choice suggests that Gorbachov expects to continue armed repression "in sync" with the U.S. government, as George Bush puts it.

On Jan. 15, Gorbachov broke his silence on the Baltic situation to blame the Baltic leaders for the crisis, accusing the Baltic leaders of being "dictators," and blaming Landsbergis, with his "hasty proclamation of independence," for the "events in Vilnius." Echoing his Defense Minister Yazov and Interior Minister Boris Pugo, Gorbachov repeated the lie that the Lithuanians had "fired first," with the Soviet Army "returning the fire." One recalled in this the infamous broadcast by the Nazis, Sept. 1, 1939, when Hitler invaded Poland: "Starting at 5:45 our troops returned the fire."

Then, Gorbachov turned his invective against Russia's President, Boris Yeltsin. Yeltsin had condemned the Red Army intervention in Lithuania, and issued a call for Russia to have its own army and for no Russian soldiers to fight against the governments of other republics. Gorbachov accused Yeltsin of a "deliberate provocation and gross violation of the U.S.S.R. Constitution," representing a "challenge not only to the supreme federal authorities, [which] also heightens confrontation in the already explosive situation in the country."

### Repression set to go

As of Jan. 16, in at least five of the six non-Slavic Christian republics of the U.S.S.R., the situation was poised at razor's edge. In the three Baltic republics (Estonia,

special unit, flown in as provocateurs. Either the crowd of 500,000 was too big for them to handle, or the organizers of the funeral found ways to neutralize this threat; no provocations occurred that day.

Now, as of Jan. 17, Vilnius is calm—"the calm before the storm," the inhabitants say. They had gotten credible

reports of even an air attack against the parliament, by helicopters and paratroopers stationed in Minsk, the capital of nearby Belorussia. An air or tank attack on the Lithuanian parliament is thought imminent. "Since the Americans started the war in the Gulf last night, there is not much hope left; the Russians will not miss this chance which the stupid and



Latvia, Lithuania), the republic of Moldavia bordering on Romania, and the republic of Georgia in the Transcaucasus, the deadlines set by Moscow for using the Army to crush the republics, had passed. Each of the republic governments had been issued an ultimatum to submit to the Red Army a "detailed list" of draft evaders, with their whereabouts.

In addition, the deadline set by a Gorbachov decree, ordering all Georgian militia to vacate the South Ossetian region of that republic, had also expired on Jan. 15. Georgia, which, like the Baltic states is seeking complete independence, rejected the ultimatum, and battles between Georgian militia and the Red Army airborne units and special Black Beret units of Soviet Interior Troops in South Ossetia, could break out at any time.

In each of the Baltic states, and in Moldavia, Moscow-orchestrated tensions, provocations, and ominous troop deployments, have been escalating on a daily basis.

**Lithuania:** Following the Vilnius massacre, where Soviet troops seized the TV and Radio Center, Lithuania has become an occupied country. Soviet troops have occupied auxiliary radio broadcasting facilities, the airports, ports, rail, and communication lines. The storming of the Lithuanian Parliament is expected soon. The command for this next escalation has been in place since Jan. 14, when two Soviet deputy defense ministers arrived in Lithuania: Gen. Valentin Varennikov, commander in chief of the Soviet Ground Forces, and Gen. Col. Vladislav Achalov, named Dec. 28 as the 13th deputy defense minister, to a new post, responsible for all deployments of Soviet Armed Forces. Achalov was, and is believed to still be, simultaneously the commander of all Soviet Airborne Forces.

**Latvia and Estonia:** In both republics, beginning Jan. 15, there have been mass demonstrations by the Red Army-controlled Interfront, the Russian chauvinist front for the Russian minorities which make up 40% of Estonia's population, and about 50% of Latvia's. The demonstrators demanded the immediate resignation of the Latvian and Estonian governments. Barricades have gone up in the Latvian capital of Riga and the Estonian capital of Tallinn, to try and protect the Parliament and government buildings in the center of the cities from Army attack. On Jan. 13, Gen. Col. Grigori Krivosheyev, the deputy chief of the U.S.S.R. General Staff in charge of manpower and mobilization, arrived in Estonia, to try to force compli-

ance with the Jan. 15 deadline.

**Moldavia:** In a Jan. 14 radio broadcast, Gen. Col. Ivan Morozov, commander of the Odessa Military District, which includes Moldavia, thundered that "the Soviet Army will do all it can to prevent Moldavia from leaving the Soviet Union." Morozov used the radio facilities in the city of Tiraspol, located on the Dniestr River, and "capital" of the ethnic Russian "Dniestr Republic" which was proclaimed by Moldavia's ethnic Russians on Oct. 28, when they, with covert Army backing, de facto seceded from Moldavia. The Odessa Military District command had given Moldavian authorities a "help us round up the draft evaders" deadline of Jan. 16, which has now passed. Quietly, over the Jan. 12-13 weekend, Soviet troops near the Moldavian capital of Kishineov were reinforced by at least one battalion, and the airborne division based with the Odessa Military District is ready to intervene as soon as orders are given.

### **U.S. strategic stupidity**

As the Moscow shows its iron fist more by the day, the U.S. war buildup in the Gulf has stripped Germany, the key to the defense of Europe, of any credible military force. Gone are over half of the U.S. Army ground forces combat units, a much higher percentage of armor, an incredible three-quarters of all combat aircraft, leaving a mere two divisions and a handful of squadrons. One year ago, the Federal Republic had four-plus U.S. divisions and no Russian troops on its soil; today, the two remaining American divisions "coexist" in united Germany with 376,000 Russian troops.

The Soviet blackmail capability extends beyond military means. War in the Gulf means at least partial disruption of Europe's oil supplies, and a potential explosion in oil prices overnight to \$60-75 a barrel. Europe's only alternative source for oil is—in exchange for a high political price—the Soviet Union.

Moreover, the Muslim republics of Azerbaidzhan and Central Asia have been exempted from any armed suppression by Moscow. There are tens of thousands of draft evaders in every Muslim republic, yet no ultimata have been presented to them. Given that the entire Islamic world is about to turn anti-American in response to Bush's attack on Iraq, the leaders in Moscow cannot help but realize that they stand to benefit from this anti-American wave.

—Konstantin George

immoral governments of the West have given them."

This is not only the opinion of the politicians in the besieged parliament in Vilnius and their colleagues in the other Baltic republics, who had warned the Western politicians time and again in the last months not to overlook the crucial indifference of the free world, which had sealed the destiny

of the Baltic republics already in 1940, as well as the fate of Hungary in 1956. That is also being said by the proverbial "man in the street" in Vilnius, who constantly puts the simple, but painstaking question to Western visitors: "When will the Western politicians and populations finally wake up? Only when it's too late, also for them?"

# Soviet allies in Americas on the move

by Gretchen Small

Since mid-November 1990, two of the armed insurgencies in the Americas with the closest ties to the KGB-military hardliners in Moscow, the Farabundo Martí Liberation Front (FMLN) of El Salvador and the Communist Party's Revolutionary Armed Forces of Colombia (FARC), have been engaged in unrelenting military offensives. Yet even after the FMLN shot down a U.S. helicopter on Jan. 2 and executed two U.S. servicemen who survived the crash, Washington shows no sign of recognition that the ongoing hardline shift in Moscow also means trouble in the Western Hemisphere.

For several years, the U.S. has centered its so-called "democratic agenda" for the Americas on three points: imposition of free trade policies at the expense of local industry and production; negotiations on power-sharing with insurgencies in Central America and the Andes; and reduction or elimination of national military institutions in the region. All of this has been premised on the line that, under the U.S. global deal with the Soviets, Moscow has cut off its assets in the Americas.

The simultaneity of the offensive by the FARC and the FMLN demonstrates the bankruptcy of that agenda. The FMLN launched its nationwide military offensive on Nov. 20, ostensibly to improve its position at the negotiating table. Although little covered in the U.S. media, fighting has been fierce. Some 400 Salvadorans had died by Jan. 2, including 25 civilians killed when the FMLN attacked military bases in populated areas. The FARC offensive received media attention at the beginning of January, when FARC squads killed 36 policemen in the first three days of 1991. The advocates of negotiation whatever the cost, claimed the military "provoked" the FARC, by seizing the FARC "Green House" jungle headquarters in December.

Not so, Colombian National Security Adviser Rafael Parado Rueda pointed out on Jan. 4. The nationwide FARC ambushes, kidnappings, and attacks on towns began approximately six weeks before, he noted. This places the opening of the FARC offensive at precisely the time as that of the FMLN.

To dismiss the coincidence of action as "local affairs" would be foolish. The majority of the leadership of the FARC and the FMLN, which remain the largest armed communist insurgencies in the Americas along with Shining Path of Peru, have remained firmly in the camp of the anti-perestroika forces in the communist camp. Before his death last year, FARC commander Jacobo Arenas reportedly told his troops

that Gorbachov—and thus his adherents—were CIA agents. The FMLN has historically worked closely with Cuba, whose Fidel Castro offered himself as international leader of the anti-perestroika faction.

The proponents of the "diminished threat" line have gone so far overboard in their efforts to sell their policy, that in the November/December 1990 issue of *The American Enterprise* magazine, "conservative" think tanker Mark Falcoff simply eliminated the FARC problem from the map entirely. Falcoff wrote that there is only one "serious guerrilla insurgency in South America today," Shining Path, since all others "either have been crushed by the military . . . or have demobilized voluntarily."

## Military remains Washington's 'enemy'

The Bush administration has responded to the FMLN's shooting down of a U.S. helicopter by rattling the sword of the "Thornburgh Doctrine," i.e., the threat of U.S. intervention. Thus the State Department is now seeking an indictment of one of the FMLN commanders, Joaquín Villalobos, so that U.S. agents can arrest him—if they find him. The idea, according to a senior State Department official, is to "strike a psychological blow against the rebel commander," the *Los Angeles Times* reported on Jan. 15.

But the State Department is continuing its active support for the FMLN campaign to force the government to dismantle the Armed Forces of El Salvador, and replace them with a disarmed police force. U.S. aid to El Salvador remains conditional on the government's participation in "peace talks" run by the U.N., and the U.N. envoy running those talks, Secretary General Javier Pérez de Cuéllar's personal aide Alvaro de Soto, has taken up the FMLN's anti-military demand as his own. On Jan. 11, the *Wall Street Journal* published a commentary by De Soto in which he argued that "incidents" cannot be allowed to get in the way of those negotiations. The FMLN's rampages are "wartime negotiations. . . . The FMLN considers military pressure essential to push those negotiations forward," De Soto wrote. "The talks are on track," including on "critical questions," such as "the demilitarization of society and the reform of the Armed Forces."

El Salvador is not the only country where the military, not the terrorists, is the target of attack. With United Nations participation, by Feb. 26, all five Central American countries are supported to have drawn up goals for the reduction of weaponry and men under arms.

The incoming President of Guatemala, Protestant evangelist Jorge Serrano, has already announced that one of his first acts will be to reach a deal with the FMLN's allies in his country, the Guatemalan National Revolutionary Unity (URNG). The military has opposed this strategy of handing the insurgents the tools to set the political agenda of the country, and so it will have to be "reformed" and hardliners purged, Serrano has announced.

# Inter-American Dialogue demands cut in population to slow 'global warming'

by Gretchen Small

Drug trafficking, terrorist insurgencies, even the officially recognized 10-25% collapse in per capita income over the past decade, are no longer the major crises which face the governments of the Americas, according to the 1990 annual report issued by Sol Linowitz's Inter-American Dialogue in December 1990. The real threat to Ibero-America, the group announced, is "global warming." This threat, it proposes, can only be resolved by reducing all levels of human activity in Ibero-America, including reducing the number of people who inhabit the region—i.e., by killing them.

These policy goals make up the bulk of the content of the Dialogue's report, "The Americas in a New World."

The Inter-American Dialogue is no minor player in Western Hemisphere affairs. The group was founded in the fall of 1982 with the stated purpose of ensuring that "pragmatists," and not men of vision, keep their grip on Ibero-American policy, as the global economic and political crises deepen. The cream of the Liberal Establishment in the United States, including McGeorge Bundy, Sol Linowitz, Robert McNamara, and Elliott Richardson, joined the group. A like number of Ibero-American bankers and politicians loyal to this Establishment, joined their U.S. counterparts in the Dialogue. Among its newer recruits are former Presidents Jimmy Carter and Raúl Alfonsín of Argentina.

The Inter-American Dialogue became notorious in 1986, when it launched a hemisphere-wide "debate" on the "benefits" of legalizing narcotics. In 1988, as narco-terrorist armies rampaged, it declared that the military in Ibero-America threatened democracy, and therefore military forces, and their power and influence, had to be radically reduced.

## Economies to be collapsed further

Now, in the name of the "global warming" hoax, the Dialogue demands that the region be depopulated and its economy torn down further. A chapter dedicated to "The Challenge of Global Warming" opens with the assertion:

"The greatest potential threat to the Western Hemisphere's future comes not from the prospects of a clash of arms or the ravages of economic depression. It arises instead from the slow and insidious deterioration of the environment."

Therefore, they argue, "world patterns of production and consumption" must be reduced. "Fossil-fuel consumption worldwide must be cut sharply. Transportation systems and industrial processes must be revamped." Ibero-American nations will have to forego basic centralized, capital-intensive infrastructure projects such as sewage disposal, "central power stations," and "electrical grids," because they are allegedly too "inefficient" and energy-costly.

The Dialogue proposes a "worldwide tax on fossil fuel consumption," which could force a reduction in fuel consumption (by raising its price) and raise funds to finance the environmental policing mechanisms they deem necessary.

Such measures will require "painful social and economic adjustments," including from the "distressed economies of Latin America," they state bluntly. "Some of the policy measures needed to confront global warming will almost certainly dampen economic growth prospects in Latin America . . . [and] will cause some near-term economic and social disruptions." But there must be no hesitation, for "Latin America's [gaseous] emissions, like those of other developing areas, are expected to rise sharply in the coming years as the region's population continues to expand and as industrial and urban development proceeds."

The Dialogue argument boils down to a simple one: Ibero-America's population must not be permitted to continue to rise, nor its industrial and urban development proceed. No quicker route to achieving these reductions could be found than to impose, upon economies already gutted by the debt payment looting of the 1980s, the energy and production cuts demanded by the Dialogue.

## Human beings too 'gaseous'

Further economic collapse will condemn millions of people in the region to die of starvation and poverty. But cutting back the number of human beings inhabiting Ibero-America, according to their logic, will help lower "gaseous emissions." Thus they insist:

"No serious effort to deal with global warming or other ecological problems can avoid the issue of population growth. Policy decisions made now could determine whether the world's population, currently at five billion, will eventu-

ally stabilize at eight billion or nearly triple to 14 billion by the middle of the next century. Achieving the smaller number would reduce world carbon dioxide emissions by as much as a complete halt to deforestation.

“Although it would have little short-term impact, a determined effort by all Latin American countries to curtail future population growth is essential to curb greenhouse gas emissions. . . . The United States, for its part, must reverse more than a decade-long decline in support for international population and family-planning programs.”

Dialogue members propose to make these policy proposals the central agenda item at the 1992 U.N. conference on the environment in Brazil. By then, a “Code of Environmental Conduct” should be drawn up for presentation. But since, over the longer term, means must be found to force these “painful” policies upon reluctant nations, they propose “an inter-American environmental protection agency that would have standard-setting, regulatory, and enforcement powers. . . .”

“For now, however, few, if any, countries of the hemisphere would agree to cede control over their national resources to such an international body.”

### **Delusions of a ‘New Age’**

The Inter-American Dialogue report is based on the assumption that because the Soviet Union is allegedly no longer a factor in world politics, the Establishment’s destructive economic policies can be implemented without concern for what the report terms “classic issues of military security and strategy.” The primary strategic reality, they write, is that the Cold War has ended as a result of the “second revolution” in the Soviet Union. They continue:

“Moscow has shown a desire to both limit its overseas political and military involvements and to resolve regional conflicts. . . . In almost any imaginable scenario, the Soviet Union will be a different and indeed a considerably smaller factor in Western Hemisphere affairs during this decade than in the previous two.”

New premises must dominate global affairs since economic competition is replacing military rivalry, the Dialogue claims. “The growing interdependence of the world economy” is replacing “competing national policies, often still tinged with mercantilism.” The role of “institutions of international governance” must rise in importance, such as is occurring with the U.N.

For Ibero-America, such premises dictate “an urgent need to reduce inordinate military expenditures” and a “turning away from inward-oriented development schemes.”

Today, Ibero-America serves mainly “as an exporter of raw materials and as a source of unskilled labor” in the world market, the Dialogue report states, but if these governments expect to continue to attract the attentions of profit-seeking “transnational corporations,” they must realize that they are competing with other “low-wage areas” in attracting overseas investors seeking “manufacturing sites for export-

oriented industries.”

Nothing makes the Dialogue members happier than the degree to which Ibero-American governments have already abandoned past goals of internal development. “Nearly every Latin American country is now striving hard to bolster exports and draw investment from overseas. This is a remarkable turnabout for a region that once emphasized industrial development to serve domestic needs,” they write. Chile is held up as a model, for it now exports over a third of its national production. Domestic markets must be opened wide to imports; tariffs are to be eliminated because, among other things, they “increase profits in domestic markets, thus dampening incentives for export sales.”

### **History will sweep them away**

“The Americas in a New World” provides useful insight into the underlying weakness of the Liberal Establishment’s current grip over the Americas, however. The fundamental premises upon which the Establishment has based its planning are being swept away, even before the ink has fully dried on the report.

The most stunning demonstration of this flaw is their dismissal of the Soviet factor. Even as a new dictatorship in Moscow begins to deploy its military against the subject peoples of the Soviet Empire, the Dialogue assured its followers that “only the coming to power in Moscow of a group committed to worldwide revolutionary struggle could seriously threaten Latin America, and that contingency now seems most unlikely.”

The bankruptcy of that strategic assumption has been demonstrated in Ibero-America itself. In January, two of the terrorist groups in the Americas closest to hardliners in the Kremlin, launched assaults which gave the lie to the Establishment’s insistence that the terrorist threat has ended.

In Colombia, the Communist Party’s armed force, the Revolutionary Armed Forces of Colombia (FARC), killed 36 policemen and blew up infrastructure throughout that nation in the first three days of 1991. FARC spokesmen announced that they are no longer willing to “negotiate” with the government. In El Salvador, the target chosen by the Farabundo Marti Liberation Front (FMLN)—one of the terrorist armies favored by Bush’s State Department for its alleged willingness to “talk”—was U.S. forces. On Jan. 3, FMLN forces shot down a U.S. helicopter, and then shot to death two of the three U.S. servicemen on board.

The second fundamental flaw in the Dialogue’s assumptions is that the Establishment can consolidate a secure “global economy” based on their free market policies. Here, they show an inkling that all may not transpire as they wish in the 1990s. The “appeal of neo-liberal economics in Latin America should not be exaggerated,” they note; liberal policies are still “vulnerable to nationalist backlash.” There is a tone of fear in their warning: “History has by no means ended in Latin America.”

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## Book Review

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# Tibet: the century's forgotten crime against humanity

by Mary M. Burdman

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### **Freedom in Exile, The Autobiography of the Dalai Lama**

by Tenzin Gyatso

HarperCollins, New York, 1990

288 pages, hardbound, \$22.95

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Dr. Tenzin Choedrak, a Tibetan who had been the personal physician of the Dalai Lama in the 1950s, was imprisoned by the Chinese communist military regime in Tibet for 20 years. When finally released and able to escape to join the exiled Tibetan leader in Dharamsala, India in 1980, Dr. Choedrak told the Dalai Lama and other Tibetans living there in exile, what the Chinese were doing to the tens of thousands of Tibetans they imprisoned after the national Tibetan uprising in 1959. Prisoners, forced to work all day and then subjected to brainwashing sessions until late at night, were so starved that they ate their own clothing. Once, when in a prison hospital, Dr. Choedrak said, he watched another prisoner grow "so desperate for nourishment, that when he passed a worm in his meagre stool, he washed it and ate it."

This, writes Tenzin Gyatso, the Fourteenth Dalai Lama of Tibet, is what the Chinese occupiers have done to his nation since they invaded in October 1950. His autobiography, *Freedom in Exile*, documents in the most straightforward terms that China is attempting to eliminate not only the Tibetan people, but also Tibet as a nation, by destroying its religion and culture, eliminating its history, and repopulating the entire country with Chinese. Control of Tibet, the "roof of the world," gives China command of one of the most strategic regions in Asia.

Yet for 40 years, the nations of the world have done nothing. The United States and British governments, now so ready to send the world to war against Iraq in the Middle

East, supposedly—and sanctimoniously—to defend a small nation against aggression, have not even received the Dalai Lama, the acknowledged spiritual leader of world Buddhism, for fear of offending Beijing. The only situation in the world broadly comparable to that of Tibet is that of Lithuania and the other Baltic states seized by the Soviet Union under the Hitler-Stalin Pact of 1939, and subjected to the same national murder by communist police-state tyranny. Just as now, the United States will do nothing to aid the freedom fighters of Lithuania, so in 1950, the U.S. and British governments would not even receive a delegation sent from the Dalai Lama's government to ask for aid.

### **Aggression against a small neighbor**

The Chinese invaded when the Dalai Lama was 15 years old; in 1959, threatened with capture by the Chinese as the Tibetan population rose in revolt, he fled to India. In the intervening period he had been brought to Beijing by the Chinese where he, then sympathetic to Marxism, got a rude shock at the corruption and totalitarian control he found there. He also learned that Mao Zedong had no intention of ever giving up Chinese control of Tibet.

Why Mao was so insistent on controlling Tibet, was demonstrated a few years later, when the Chinese defeated India in the 1962 border war. This war, the Dalai Lama writes, broke the spirit of Indian Prime Minister Jawaharlal Nehru, because it destroyed his hope for a free Asia of sovereign nations, coexisting in harmony. Nehru, who had given protection and very generous help, especially education, to the 100,000 Tibetans who fled to India, died in 1964.

In Tibet, the killing goes on. Of a population of 6 million, 1.25 million have been *killed* by the Chinese invaders and millions more suffered terrible repression. In Amdo province, where the Dalai Lama was born, is the largest gulag in the world, capable of holding up to 10 million persons.

Yet the Tibetans have met this repression with tremen-

dous courage. Tibetans, fighting with little more than their ponies and rifles, conducted guerrilla warfare for years that led to a general uprising in 1959. The only help they ever got were a few defective weapons dropped to them by the Central Intelligence Agency—until, of course, the United States, with Henry Kissinger at the lead, reopened relations with China beginning in 1972.

In October 1987, another uprising began in Tibet when the Chinese killed at least eight demonstrators, most Buddhist monks and nuns, in the capital city of Lhasa. The uprising has continued, leading to terrible tragedy. Months before the June 1989 crackdown in Tiananmen Square, 10,000 Chinese People's Armed Police—the stormtroopers of the People's Liberation Army—slaughtered 450 Tibetans in the streets of Lhasa on March 6, 1989, after luring them into an ambush. This omen of the Tiananmen events was revealed this past August by Chinese journalist Tang Daxian, now a dissident in exile in Paris.

### **Unspeakable atrocities**

Everything the Dalai Lama writes supports this account. It took him years to believe the reports he received of the Chinese genocide in Tibet, so horrific were the stories of torture and murder. Tibetans have been reduced to unspeakable poverty by the Chinese: People everywhere are reduced to eating leaves and grass when their tiny monthly rations run out, and are stunted by malnutrition. All the much-touted Chinese "improvements," including roads, schools, and hospitals, are solely for the use of the Chinese immigrants. Monasteries were first stripped bare and all treasures sent to China. Whatever was left standing was demolished by rampaging Red Guards during Mao Zedong's Cultural Revolution holocaust. Tibetan couples are allowed only two children each and any woman who becomes pregnant a third time is forcibly aborted and brutally sterilized.

### **Proposals to restore Tibet**

The Dalai Lama has spent years traveling throughout the world speaking on Tibet and religion. He has in recent years made a number of proposals for Tibet. In September 1987, while addressing the Human Rights Caucus of the U.S. Congress, he proposed a Five Point Peace Plan, which calls for:

- transforming all Tibet into a "zone of peace";
- ending China's "population transfer policy which threatens the very existence of the Tibetans as a people";
- respect for the Tibetan people's fundamental human rights; and
- restoration and protection of Tibet's natural environment and the abandonment of China's use of Tibet for the production of nuclear weapons and dumping of nuclear waste.

The "Gang of Ancients" in Beijing has totally exploited Tibet's strategic location. They now have 300,000 troops there, most along the still-disputed border with India, but

50,000 within a day's march of Lhasa. The government in Beijing maintains one-third of their nuclear weaponry in Tibet. Like neighboring Xinjiang, which was East Turkestan until the Chinese overran it in 1949, Tibet has some of the world's richest uranium deposits.

Tibet is in a unique situation, where India, Pakistan, Afghanistan, China, and the Soviet Union all meet in Central Asia. It lies directly between the world's two most populous nations, India and China, while only sparsely populated itself; its 6 million people are dispersed over a land mass equal to the size of Western Europe. Indeed, Tibet is one of the relatively few countries of the world which could function in its own and neighboring nations' interests as a zone of peace. The current Beijing butchers will never agree to even partial autonomy, to say nothing of dismantling their arsenal in Tibet. But, given the Dalai Lama's conviction that the Gang of Ancients cannot survive more than 5-10 years, the Dalai Lama's proposals may be wise.

As for the call for "restoring and protecting the natural environment," the reader should not jump to the simplistic conclusion that this is a "green" proposal. Consider this: Even a brief visit to former East Germany, which was the most advanced of the communist bloc nations, gives one a very different perspective on what is usually referred to as "protecting the environment." Environmentalism in Western Europe or the United States is an anti-human cult. But in East Germany, so great was the "primitive accumulation" and so little the investment made in advanced technology, that the air reeks of brown coal smoke even in summer. If it remains under communist exploitation much longer, vast areas of China could be reduced to barren desert. Tibet is faring even worse. Every day, hundreds of trucks full of logs lurch down the roads to China. If this goes on much longer, there is grave risk of massive flooding of India, Bangladesh, and China itself. The greatest rivers in Asia, the Brahmaputra and the Yangtze, rise in Tibet's mountains. The Chinese are even importing other nations' nuclear wastes and dumping them in Tibet, whose population Beijing considers so expendable.

The Dalai Lama is a controversial figure, unfortunately more because of his leadership of world Buddhism than the failure of Western nations to protest Chinese destruction of Tibet. The Dalai Lama describes his religion, to which he is very committed, at length—but with a gentle humor and irony that many Westerners could learn from. Of course, Tibet has been a focus for Western cultists for generations, from the British imperialists to the Nazi leadership to "New Age" cultists today. But Westerners must learn to differentiate between the culture of an ancient nation and aberrations or gimmicky exploitations in their own midst. "When it actually comes to people changing their religion, I usually advise them to think the matter through very carefully. Rushing into a new religion can give rise to mental conflict and is nearly always difficult," the Dalai Lama writes. Cultists take warning.

## Report from Bonn by Rainer Apel

### If they tell you to go to war, say no

*The turnout in German anti-war campaigns has already outnumbered the 1960s anti-Vietnam protest.*

**‘W**e shall overcome!”—the song of the U.S. civil rights movement which had a comeback during the anti-regime mass protests in the East of Germany and of Europe in late 1989—can be heard in Germany’s streets again. This time, it targets the blatant incompetence of the politicians and professional diplomats and military strategists to find a peaceful solution to the Gulf conflict.

Coming to a first peak on Jan. 12, the mobilization of church and other anti-war groups turned out a quarter-million people of all ages, in the streets of 120 German cities. Under the slogans, “It’s Five Before Twelve,” “No War In The Gulf!” and “No Blood For Oil!,” citizens gathered for protest marches through the big cities—50,000 in Berlin; 30,000 in Hamburg; 15,000 each in Frankfurt and Cologne; 10,000 each in Munich, Stuttgart, Leipzig, Potsdam, Rostock; between 3,000 and 5,000 in Dresden, Chemnitz, and Bonn.

In Dresden, the city which experienced the most lethal allied bombing raid in February 1945, several thousand citizens formed a human chain cross around the ruins of the Frauenkirche Church in silent protest. The famous baroque church, once one of Germany’s finest, was not restored after the war, but left there as a monument against the insanity of modern war.

The half-restored ruins of the Commemoration Church in Berlin were the site of a rally of about 50,000 citizens that had joined a protest march through the city on Jan. 12. That night, a special “Concert for

Peace” was played by the Berlin Philharmonic Orchestra at the church.

The churches that played a key role in the growth of the peaceful revolution against the East German communist regime in late 1989, are now fostering the anti-war movement. Vigils are held at thousands of churches, and peace prayers are held in 1,000 church buildings.

Senior churchmen of both confessions in Germany—Catholic and Lutheran-Protestant—have come out harshly denouncing the war drive in the Gulf. In a pre-Christmas call, the Catholic lay organization Pax Christi called on the German government to send a signal for peace by halting logistical support for the U.S. Gulf expedition corps from German territory. A freeze on the logistics operation was also requested in a joint pre-Christmas call issued by both confessions in the two German states of Hesse and Rhineland-Palatinate—where most U.S. troops are concentrated in Germany.

The harshest denunciation to date by clergy of Bush’s war drive came from Franz Kamphaus, the Catholic Bishop of Limburg, in his Christmas homily. Kamphaus, one of the senior spokesmen of the Catholics in Germany, said that war conducted with the kinds of weapons stationed in the Gulf conflict zone, would lead to a “scorched earth and scorched human bodies.” To even think of, or plan such a war, was incompatible with the notion of love on which Christianity is built, he said.

Anti-war groups also began street blockades against U.S. military bas-

es—against Rhine-Main Air Base in Frankfurt, the pivot for the transfer of 40% of all matériel and troops to the Gulf, on Jan. 13. The headquarters of the U.S. 7th Corps in Stuttgart was temporarily blockaded by protesters in the early morning of Jan. 15.

There have been anti-war mass protests in Germany, before: during the heated controversy over the stationing of the so-called “Euromissiles” in the early 1980s, or in the late 1960s anti-Vietnam war protests. What makes the big difference now, is the involvement of the German labor movement. The DGB, Germany’s national labor federation, has launched five-minute warning strikes in the major German cities. Sixteen thousand teachers struck for five to ten minutes in Hamburg on Jan. 15. The day after, 75,000 workers of the private and public sector walked out protesting for five minutes in Dusseldorf; public transport workers joined in Hamburg, Hanover, Berlin, and Leipzig. The DGB campaign is designed to build up for a nationwide strike for peace of up to ten minutes in late January. A prime-time TV magazine in Germany, *Monitor*, supported the DGB campaign with a special on Jan. 15, which was concluded with the emotional reading of a famous 1946 anti-war poem: “If they tell you to leave your job and go to war, say no!”

Some labor unions want to escalate the campaign. The metal workers, Germany’s largest union with 4 million card-carrying members, have called for a nationwide symbolic strike of at least 30 minutes. Labor doesn’t like Saddam Hussein; but the present U.S. administration is considered the real threat to world peace. “We must prevent Bush from pushing the red button,” Karl-Heinz Jungmann, chairman of the Hesse state section of the DGB, said at a Frankfurt protest rally of 15,000 on Jan. 12.

## Shining Path: the new cocaine cartel

*The Bush administration will compete with terrorists for the favor of Peru's cocaine producers.*

**T**he first week of 1991 brought the Peruvian public a terrible revelation. According to the Lima weekly *Sí*, more than a year ago, the Shining Path terrorists became the entity which controls production and trade in coca leaves and basic cocaine paste in the world's foremost coca production area, the Upper Huallaga Valley. *Sí* published a facsimile of a document entitled "Petition from the Poor Peasants," dated April 1990, in the Upper Huallaga Valley town of Uchiza.

The document, which fell into the hands of the authorities at the end of 1990, conclusively proves *Sí's* assertion. It reports agreements between Shining Path and narcotics traffickers, particularly the Colombian ones who swoop into the Peruvian jungle in small airplanes to buy basic cocaine paste. The agreement stipulates prices which should be paid effective April 18, 1990, for coca leaves and basic cocaine paste. It also sets standards for weighing the merchandise and for setting exchange rates between dollar and the Peruvian inti.

The Shining Path document reads in part: "We support the just price demanded by the peasants, no rip-offs in weighing and direct negotiation between the peasant producer and the firms [drug traffickers]. We propose agreements and norms to be imposed through delegations. Anybody who breaks said agreements and norms will be drastically sanctioned."

Shining Path insists that the drug traffickers accept "subjection to rules of the locals of the party [Peruvian Communist Party—Shining Path,

(PCP)]. . . . They must treat peasants well (not humiliate them, nor mock them, nor restrain them). They must not bear arms when they go into people's committees, since the people provide security. Support the PCP and people's war. They may have relations with the enemy, but must not inform on our position. If they go over to the enemy, the PCP will take drastic measures against them."

Since the early 1980s, Shining Path has targeted the Huallaga Valley, source of 60% of the world's coca, trying to get in on the profits. They focused on eliminating all competition. They assassinated the small intermediaries who carried the coca leaves from the small farms to the laboratories and clandestine airports. Then, they battled the Tupac Amaru Revolutionary Movement (MRTA) terrorists for control, expelling them at the end of 1989.

Shining Path has entered a new stage in seizing power in Peru. According to columnist Patricio Ricketts of the daily *Expreso*, the November issue of Shining Path's new publication *Diario Internacional*, put out in Brussels, reveals that it "has gone even more audaciously to . . . land invasions whose control would permit Shining Path to strangle the Central Highway . . . thus immobilizing the country." This is the only good road connecting Lima with the food-growing and mining areas of the central highlands.

Shining Path's ability to turn itself into the powerful "Huallaga Cartel," with more than \$150 million annual income from "levies," demonstrates

the failure of Gen. Alberto Arciniegas's policy. The "Arciniegas line," followed by both Presidents Alan García and Alberto Fujimori, was dictated by the U.S. Establishment's Inter-American Dialogue. Its thesis is that the government's strategy must be to win over the coca-growing peasants from Shining Path. Following this policy, the Peruvian Army, under General Arciniegas's command, promoted and protected coca-grower cops throughout the Huallaga Valley, knowing full well they were producing for sale to the Colombian mafia.

Peru is about to sign a new "anti-drug" accord with the United States. From all indications, it will be based on the anti-drug proposal Fujimori made after he rejected a Bush administration offer of \$36 million in military aid.

It is known that Fujimori's proposal was cooked up by the Institute for Liberty and Democracy, run by his adviser, Hernando de Soto, who is also George Bush's favorite Ibero-American economist. De Soto, through Fujimori, proposes that legal property titles be given to the coca-growing squatters in the conflict zones. De Soto argues that that would give the Peruvian state greater presence in the zone and a better shot at beating out Shining Path for effective control over it.

The Arciniegas and Fujimori-De Soto proposals have a lot in common. Both emphasize "winning over" the coca-growers. Both see the decisive issue as being whether or not those peasants work with the Peruvian government or with Shining Path. Hence, it is no surprise that many say the Fujimori-De Soto line entails legalizing cocaine production. Nor is it a surprise that General Arciniegas has openly praised De Soto's drug thesis, to which the United States is about to give its blessing and its money.



## Anti-U.S. protests growing

*George Bush's Persian Gulf war and the U.S.-Canada free trade pact are fueling hatred against Washington.*

**W**hile Canadian parliamentary leaders vacillated on backing U.S. warfare on Iraq the day after the U.S. bombing assault on Baghdad, thousands of Canadian citizens are being more resolute. They are taking to the streets to show their opposition—to war and to Washington.

In the past few years, Ottawa politicians have cravenly supported U.S. demands for a U.S.-Canadian free trade pact, for the failed U.S. proposal for a global free trade treaty in the General Agreement on Tariffs and Trade (GATT) talks, and for backing war in the Persian Gulf. Like Americans, Canadian citizens are bearing the brunt of these errors.

An estimated quarter million Canadian jobs have been lost in the two years since January 1989, when the U.S.-Canada Free Trade Agreement went into effect. This is the estimate of Nancy Riche, executive vice president of the Canadian Labour Congress (CLC).

Federal and local governments have resorted to drastic measures in an attempt to deal with crumbling economic conditions. A new federal GST—goods and services tax—has been slapped on transactions. In Quebec, this will be added to a provincial tax for a combined rate of 15.6%. The levy on services isn't to begin until 1992, to supposedly make the pill less bitter.

Long before then, the economic situation is set to blow apart, unless emergency pro-production measures are implemented. On Jan. 3, Daryl Bean, the president of the largest (170,000-member) public service union, said, "Unless something is

done to deal with morale and the fears over job security in the federal public service during this round of negotiations, there is no question in my mind that, come late summer, there will be a strike." Public employees are being forced to work overtime. Verbal assaults on them are also increasing as the public takes out its rage over government policies on the closest government representative at hand. Bean said his members were showing "intolerable levels of stress."

On Jan. 1, 90% of the 10,500 nurses in Manitoba hospitals went out on strike, leaving 1,000 nurses to perform critical functions. The nurses demanded a 27% wage increase over two years, as opposed to the government's offer of a 20% increase over three years.

This job action is the first province-wide strike in Manitoba. Of nurses' wages in Canada's ten provinces, only those in Quebec and Prince Edward's Island are lower. Kathleen Connors, president of the National Federation of Nurses' Unions, said that unions in five provinces besides Manitoba will renew their contracts this year. She claims that the Manitoba strike will "set the tone for what happens elsewhere." Ontario nurses, whose contract expires March 31, are demanding a 50% pay increase.

CLC official Riche charges that the economic recession in Canada was "planned as part of the free trade agreement," which the Brian Mulroney government denies. But no one is debating the fine points anymore. Anti-Washington sentiment is aflame.

Even media polls show the mood. A Jan. 16 poll showed that 56% of

Canadians are against the U.S. Persian Gulf war, with the highest support in Ontario (46%), and the lowest in Quebec, where 70% oppose George Bush.

On Jan. 12, a 5,000 person rally was held at City Hall Square in Toronto, protesting the war, and protesting the Soviets firing on Lithuanians. In Ottawa, there were 3,000 demonstrators on Parliament Hill. At least 30 other anti-war demonstrations were held across Canada, involving a total of well over 25,000 people. On Jan. 13, a 6,000-person anti-war rally took place in Montreal.

On Jan. 15—the deadline date set by Bush—college students and younger pupils marched out of schools in Quebec. About 1,000 high school students demonstrated at the National Assembly at Quebec City. In downtown Montreal, 250 McGill University students rallied at the McGill Arts building. Over 200 students left their classrooms at the Ecole Secondaire St-Luc to spread the word to other students. A similar protest took place in northern Montreal at Ecole Secondaire Calixa Lavallée.

On Jan. 15, Jean Chrétien, the newly-elected head of the Liberal Party, entered parliament and immediately attacked participation in the war: "A long, dark shadow, a shadow of death, hangs over hundreds and hundreds of Canadian women and men in the Middle East." Liberal External Affairs Critic Lloyd Axworthy said, "You don't bring about peace by putting a gun to somebody's head."

Chrétien tried to back-track shortly after the U.S. attack on Iraq began Jan. 16, saying in Parliament that Canadians should "stand united" to support their "men and women in the Persian Gulf." But more and more Canadians are demanding that politicians support them by opposing Washington's insanity.

# International Intelligence

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## **Marshal Akhromeyev sees 'generalized war' threat**

Soviet Marshal Sergei Akhromeyev, President Mikhail Gorbachov's main military adviser, warned on Jan. 11 that, in the event of war in the Gulf, "most of the Arabs [will be] with Saddam Hussein," and that "if war breaks out, it will not be a local or limited conflict, but a generalized one." Speaking with TASS news agency, Akhromeyev stated that in such a war, "all the Arabs will be involved, and the ground will burn under the feet of the people; it will be a scorched earth."

The French daily *Libération* reported Akhromeyev's comments, in the context of a report on growing tensions within Soviet ruling elites over policy toward the Persian Gulf crisis. While Soviet Foreign Ministry spokesman Vitaly Zhurkin on Jan. 11 reaffirmed the line of lame duck Foreign Minister Eduard Shevardnadze, of collaboration with the United States, and stated that the Soviets would approve the use of force after Jan. 15 and wanted no delaying of that deadline, there is an opposing grouping, centered around Yevgeny Primakov, the paper reported. In the event of a conflict breaking out, *Libération* stressed, the Soviet military "could speak."

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## **U.S. stands to lose 'entire Muslim world'**

Jordan's King Hussein warned on Jan. 13 that the United States is on the verge of general war with the Muslim world. Speaking on American television, he said that a military victory against Iraq would not be the end. "You may win one battle, but you will lose the entire Arab world," he said. "No one disputes the power and strength of the United States and its ability to inflict a lot of damage, but inflicting such damage in this case is a war against an entire Arab people, the Muslim people, and the result would be horrendous. . . . Maybe force can achieve some initial results, but we would

be plunged into disastrous affairs that would last many, many years."

From across the political spectrum of the Muslim world, others have sounded the same alarm. Iranian Ayatollah Khamenei, in a statement from Teheran on Jan. 10, declared that the Americans have to take notice of the fact that the "Persian Gulf is Muslim property."

No foreign force, Khamenei warned, can be permitted to "interfere with security agreements signed between Muslim nations of this region, with the policy of oil pricing and production, or any other transactions." Any attempt of the Americans to "exploit this crisis for longer-term objectives such as settling down in the region as the dominant power," would meet the fiercest Muslim resistance, the ayatollah declared.

From Baghdad, Irfan Abdul Hamid Fatah, organizer of an Islamic conference with 300 delegates from 20 countries attending, said that "many Muslims now see this allied army as the eighth crusade directed against Islam. The Western media underestimate the harm that could result from a confrontation, at the time when we were working hard to establish new relations between the West and Islam. From the first bullet fired against Iraq, the whole Muslim world will rise up."

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## **Yugoslavia tells local militias to turn in arms**

The central Yugoslav government told all independent militias to turn their weapons over to the Army, in an ultimatum addressed to the republics of Croatia and Slovenia on Jan. 9. A deadline of 10 days was set.

The Belgrade authorities attacked non-socialist groups in the non-Serbian republics for building up "illegal paramilitary units that are planning terrorist acts and pose an immediate threat of armed insurrection."

Members of the Croatian Democratic Movement, the Belgrade government charged, have been supplied over recent weeks with 36,000 Kalashnikov rifles, and insurrectionist units are stationed close to

the border with Serbia.

The journal of the Yugoslav Army, *Narodna Armija*, issued a call on Jan. 9 for the government to solve the problem of draftees who evaded service in the Yugoslav Army, in favor of serving with the new Slovenian militia. The creation of this militia, the journal charged, meant "a complete secession from the legal system of Yugoslavia."

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## **Russian nobility comes out of the woodwork**

"After 70 years, the Russian nobility comes out into the open" is the title of an article in the Italian newspaper *Il Giorno* published on Jan. 5. "These days in Moscow, they are inaugurating a series of events to 'unveil to the large Soviet public the historic role of the Russian nobility in developing the national culture and the Russian people,'" the paper writes.

"Prince Shakhovskoy left his exile in Paris to go to Moscow for the occasion. There he joined the efforts of Prince Andrei Kirillovich Golitsyn, to prepare the various events, which will last till the end of May. Subsequently, the festivities will continue in the Western world. . . . These events will also underline the common culture existing between the Russian nobility and the Western European tradition, as declared by the nobleman Konstantin Dmitrievich Samarin in a press conference held in the Morozob residence, the location of the Association for Friendship among the Peoples, on Kalinin Street in downtown Moscow."

This "noblemen's club" writes *Il Giorno*, has already received 1,000 requests from noblemen who want their lands and titles back. Similar clubs are being created in all the Soviet regions. The association describes itself as strictly nonpolitical, aiming to promote activities in the recreational and economic fields, aiming at restoring the historic continuity of the Russian people, "not only of the nobility, but of all the social groups, from the merchants to the peasants."

Prince Golitsyn said that the aim is to get back the fragments of society which have

survived the "bloodbath of communism" in order to recompose a mosaic which can give life back to the "destroyed organism of the Russian people."

### ***Britain's Heath likens crisis to that of 1956***

Former British Prime Minister Edward Heath, a Tory, warned that President Bush, by his refusal to negotiate seriously with Iraq, is causing a combined Middle East and Soviet crisis echoing the developments of 1956, when the Suez intervention by Great Britain, France, and Israel was launched more or less simultaneously with the Soviet crackdown against Hungary.

In his harshest attack to date on Bush administration policy in the Gulf, Heath told a BBC interviewer on Jan. 9 that Bush and U.S. Secretary of State James Baker III were making a "grave mistake," by refusing to give Saddam Hussein a face-saving formula to resolve the crisis. "It's really unforgivable in diplomacy to say, of course, we cannot allow anybody to save his face, we've got to rub his nose in it," he stated.

Heath added that "Bush is in just as big a corner as Saddam," and pointed out that a war in the Gulf would facilitate Soviet moves against Lithuania and its Baltic neighbors.

Heath said that "American impatience" was not a justifiable reason for going to war against Iraq.

### ***Canada denies visa to scientist Rudolph***

After months of hearings and procrastination, the Canadian immigration adjudicator ruled on Jan. 12 in Toronto that former U.S.-German rocket scientist Arthur Rudolph would not be granted entry into Canada.

Rudolph was forced to give up his U.S. citizenship and leave the United States in 1983 by the Justice Department's Office of Special Investigations, under threat of a trial for Nazi war crimes. An investigation of the

charges by the West German government found Rudolph innocent of any wrongdoing.

Rudolph supervised the production of the V-2 rocket during the war, and, following his immigration to the United States, the building of the Saturn V rocket that took Apollo astronauts to the Moon.

The Canadian adjudicator stated that he found no "reasonable grounds" to conclude that Rudolph had been a "principal offender" in the mistreatment of forced laborers, as had been charged by the Canadian government. He also accepted Rudolph's contention that he was an unwilling participant at the underground V-2 factory, in that he had no choice but to work there. Yet, because he "aided and abetted" crimes against humanity, according to the ruling, he will not be allowed into the country.

Rudolph's lawyer was quoted in the *New York Times* stating that he is "very, very pleased that they found that he himself had never committed any wrongdoing, such as inflicting cruelty on the prisoners."

### ***Soviet press censorship heralds end of glasnost***

The Soviet satirical TV review show "Vzglyad," which was prevented by the censors at the end of 1990 from exposing the reasons for Foreign Minister Eduard Shevardnadze's resignation, has been suspended indefinitely, according to government officials speaking on Gostel Radio, who said they are demanding greater advance control over the content of the show.

Gostel Radio also closed indefinitely the offices of Interfax, which had been serving as a secondary source of information on government policy not covered by the official news agency TASS.

Yvegani Dodolev, one of the hosts of the "Vzglyad" program, commented in an interview to the daily *Moscow News*, "We are witnessing a coup. But in a country as big as ours, it cannot take one hour, as in Haiti. The troops are in Riga and Yerevan [Armenia] so far."

## ***Briefly***

● **STANISLAW TYMINSKY**, the wealthy Polish-Canadian-Peruvian Libertarian who ran for President of Poland last December, wants to buy a newspaper in Warsaw, in order to have a propoganda organ against President Lech Walesa. According to the Jan. 10 *Toronto Sun*, Tyminsky has asked investors to help in the purchase.

● **BRAZIL'S** *Jornal do Comercio* newspaper on Jan. 11 published a commentary by *EIR's* Lorenzo Carasco, in which he identified the Persian Gulf crisis as a North-South conflict. "The time has come to rethink the paths of national foreign policy, accepting the evidence that the current Anglo-American policy is oriented toward concentrating global conflicts on the North-South axis," the article said.

● **ISRAEL** will soon send three diplomats to Beijing, the first it has ever sent to Communist China, the *Jerusalem Post* reports. Israel and China have been carrying on behind-the-scenes negotiations, they reported, and are now raising the level of their ties. The envoys will not have diplomatic accreditation, since no formal ties exist between China and Israel, but the delegation will be considered part of the Israeli Academy of Sciences liaison staff in China.

● **INTERNMENT CAMPS** in Britain could be used to hold Iraqis deemed a national security risk, according to the *Daily Telegraph* of Jan. 7, citing officials from the Home Office. "Contingency plans for rounding up British-based supporters of President Saddam Hussein are believed to include the use of former Army camps to house 'undesirables' among the estimated 6,000 Iraqis in Britain."

● **CANADA** announced on Jan. 13 that it would suspend food and economic aid to the U.S.S.R. while a review is made of the implications of the crackdown in Lithuania.

## Bush launches war under new 'Hitler-Stalin Pact'

by H. Graham Lowry

Even as the U.S. Congress was completing its rigged debate Jan. 12 on launching war in the Middle East, the Red Army was rolling through the streets of the capital of Lithuania—thanks to a satanic pact between the Presidents of the United States and the Soviet Union. Bush and Gorbachov consulted by telephone the day before, and Bush declared the two powers “in synch.” Less than 18 hours after the deadline set for midnight Jan. 15, U.S. bombers launched the first attacks on Iraq.

From the prison where George Bush has confined him for nearly two years, candidate Lyndon LaRouche issued a statement Jan. 13 declaring that Bush “has put the United States the first few steps down the road in the direction of a possible World War III. . . . What has happened is, that Bush has traded off Iraq for the Baltics, in much the manner that Hitler and Stalin made deals back in the 1939-40 period.” LaRouche also denounced “the follies of Congress” in bending to pressures to authorize “George Bush’s war against Iraq”—thereby creating “a series of events analogous to the follies of the Austro-Hungarian Emperor in unleashing World War I.”

The hideous spectacle of murdered Lithuanians being hurled in body bags by Soviet troops from the captured television tower in Vilnius has already demonstrated the nature of the Bush-Gorbachov deal—which Lithuanian President Landsbergis likened to a new Hitler-Stalin Pact. As LaRouche describes it, “Through backing from George Bush, in exchange for Soviet backing for Bush’s Gulf policy, the Soviet government has moved in to crush the quasi-independence achieved by the Baltic states. Gorbachov’s hand held the dagger that struck, and George Bush’s hand held Gorbachov’s. The issue is not limited to George Bush’s follies in the Gulf or the Soviet regime’s brutality in the Baltic states. The world is set to blow.”

### A Hitlerian world order

As LaRouche had warned and *EIR* has documented, Bush decided to set the U.S. war machine in motion in the Gulf as long ago as the second week of August. He embraced that madness under direct pressure from Britain’s Prime Minister Margaret Thatcher, during her unveiling of “The New Global Agenda” at an Aspen Institute conference in Colorado. The degenerate Anglo-American Establishment preplanned this war in the interest of destroying the potential for European and Japanese economic development, and of establishing a precedent for colonial wars for raw materials and population control in the Third World generally. Like Hitler, Bush is lying that it was Saddam Hussein’s provocation that led him to war, when war was Bush’s objective all along. The United States developed plans for occupying the Saudi oil fields at least 17 years ago, according to U.S. officials; and the Iraqi action simply served as a pretext. Bush’s “success” will mean genocide worse than Hitler’s.

The war itself emanates from the same sort of inevitable economic breakdown, under insane policies, that triggered World War II. This time, LaRouche had put competent solutions on the table—and prophetic warnings of the consequences if they were rejected by those in power. “Go back to 1982-83,” LaRouche declared in his Jan. 13 statement, “and take into account the things which I was warning on several fronts then. Take two, for example: In 1982-83, I warned that the foolish policies adopted by the Reagan administration, then with the force from George Bush and as well as his co-thinker Henry Kissinger and the New York banking crowd, would lead to a banking crisis, the collapse of the U.S. banking system down the way.

“One year later, in 1984 and following the 1983 warnings, the Chicago bank Continental Illinois went under in the first round, signaling a general collapse of the banking system

on the way. That banking collapse is now a reality. Nineteen eighty-seven was our 1929; and we have come to our 1933, reliving the follies of the 1920s and 1930s under Coolidge and Hoover. One can say that on the question of economics, the Reagan and Bush administrations *are* the Coolidge and Hoover administrations, relived as farce.”

### **What has happened in Moscow?**

“In the meantime, what’s happened in Moscow? In 1983—the spring of 1983, to be exact—I warned that certain information received by me showed that the Soviet empire was undergoing a phase change, a transition away from Bolshevism, as most people in the West thought of Marxism and Bolshevism, toward a kind of revival of the Third Rome form of Czarism, going back to Alexander, Ivan the Terrible, and his immediate predecessors of the 16th century. That has now happened. It is not fully consolidated, but has happened. The Soviet empire is now ruled from Moscow by a cabal, of sorts, of the military, the internal security forces—the KGB successor to the Okhrana and the old Russian Czarist Third Section—and a nationalist group which is centered in its expression around the Russian Orthodox Church hierarchy. So, we’re back to Ivan the Terrible’s Russia. Admittedly, that Russia is unstable; so was Ivan’s. It consolidates itself in a certain manner.

“Now, on the other side, what is the United States doing with its so-called allies, in this circumstance? The United States is launching a war against Islamic populations, a war which will incite hatred against the United States, throughout Islamic populations of the Soviet empire.

“And thus, the Islamic populations of the Soviet empire, which have been heretofore, in recent years, a crucial part of the opposition to Moscow’s central imperial power, will now find themselves drawn more and more into support of Moscow through the ‘enemy of my enemy’ principle. The Islamic world is turning against the United States, as this folly which Mr. Bush has pushed, and which the Congress has now authorized, has been unleashed.”

### **The ingredients for a new world war**

“Moscow will dominate Europe, if this proceeds. In the meantime, all the ingredients for a new world war are in progress. Moscow is reconsolidating its imperial power under this new tripartite regime of which I spoke. At this time, in the Anglo-American section of the West, the banking system is collapsing, out of bankruptcy—not only of the banks, of real estate speculation, but the bankruptcy of the policy of the United States government over the past quarter-century, especially over the past 15 years. . . .

“The world is in flames. And the flames are being aligned, or oriented toward alignment, in a direction which leads toward World War III—unless things are changed. We are now in a situation somewhat comparable to 1912 in that respect. Not an immediate World War III, but an immediate

spread of warfare, and related crises, which shapes the world for the prospect of World War III.

“Can a nuclear war occur between the superpowers? Yes. People say, ‘Well, that can’t happen. That would be madness.’ Ah! What happened in the Congress this past weekend, was a triumph of madness, albeit by a small margin over even the semblance of sanity.

“I find that the things, therefore, which I have put forward over the past dozen years, in particular, now stand up as verified. And those who, both distant from me who opposed me, and those close to me who opposed me on these issues, have now been proven absurd; and the absurdity takes the form of bloody eruptions, which threaten the very existence of civilization itself.

“George Bush put me in prison as a continuation of his alliance with Henry Kissinger, because he opposed my policy. I am in prison; my policies appear to be in prison. And George Bush and his co-thinker Kissinger appear free to bring about the destruction of the world, including the self-destruction of the United States.”

### **Call for the impeachment of Bush**

Even before Bush ordered the massive strike on Iraq Jan. 16, tens of thousands of anti-war demonstrators had taken to the streets across the United States—and outside the White House itself, which Bush ordered closed to tourists earlier the same day. The man denounced during the congressional debate as “King George IV” is now the point of attack for millions of Americans outraged over having this once-great republic used as a genocidal enforcer for Bush’s insane “New World Order.” Upon the initiative of Rep. Henry Gonzalez (D-Tex.), he is also the object of impeachment proceedings.

In a joint press conference Jan. 15, Gonzalez and former Attorney General Ramsey Clark called for the impeachment of President Bush, Vice President Dan Quayle, and Secretary of State James Baker. Clark presented documentation on a range of impeachable offenses, including exceeding their powers of office by launching aggressive war; conspiring to commit war crimes against the civilian population of Iraq; bribing, threatening, and intimidating others, including members of the U.N. Security Council, to support belligerent acts against Iraq; deceiving Congress about their real purpose in the Gulf; and violating the First Amendment of the Constitution by “investigating, intimidating, and chilling” those opposed to the war (see page 52).

“The issue today,” said Gonzalez, “is whether or not we in our day will uphold the fundamental law of the land. . . . Our Founding Fathers feared that ‘Kings make war. . . .’ Think of what we are doing to our country. This is the antithesis of what America was born for.” Arguing that Bush wanted “dominion” in the Persian Gulf, Gonzalez warned, “If he starts to kill a lot of Arabs, he will be impeached and convicted.”

# Impeachment of George Bush initiated by Ramsey Clark, Rep. Henry Gonzalez

*At a Jan. 15 Washington press conference, former U.S. Attorney General Ramsey Clark released a memorandum outlining the legal basis for articles of impeachment of President George Bush. The resolution (H. Res. 34) was introduced the next day by Rep. Henry Gonzalez (D-Tex.), before the bombing of Baghdad was begun. Excerpts from Mr. Gonzalez's statement and the full articles appear below.*

Mr. Speaker, it is with great sadness, yet with great conviction, that I introduce today a Resolution of Impeachment of President Bush. At a time when our nation is deeply divided over the question of war, we find ourselves on the brink of a world war of such magnitude that our minds cannot fully comprehend the destruction that is about to be leveled. The position we are in is a direct result of the actions of one man and the reactions of another. The Iraqi people are as opposed to war as are the American people—the difference is that the Iraqi people have no choice but to support their country's leader, but the American people not only have the right to oppose and speak out in disagreement with their President, but they have the responsibility to do so if our democracy is to be preserved. Today I exercise this constitutional right and responsibility to speak out in opposition to war in the Middle East and in support of removal of our nation's chief executive.

When I took the oath of office earlier this month, as I had numerous times before, I swore to uphold the Constitution. The President's oath was the same—to uphold the Constitution of the United States. We did not pledge an oath of allegiance to the President, but to the Constitution which is the highest law of the land. The Constitution provides for removal of the President when he has committed high crimes and misdemeanors, including violation of the principles of the Constitution. President Bush has violated these principles. . . .

Mr. Speaker, it is a sad day for our country, and it will be an even sadder day once the fighting begins. President Bush must be stopped—a divided Congress, reflecting a divided country, is no way to conduct a war. The preservation of lives is at stakes, and the preservation of our country—our democracy—is at stake, as well. I urge my Colleagues to support this Resolution, and stand up to the President on behalf of the soldiers who will die, the civilians who will be massacred, and the Constitution that will be destroyed if this country goes to war in the Middle East.

## House Resolution 34

### **Impeaching George Herbert Walker Bush, President of the United States, of high crimes and misdemeanors.**

RESOLVED, That George Herbert Walker Bush, President of the United States is impeached for high crimes and misdemeanors, and that the following articles of impeachment be exhibited to the Senate:

Articles of impeachment exhibited by the House of Representatives of the United States of America in the name of itself and of all of the people of the United States of America in the name of itself and of all of the people of the United States of America, against George Herbert Walker Bush, President of the United States of America, in maintenance and support of its impeachment against him for high crimes and misdemeanors.

#### ARTICLE I

In the conduct of the office of President of the United States, George Herbert Walker Bush, in violation of his constitutional oath faithfully to execute the office of President of the United States and, to the best of his ability, preserve, protect, and defend the Constitution of the United States, and in violation of his constitutional duty to take care that the laws be faithfully executed, has violated the equal protection clause of the Constitution. U.S. soldiers in the Middle East are overwhelmingly poor white, black, and Mexican American, and their military service is based on the coercion of a system that has denied viable economic opportunities to these classes of citizens. Under the Constitution, all classes of citizens are guaranteed equal protection, and calling on the poor and minorities to fight a war for oil to preserve the life styles of the wealthy is a denial of the rights of these soldiers. In all of this George Herbert Walker Bush has acted in a manner contrary to his trust as President and subversive of constitutional government, to the great prejudice of the cause of law and justice and to the manifest injury of the people of the United States.

*Wherefore George Herbert Walker Bush, by such conduct, warrants impeachment and trial, and removal from office.*

#### ARTICLE II

In the conduct of the office of President of the United States, George Herbert Walker Bush, in violation of his constitutional oath faithfully to execute the office of President of

the United States and, to the best of his ability, preserve, protect, and defend the Constitution of the United States, and in violation of his constitutional duty to take care that the laws be faithfully executed, has violated the U.S. Constitution, federal law and the United Nations Security Council, to support belligerent acts against Iraq. In all of this George Herbert Walker Bush has acted in a manner contrary to his trust as President and subversive of constitutional government, to the great prejudice of the cause of law and justice and to the manifest injury of the people of the United States.

*Wherefore George Herbert Walker Bush, by such conduct, warrants impeachment and trial, and removal from office.*

#### ARTICLE III

In the conduct of the office of President of the United States, George Herbert Walker Bush, in violation of his constitutional oath faithfully to execute the office of President of the United States and, to the best of his ability, preserve, protect, and defend the Constitution of the United States, and in violation of his constitutional duty to take care that the laws be faithfully executed, has prepared, planned, and conspired to engage in a massive war against Iraq employing methods of mass destruction that will result in the killing of tens of thousands of civilians, many of whom will be children. This planning includes the placement and potential use of nuclear weapons, and the use of such indiscriminate weapons and massive killings by serial bombardment, or otherwise, of civilians violates the Hague Conventions of 1907 and 1923, the Geneva Conventions of 1949 and Protocol I thereto, the Nuremberg Charter, the Genocide Convention and the United Nations Declaration of Human Rights. In all of this George Herbert Walker Bush has acted in a manner contrary to his trust as President and subversive of constitutional government, to the great prejudice of the cause of law and justice and to the manifest injury of the people of the United States.

*Wherefore George Herbert Walker Bush, by such conduct, warrants impeachment and trial, and removal from office.*

#### ARTICLE IV

In the conduct of the office of President of the United States, George Herbert Walker Bush, in violation of his constitutional oath faithfully to execute the office of President of the United States and, to the best of his ability, preserve, protect, and defend the Constitution of the United States, and in violation of his constitutional duty to take care that the laws be faithfully executed, has committed the United States to acts of war without congressional consent and contrary to the United Nations Charter and international law. From August, 1991, through January, 1991, the President embarked on a course of action that systematically eliminated every option for peaceful resolution of the Persian Gulf crisis.

Once the President approached Congress for a declaration of war, 500,000 American soldiers' lives were in jeopardy—rendering any substantive debate by Congress meaningless. The President has not received a declaration of war by Congress, and in contravention of the written word, the spirit, and the intent of the U.S. Constitution has declared that he will go to war regardless of the views of Congress and the American people. In failing to seek a declaration of war, and in declaring his intent to violate the Constitution in disregarding the acts of Congress—including the War Powers Resolution—George Herbert Walker Bush has acted in a manner contrary to his trust as President and subversive of justice and to the manifest injury of the people of the United States.

*Wherefore George Herbert Walker Bush, by such conduct, warrants impeachment and trial, and removal from office.*

#### ARTICLE V

In the conduct of the office of President of the United States, George Herbert Walker Bush, in violation of his constitutional oath faithfully to execute the office of President of the United States and, to the best of his ability, preserve, protect, and defend the Constitution of the United States, and in violation of his constitutional duty to take care that the laws be faithfully executed, has planned, prepared, and conspired to commit crimes against the peace by leading the United States into aggressive war against Iraq in violation of Article 2 (4) of the United Nations Charter, the Nuremberg Charter, other international instruments and treaties, and the Constitution of the United States. In all of this George Herbert Walker Bush has acted in a manner contrary to his trust as President and subversive of constitutional government, to the great prejudice of the cause of law and justice and to the manifest injury of the people of the United States.

*Wherefore George Herbert Walker Bush, by such conduct, warrants impeachment and trial, and removal from office.*

'From the prison in which the politician's career expires, the influence of the statesman is raised toward the summits of his life's providential course. Since Solon, the Socratic method has become the mark of the great Western statesman. Without the reemergence of that leadership, our imperiled civilization will not survive this century's waning years.'

—Lyndon H. LaRouche, Jr.

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# Divided Congress capitulates to Bush's personal war in the Gulf

by William Jones and Ronald Kokinda

By a thin majority, criminal insanity prevailed in the 102nd U.S. Congress Jan. 10-12, as it decided to back President George Bush's decision to go to war in order to return a feudal monarchy to power in Kuwait. Despite a mass anti-war movement which is flooding Capitol Hill with constituent pleas against the war, the House and Senate each nonetheless first voted *against* resolutions which would have restricted President Bush to the continued application of economic sanctions against Iraq, and then *for* resolutions giving him the leeway to take the United States to war on Jan. 15 if the Iraqi occupying forces were not pulled out of Kuwait, where they have been since last August. Days later, Bush went to war.

The House first voted down a resolution sponsored by House Majority Leader Rep. Richard Gephardt (D-Mo.) and Rep. Lee Hamilton (D-Ind.), which demanded that the policy of sanctions against Iraq be given more time to work. The House then voted 250-183 in support of House Joint Resolution 77 (HJR 77), sponsored by House Minority Leader Rep. Robert Michel (R-Ill.) and Rep. Stephen Solarz (D-N.Y.), which endorsed the U.N. resolution backing use of military force. Key Democratic committee chairmen, like Rep. Les Aspin (D-Wisc.), chairman of the House Armed Services Committee, pulled 86 of their fellow Democrats behind Bush. Aspin announced immediately before the vote that he had been convinced by intelligence briefings that the U.S. would not suffer more than 500-1,000 casualties.

The Senate vote was razor-thin. The Senate first defeated a resolution sponsored by Senate Majority Leader Sen. George Mitchell (D-Me.), which called for sanctions and a delay in use of force. It then passed Senate Joint Res. 2, the use of force resolution sponsored by Senate Minority Leader Sen. Robert Dole (R-Kan.) and Sen. John Warner (R-Va.), which passed 52-47. Ten Democrats voted to support Bush while two Republicans voted against it. A shift of only three votes would have succeeded in stopping the authorization of military force, and provoked a constitutional crisis.

Yet because the vote was close—the Gulf of Tonkin resolution passed 92-2—and as the anti-war sentiment grows with the onset of hostilities, that constitutional crisis, now latent, could erupt at any point.

## Zionist lobby wins it for Bush

Pro-war efforts by the Anti-Defamation League (ADL) and the American-Israeli Public Affairs Committee (AIPAC) were key in convincing or coercing a sufficient number of legislators to give Bush what he was demanding.

Columnist Robert Novak, speaking on the "Capital Gang" talk show on Jan. 12, said that the President's victory was the fact that "AIPAC has become the best friend of the Republican Party. . . . I spoke to many Republicans who told me that they just hated voting for this resolution, but felt that they had to do it in order to support the President." Columnist Patrick Buchanan claimed that the line presented to congressmen was that if Bush did not get the vote, and felt that his presidency were in the balance, he was prepared to go to war immediately, perhaps before the vote even occurred. In short, these columnists are saying that AIPAC, brinkmanship, and blackmail produced Bush's "victory."

But the closeness of both the Senate and House votes indicated that the Establishment was split on the war question. While many hard-core members of the Zionist lobby backed war, including so-called liberals like HJR 77 sponsors Reps. Stephen Solarz (D-N.Y.), Gary Ackerman (D-N.Y.), Howard Berman (D-Calif.), and Mel Levine (D-Calif.), a number of Zionist lobby types, such as Reps. Sid Yates (D-Ill.), Richard Durbin (D-Ill.), and Ed Feighan (D-Ohio), opposed it.

## Americans will die unnecessarily

The atmosphere was unlike any in recent memory. Although many legislators denied the real nature of the vote, most of them were intensely aware that the issue was war. Sen. Paul Simon (D-Ill.) remarked, "There is a grim mood here in Congress such as I do not recall." For many, the vote represented a genuine moral conflict; the memory of the carnage caused by the Vietnam war was still fresh.

Senator Mitchell set the tone in his opening remarks. Urging the senators to "vote their conscience," Mitchell asked, "How many people will die? How many young Americans will die? And for the families of those young Americans who die, for every one of us, the truly haunting question will be, did they die unnecessarily?"

Members would relate personal experiences about the



returning bodybags from Vietnam or from the bombing of the Marines in Beirut. "War is not a simple righting of wrongs," said Rep. Mary Rose Oaker (D-Ohio). "It is about tears and pain. It is about lost arms and legs. It is about paralyzed bodies lying inert in already overwhelmed veterans hospitals. It is about shattered dreams and shattered families and children losing their mothers and fathers. It is about sending America's children to kill and be killed."

Sen. Robert Byrd (D-W.Va.), chairman of the Senate Appropriations Committee, compared the Congress's situation with Bush to the time when the Romans delivered an ultimatum to the Council of Carthage in 218 B.C. "Fabius Buteo [the head of the Roman delegation] said that within the fold of his toga he held both war and peace," said Byrd, "and asked the Carthaginian council, 'Which do you choose?' The council answered, 'It is your choice.' Fabius then, with a symbolic gesture, said, 'Then I will let fall war.' And the Carthaginian council shouted, 'We accept it.'"

Many of those supporting the authorization of military force claimed that they were really voting for peace. "In short, Mr. President," claimed Sen. Larry Pressler (R-S.D.), "we are not today deciding on a resolution to go to war. This is not a declaration of war resolution. We are deciding whether to adopt a resolution that would strengthen the chances for a peaceful resolution of the crisis." Pressler argued that a strong show of congressional support for military force would convince Iraqi President Saddam Hussein to leave Kuwait.

### **Bonapartist rule**

A number of legislators, however, didn't bother to give lip-service to such transparent arguments, and acknowledged openly that they were voting for war in the face of overwhelming opposition from their constituents. Up to the last minute, Democrats like Sens. Albert Gore (D-Tenn.) and Phil Graham (D-Fla.) had not made up their minds how they would vote; both eventually voted for war. Gore, who claimed to have made an "excruciating effort" to come to his decision, admitted that, disbelieving the national polls, he had commissioned his own poll in Tennessee and found that sentiment was running 7-3 against war. Yet, Gore ignored them. He had little doubt about what he was supporting: "I believe it is wishful thinking to vote for the Warner amendment on the assumption that it leads to peace. This debate is no longer about the threat of war and the hope of peace . . . this debate is about war. We should have no illusions."

Another Democrat who backed war, Sen. Charles Robb (Va.), ignored constituents. One delegation of a dozen constituents visited Robb's office and were told he was not there, only to see someone ushered into a meeting with the Senator.

Daily anti-war demonstrations were held in Washington and in scores of cities around the U.S. during the week leading up to the vote. Fifteen thousand turned out in Portland, Oregon; 10,000 in Seattle, Washington; thousands in Boston, San Francisco, and elsewhere. Small towns like Mercer,

Pennsylvania, which had never seen demonstrations during the Vietnam War, saw 100 turn out.

One dramatic effect of constituency pressure was the switch by freshman Rep. James Moran (D-Va.). After saying he was leaning toward support for Bush, Moran called a town meeting during the debate to which 300-400 people showed up. He said anti-war sentiment was so "overwhelming" that he had to re-think his position; he later voted against war. "I have seen stacked meetings before, and know one when I see it, and this was not a stacked meeting," Moran admitted. "This was an undeniable expression of the opinions of my constituents."

### **Bush's commie-pinko 'New World Order'**

Liberal Rep. Ron Dellums (D-Calif.) referred to the dangerous infantile nature of the President's behavior. "At the top of the mountain the President of the United States says: 'Kick butt,' because kicking butt is the way to solve problems; so we communicate to an entire generation of young people that it is not about sitting down to attempt to solve problems in some rational and mature fashion. No, it is about kicking butt." Dellums pointed out the real nature of the Gulf operations, as a model for NATO out-of-area deployments against countries of the developing sector. "What is this new world order?" asked Dellums. "The President uses this comment. I find it fascinating. Several years ago people thought there was a commie-pinko-left-wing radical idea, the new world order. But it is being embraced by a conservative Republican President. . . . Does it mean going from threatening strategic war to threatening sophisticated conventional war? Does it go from focusing on the major superpowers to focusing on Third World countries?"

Sen. Mark Hatfield (R-Ore.), one of the two Republicans in the Senate who opposed war and sanctions, said, "If we want to avoid war, then we ought to say so. Right here and right now. And instead of playing this dangerous game of 'maybe now, maybe later,' it is my view that we ought to bring our troops home once and for all."

### **Upheaval foreshadowed in U.S.**

Warnings of the long-term consequences of a Gulf war were repeated by many congressmen, foreshadowing the coming political upheaval in the U.S. The first day's debate was interrupted by demonstrators in the Senate gallery chanting "No blood for oil!" and "Stop the war now!" Eleven people were arrested. Sen. Donald Riegle (D-Mich.), who argued eloquently against putting Americans between Iraq and the royal family of Kuwait, said he did not agree with the demonstrators' tactics, but warned that if war starts, such actions, like those that tore the nation apart during the Vietnam War, would become common.

"The harm we will do will haunt us for many, many years to come," said Rep. Chet Atkins (D-Mass.). "The destruction, the bitterness, and the confusion will linger long after our planes fly home and the cost will be enormous far into the future."

# 'We would make a mistake in going to war to kick someone's rear'

## Sen. Robert Byrd (D-W.V.)

Mr. President, I think that we stand at a moment so grave and that the responsibility is so great upon us that we should not cavalierly be hurried into an action that may cost this country its treasure and its blood beyond what the cost may be otherwise if we stay the course for yet a little time.



. . . Right now, the gravity of the choices facing the President and the Congress requires us to assess our national interests by a totally calm and rational standard. We ought not personalize or politicize the looming conflict. To do so would cloud our judgment at a time in our lives and in our careers that demands from us absolute lucidity.

We would make a mistake in going to war to kick someone's rear. I will not use the word that has been heard around here. We all know what is meant. We should not go to war in vengeance and indignation, or through any emotional distraction that might shorten our ability rationally to judge the outcome of our actions or the ways in which that outcome might affect our long-term national interests.

## Sen. Paul Wellstone (D-Minn.)

War means death and destruction, and there are some in this Chamber who may believe that this truth is so obvious that it need not be said. I think it needs to be said over and over again.

I have observed this debate and it seems to me that all too often in the theorizing about strategy and politics, it is forgotten what war means in human terms: the terrible loss of life, broken dreams, broken lives, broken families. I will tell my colleagues something, Mr. President: The fathers and mothers of young men and women from Minnesota who are now in the Persian Gulf have not forgotten what war means in personal terms, and we must not forget either. . . .

We are the ones, as my colleagues have said so well, who will pay the largest part of the price with loss of life. What does it mean? What kind of victory will it be if we shoulder this responsibility, if the alliance fractures and if there is an explosion of anti-American fury throughout the Arab world, accompanied by widespread violence and terrorism, what kind of victory will that be?

What kind of victory will it be if our already fragile economy is fractured? Whatever happened to the war on poverty, the war against drugs, the war against illiteracy, the war to make sure our citizens do not go without adequate health care? Whatever happened to the war against the poison of the air and land and the water? What kind of victory will it be if our country, a country I love dearly, is torn apart again? What kind of victory will it be if tens of thousands of people die in the Persian Gulf, so many of them—and I need to state this point carefully because I mean no disrespect—so many of them disproportionately men and women of color, low and moderate income?

## Sen. David Boren (D-Okla.)

I cannot at this time in conscience vote to initiate a fullscale war to restore the government of Kuwait if 90% of the risks and 90% of the burdens will be borne by America, while other nations like Japan and Germany sit on the sidelines not doing their share. The lives of young Americans are the real treasure of our nation and our most precious possession. They should be put at risk only for some urgent national interest or great cause. I do not believe that restoring the Emir's government in Kuwait is vital enough to America's national interest to potentially risk thousands of lives and billions of dollars, while others have made only a token contribution to the effort. . . .

If Iraq is totally destroyed, a power vacuum will develop which will be filled at least in part by Syria and Iran. These nations could hardly be described as guardians of American interests. In addition, large numbers of civilian casualties caused by American military actions could engender strong anti-American feelings which could undermine support for pro-American Arab governments in their own countries.

### **Rep. James Traficant (D-Ohio)**

Mr. Speaker, the Pentagon ordered 16,000 human-remains pouches. Now, if all the so-called experts around here are correct that are predicting 1,000 dead Americans, then why did the Pentagon recently order 16,000 human-remains pouches?

The truth of the matter is, plain and simple, these are body bags. They have gone to a day when shovels have become entrenching tools, copper wire has become remote rotor antennas, and now body bags are human remains pouches. And let me tell you what: There are going to be a lot of dead Americans, because it is basically Americans in the front line.

The American people overwhelmingly voted for George Bush, but the American people do not want Congress to grant him the power of King George. You believe me when I tell you that. If they were informed as to what was going on in the constitutional responsibility, and they really were able to participate in a debate of constitutional law, they would 95% stand up and say, "Congress, if you capitulate to this President, attempting to seize the constitutional power of a monarch, then you are a bunch of wimps."

### **Sen. Max Baucus (D-Mont.)**

Mr. President, the other day I got a phone call that crystallized for me the grave question of war and peace. It was one of my oldest and very best friends, Jack Mudd, former dean of our law school at the University of Montana. . . . He asked me whether I would vote to authorize the immediate use of force in Iraq. I told him that I would not.

He then said something to me that further strengthened my resolve. He said, "Max, as you know, I served in Vietnam. But there is something else that I have never told you, and it is why I worked in your first campaign for public office back in 1974. I decided to support you because as a Vietnam veteran and based upon what I saw in Vietnam, I did not ever want my sons to die in an unnecessary war. I thought that was something you would probably never vote for."

Well, I intend to keep my faith with one of my very best friends, and with the people of Montana, and do what I think is right. I intend to vote against what I am convinced is, at this time, an unnecessary war.

### **Rep. Mary Rose Oaker (D-Ohio)**

Finally, what are the consequences of war for America and the world. Today, with deafening silence on the part of the administration we see the Soviet troops marching into Lithuania and the Baltic countries, the unrest in the Asian provinces of the Soviet Union, the civil unrest in China, the extreme tensions in the Middle East, the disparity of wealth and the poverty of the people in Africa and Central America. If war breaks out, there will be no surgical strike for Saddam Hussein, there will be a world war of untold dimension. All of our dreams for world peace will have been shattered

because of the failure to negotiate and let the sanctions work.

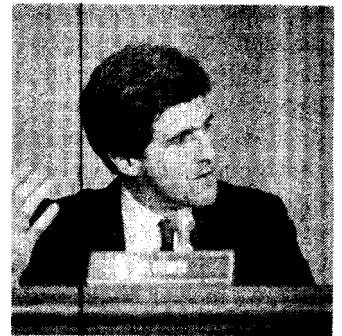
### **Rep. Tony Hall (D-Ohio)**

Once in a while, Mr. Speaker, the privilege of serving in this House can become an awesome responsibility. Once in a while, we are asked to cast a vote that is not only historical, but one that we know we will live with and remember for the rest of our lives. Soon, I'm afraid, we're going to have to cast one of those votes.

It's a pivotal vote. It's a vote that is going to affect the lives of hundreds of thousands of people; soldiers and citizens, innocent victims, mothers and fathers, wives and widows.

### **Sen. John Kerry (D-Mass.)**

Mr. President, I suspect that 75% or more of those who will vote for use of force desperately do not want it to be used, and a significant number will vote for it only because they want to prevent the President from being reversed. That really means that this vote to grant the use of force may very well carry—if it does—only because some will succumb to the very box the President has put us in.



The danger of that is that those who vote for use of force will create a situation where it becomes more, rather than less, likely that the force they hope will not be used will, in fact, be used. They escalate the stakes. They narrow the box further. That is a terrible way to make policy, Mr. President, but it is an even more terrible way to go to war by any account. That is called rolling-the-dice policy; big rolling the dice. Perhaps it will work. There are many who suspect it might. . . .

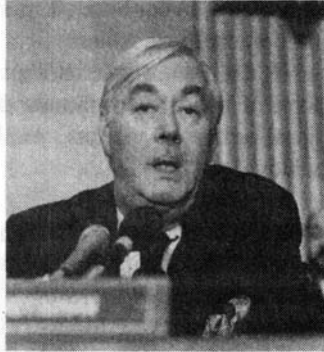
All the President would have to do at any time then, all any President would have to do, is create a box, put the Congress in the box, and then say, "I need you to close ranks around me," and he or she will unilaterally carry out whatever policy they want to in the name of unity. That argument cost us thousands of lives in Vietnam, Mr. President. Just go down to the memorial here in Washington and look at that black granite wall. I say to my colleagues that over half the names on that wall are there because too many legislators were too often too willing to just close ranks with the President.

The call we need to heed is not a call to close ranks with the President, but how about closing ranks with the troops in the Arabian desert whose fate is determined by our analysis and judgment? How about closing ranks with mothers and fathers and brothers and sisters and families across this coun-

try, whose hearts and souls are heavy with the hope that we will exercise our judgment correctly? If there is a call to close ranks, Mr. President, let it be the closing of ranks among ourselves here in this Chamber with our responsibility to make our best judgment about how we deal with human life.

**Sen. Daniel Patrick Moynihan (D-N.Y.)**

Mr. President, that is a kind of madness where we are living in an earlier world and acting in ways that have no relevance to the situation of the moment. We are not in an international crisis in the sense that events that took place on Aug. 2 necessitate the confrontation of the largest set of armed forces since World War II. Nothing large happened. A nasty little country invaded a littler but just as nasty country. They have their avowed virtues, I do not doubt. There has not been much virtue on display internationally in either case. . . .



Suddenly our institutions are acting as if to say, "Oh, my God, we missed World War III. Maybe we can have it now here. Not there, but here." Mr. President, that borders on the edge of the disturbed. Dr. Strangelove, where are now that we need you?

**Rep. Major Owens (D-N.Y.)**

Disproportionate numbers of those who will be slaughtered in the desert will be African-Americans. Nearly one-third of our soldiers in Operation Desert Shield are African-Americans, many of them with families in districts like mine, the 12th Congressional District of Brooklyn. My district is the 10th poorest district in the nation. My district has the second-largest number of African-Americans.

Young African-American men and women are three times more likely to be in the Armed Forces and involved in this impending war in the sand as young whites are. There is a reason for this: When people cannot get jobs, they find the Army and the Navy and the other military units to be an opportunity to be utilized.

There are many very bright young people who never look for jobs, but who are recruited from high school and told that "you can go to college after you go through the military and get those advantages," and there are quite a few African-American men and women who went to military academies or they used the benefits of the ROTC, as the only way they could make it. . . .

These are the same people who are penalized when President Bush refuses to pass a civil rights bill because it has a quota. He claims there is a quota. There is some kind of ugly reverse quota operating, when one-third of the troops on the

front line are poor and African-American.

**Sen. Donald Riegle (D-Mich.)**

Now, if a war starts, there are going to be an awful lot of people who die. We should not have any illusions about that. This is not going to be a clean, quick, surgical war. That is not the nature of the region, not the nature of the history, not the nature of the passions that are involved. This is a situation, I think, where we will find that, if a war ensues on that scale, initiated by us, principally conducted by us, we are going to find ourselves with a subsequent chain of events that no one can foresee, but that I think are enormously complex and dangerous and costly to our country.

War is about, as I said, people dying, and there are going to be a lot of Americans who will die in this war. . . . They are not much older than these pages sitting down here in the well of the Senate, a few years older, but they have not lived very long. If the bullets start flying, there are going to be a lot of them who are not going to live much longer. That is just the sheer, miserable fact of war. War is about fire and steel and people dying. . . .

Any of us who served during that time [the Vietnam war], who did talk to the parents who lost sons principally and some daughters in that war, and tried to make sense out of it and explain it to them, whether out in Arlington Cemetery or military hospitals, which all of us who served at that time did, and to try to find words to explain why their son either had to die or be incapacitated in some way, it was very difficult to find the words.

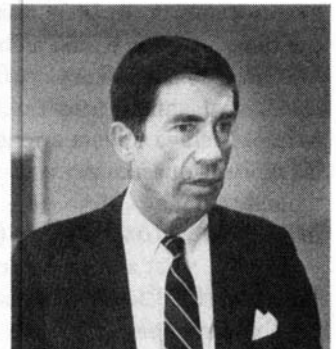
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**'Give peace a chance' by going to war, say pro-war legislators**

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**Sen. Charles Robb (D-Va.)**

We can and should take the President to task if we disagree with him on a whole variety of matters here at home—from the budget to the rest of the domestic agenda.



But in the great issues of war and peace, I believe we ought to make every effort possible to speak with one voice, or at least with the strongest majority voice possible.

On balance, the majority of us would give the President very high marks for the way he has handled the Gulf challenge to date. Yet now that we have reached the truly critical stage, I believe it would be a fundamental mistake to give even the appearance of withdrawing our trust and support.

There is no question that the risks are great. I don't want to minimize the potential consequences if we're wrong. We can't escape responsibility for the actions we are about to authorize, and we shouldn't. We are risking thousands of American lives, and that fact weighs on the conscience of every member here—particularly on those who have known the unhumane brutality of combat firsthand. . . . Let's give peace a chance by giving the authority he believe he needs to achieve it.

### **Rep. Martin Lancaster (D-N.C.)**

Diplomatic overtures on our part have been met by arrogance, intransigence, and further threats to our allies in the region. Saddam will not change his dangerous ways unless he is convinced that he will suffer for his actions. In this regard, the U.N. resolution authorizing the use of force has sent a clear message to Saddam that the international community is totally committed to check further Iraqi aggression and to deter future use of the deadly weapons which Saddam has in his arsenal, as well as the nuclear arms he is rushing to obtain. As a Congress, we must add our voice to this international demand.

Saddam understands force. He should understand the seriousness of the U.N. resolution and the consequences he will suffer should he choose to ignore the meaning of that resolution. We can add significant weight to that message by passing this resolution.

### **Rep. Dante Fascell (D-Fla.)**

When you vote on this resolution, one way or the other, yes or no, make no mistake about your actions, you are voting to empower the President to use the awesome military force of the United States in a manner that is necessary, to secure the peace.

There is no doubt about it. There is no tomorrow about this decision. It is a decision which you must make today, not tomorrow. When you here make the decision to authorize the use of military force, you are telling the commander-in-chief to implement that authority, and make no mistake about it.

There is nothing to this argument that, "Well, he is going to implement it at his discretion." He is the commander-in-chief. He will carry it out. You are not going to tell him in the resolution how or when to actually do it, like 9 o'clock in the morning or with six tanks or whatever.

### **Rep. Richard Ray (D-Ga.)**

I would suggest to my colleagues who are raising the specter of thousands of U.S. casualties and body bags coming home that they are rendering a serious disservice to the families who have loved ones deployed in the Persian Gulf. My colleagues, I would urge that we refrain from the use of such rhetoric. Our service people and their loved ones know the risks—let us not make their lives even more uncomfortable than they already are.

### **Sen. John Warner (R-Va.)**

In this particular instance, there is a very high state of morale of our troops in the Gulf today. That has been engendered by, first and foremost, united support here at home. We have seen a mail campaign flowing across the ocean unlike anything since World War II, in terms of volume. We have seen the media, the television, daily exchanging the emotions of loved ones on both sides of the ocean. All of this at home has given a tremendous sense of security to these men and women and instilled in them a fighting spirit.

These are young people. They tend to believe what they hear and what they are told. From General Schwarzkopf on down, the officers, from four-star to gold-bar lieutenant, have instilled in them a fighting spirit. And, suddenly, here on the eve of this date of the 15th, across the ocean comes a message that the Congress of the United States is not with them.

### **Rep. Stephen Solarz (D-N.Y.)**

There are, if you think about it, only two ways in which that can happen [getting Saddam Hussein out of Kuwait]. Either Saddam himself has to make the decision to go, or Saddam has to be overthrown by a military junta which would then make the decision to go. The fact of the matter is that Saddam himself does



not give a whit for the welfare of his own people. The fact that their per capita income will be reduced by 40% does not bother him. The fact that they will have less to eat does not bother him. He will hunker down and he will wait.

Anyway, his people will be able to feed themselves. It is a fertile country. Smuggling is going on across the Iranian, Jordanian, Syrian, and Turkish borders. He will wait. And while he waits, there is a real chance this coalition against him will crumble, and the sanctions will erode.

### **Sen. Bennett Johnston (D-La.)**

The key fact in this whole debate is that the President of the United States believes sincerely, but strongly, that he cannot bring those troops home in order to let sanctions work. There is no other way to let sanctions work and to bring troops home, massively bring troops home, 200,000, 300,000 troops, because that is what it is going to take to be able to let the sanctions work. How do I know the President believes that? Because he said so yesterday. I asked him directly and unequivocally, "Mr. President, if we convince you that sanctions can work, can you bring troops home?" and he says absolutely, unequivocally "No." So, therefore, Mr. President, I believe the decision on sanctions, for right or for wrong, was made in November. It was made by the President.

# Omaha World Herald's Bob Dorr: the NAMBLA connection

by Alan Ogden

In an 1,800-word poison pen article by Robert Dorr on Jan. 13 entitled "Doctor tied to LaRouche backs cult claim," the major Nebraska daily, the Omaha *World Herald*, followed the lead of the newsletter of the North American Man-Boy Love Association (NAMBLA) in attacking Dr. Judianne Densen-Gerber, widely recognized as one of the world's leading experts on ritual child abuse. NAMBLA, which advocates the sexual abuse of small children, devoted an entire issue of its newsletter to attacks on Densen-Gerber, who wrote the federal law on child abuse.

NAMBLA, whose motto is "sex before eight or else it's too late," considers Densen-Gerber to be its "public enemy number one," a label of which she says she is proud; and NAMBLA has, in print, threatened her life. Dr. Densen-Gerber, both a psychiatrist and lawyer, is the founder of Protect American Children Today, has traveled all over the globe investigating the worldwide network of child pornography rings.

She had come to Nebraska the last week of December as an expert consultant to the Nebraska Senate's Franklin Credit Union Investigating Committee, which was set up in the recently concluded session of the state legislature to investigate the reasons for the financial failure of Nebraska's Franklin Credit Union. The committee discovered that the credit union's chairman, Larry King of Omaha, had not only "lost" \$40 million, but was also a key figure in a major pedophile ring.

## **Publisher under accusation**

One of the other figures in this organized child abuse ring named by abuse victim and Franklin Committee witness Paul Bonacci, was Omaha *World Herald* publisher Harold Anderson, described this way by Bonacci: "Harry was one of the sickest men whom I was ever sexually abused by."

After describing Anderson forcing three young boys to have anal and oral sex with each other, Bonacci continued: "After this, he had us lay next to each other and he tied all three of us up and fondled us and sucked our penises. He then took a cigarette and lit it and placed it on the 14 year old and picked up the 12 year old and laid him on top of the 14 year old. The boys both yelled and started crying. He did the same to me and put the 12 year old on top of me. It hurt real

bad and I got a big blister on my pubic area just below my belly button. He told us that real men could handle it and it was fun to watch someone getting burned or in pain."

Anderson "retired" to take the heat off himself and off his newspaper.

## **What is the Cult Awareness Network?**

The *World Herald* hysteria is a wild effort to smear Dr. Densen-Gerber by linking her name to individuals associated with former presidential candidate Lyndon LaRouche, and then repeating various slanders against LaRouche, such as the line from the Cult Awareness Network (CAN) that, in the words of the *World Herald* article, "the LaRouche organization is more a destructive cult than it is an extremist political group."

Galen Kelly, director of security for CAN, quoted by Dorr in the article, is a commercial "deprogrammer." His boss, the head of CAN until Oct. 25, 1990, Rev. Michael "Clothespins" Rokos, suddenly resigned that position, after being exposed by the Baltimore *Evening Sun* in 1990. Rokos had been arrested by Baltimore undercover vice squad policemen in 1982, after propositioning the officer to go home with him. Rokos told the policeman, "I want you to tie me up, put clothespins on my nipples and make me s— your d—."

This latest *World Herald* diatribe against Dr. Densen-Gerber was the third it published in the span of eight days by Dorr, who has otherwise occupied his time following around and questioning several Omaha citizens who were circulating petitions calling upon the legislature to continue the work of the Franklin Investigating Committee so that there would be no coverup of the homosexual child abuse network.

## **Journalistic 'hit man'**

Last summer, after the highly suspicious plane crash which killed Gary Caradori, the private investigator hired by the Franklin Committee, along with his eight-year-old son, Dorr interviewed Caradori's widow and asked her how she felt about losing her husband and son. She asked him how he would feel if he were in her place, to which Dorr coldly replied that he wouldn't know, since he isn't married.

Dorr's attacks on honest citizens and his defense of pedo-



The obscene North American Man-Boy Love Association, arguing for their "right" to sexually use young children, at a press conference in New York City. Inset: the distinguished physician, psychiatrist and lawyer Dr. Judianne Densen-Gerber, targeted by NAMBLA for protecting children—and now, by the Omaha World-Herald, in bed with the Eastern Establishment's pedophile lobby.



philes is not surprising, given that longtime *World Herald* publisher Anderson and society columnist Peter Citron have both been named as leading figures in the child abuse ring. Citron has been convicted of molesting young boys. There are allegations that *World Herald* paperboys have also been a prime target of child abuse rings.

### Credible witness

The *World Herald* editors may have felt that they needed to further identify themselves with the defense of child abuse and other sexual perversions in this way. Dr. Densen-Gerber reviewed her findings at an Omaha press conference on Dec. 30. Paul Bonacci, whom she interviewed on videotape for four hours, she said, is a reliable witness to satanic child abuse, even though he and other victim-witnesses have been jailed and indicted for perjury. If the state senate kills the investigation, it invites more danger to the entire Nebraska community, she said.

Her warnings came only days before a secret vote in the state senate on Jan. 9 which officially disbanded the Franklin Committee and politically punished Committee Chairman Sen. Loran Schmit and Sen. Bernice Lebedy, stripping them of other key committee chairmanships.

### ADL, pedophiles interlock

The most important, if unintended message to Nebraskans in the *World Herald* article, is that it lays bare the

affinity of the national, multi-jurisdictional "Get LaRouche" task force and the Nebraska pedophiles. The task force is spearheaded by the Anti-Defamation League (ADL), whose leading figures have been closely associated with the late mafia boss Meyer Lansky. The same corrupt task force which railroaded Lyndon LaRouche into prison, now becomes the source for the *World Herald* propaganda machine, directing its bile at Dr. Densen-Gerber. Former CAN head Michael Rokos, cited by the *World Herald*, has been a key member of the "Get LaRouche" task force. Another major source quoted in the *World Herald* is ADL agent Dennis King, formerly a writer for the pro-drug *High Times* magazine, and author of a book slandering LaRouche, *Lyndon LaRouche and the New American Fascism*, financed by the CIA-linked Smith-Richardson Foundation.

In all the slanders, the same "targeting" employed by the ADL and others against LaRouche is also directed against the internationally known civil rights leader Rev. James Bevel, who during the 1960s was the chief lieutenant of Rev. Martin Luther King, Jr. The *World Herald* omits any reference to Bevel's credentials, calling him simply "LaRouche-linked."

The *World Herald* also targeted Rev. T. Rollerson, pastor of the God's Missionary Baptist Church in Omaha. Rollerson, co-chairman along with Reverend Bevel of the Children's Civil and Human Rights Committee, is a courageous leader in the fight against child abuse.

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# National News

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## NBC exposes Saudi torture of Americans

In a 30-minute premiere on Jan. 6, a new NBC News program "Exposé" reported on how Saudi Arabia, a member of the anti-Iraq coalition, has been involved in torturing American citizens.

Among those interviewed was a college English professor who was tortured because the Saudi secret police suspected his friends were smuggling guns into the country. He was held for 14 months and released only after repeated appeals for help by his brother to officials in Washington. The office of then-Vice President Bush told him that Bush would bring the case up with King Fahd, but Bush never did.

In another case a man was charged with smuggling "pornography"—video copies of "The Love Boat" with bikini-clad women in the background—into the country.

The NBC program also showed interviews of torture victims conducted by a representative of Amnesty International.

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## Incarceration rate in U.S. highest in world

The United States has the highest incarceration rate in the world, even greater than South Africa and the Soviet Union, the Sentencing Project, a research group, has reported. The U.S. incarcerates 426 of every 100,000 residents, compared to 333 per 100,000 in South Africa, 268 in the Soviet Union, 120 in Northern Ireland, and 97 in Britain. Hong Kong, where there are no civil rights and residents cannot even vote, imprisons 118 per 100,000.

The racism of the Anglo-American legal establishment is reflected in the statistics on imprisonment of black citizens: of every 100,000 black males in the United States, 3,109 are incarcerated. In South Africa, 729 of every 100,000 black men are incarcerated.

The result of the so-called war on drugs "has been to lock up young black men," according to Marc Mauer of the Sentencing

Project. Nearly 41% of those arrested on drug charges in 1989 were black. Also in the U.S. last year, more than half of all murder victims were black, up from 40% in the early 1980s.

The group also reported that while the U.S. crime rate declined 3.5% in the past ten years, the number of people imprisoned doubled.

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## Schools using occult textbooks, says group

The American Family Association Law Center in Mississippi has filed suit against a California school district to stop it from using portions of a reading program that the group claims endorses witchcraft.

A spokesman for the group said that the "Impressions" reading curriculum now in use in the Woodland Joint Unified School District near Sacramento, "endorses or sponsors the religion of witchcraft" by calling upon children to "role-play as witches and wizards, to create and cast 'spells,' to sit in circles and chant," and to participate in other occult rituals and practices.

The lawsuit alleges that the curriculum violates the constitutional principle of separation of church and state.

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## FDIC accused of racial discrimination

The Federal Deposit Insurance Corp.'s (FDIC) decision to guarantee deposits exceeding the \$100,000 limit at the Bank of New England Corp.'s banks, has drawn howls of outrage from New York, where depositors lost \$7 million of uninsured deposits when the federal government closed Harlem's Freedom National Bank Nov. 9.

"Once again, the FDIC has shown that a different standard applies to the minority, inner-city depositors of Freedom National Bank than to wealthy depositors of big banks, said New York State Attorney General Robert Abrams Jan. 7. "The funds in those bank accounts were the lifeblood of

the poorest and most vulnerable of this city's inhabitants."

"I'm not sure its racism, but the Bank of New England serves the white business community and it was protected," said Harlem realtor Eugene Webb, a former director of Freedom. "Both banks were operating under the same charter and suffered from the same problems."

"I think the faithful depositors of Freedom National Bank are due a straightforward explanation as to why their government is providing them with less protection against a bank calamity than it is providing to other Americans," said Rep. Charles Rangel (D-N.Y.), whose district includes Harlem.

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## De Toledano calls for LaRouche to be freed

Ralph De Toledano, a former *Newsweek* correspondent, well-known author of a dozen books, and a syndicated columnist who also writes frequent book and music reviews published in the *National Review*, has called for Lyndon LaRouche to be freed from prison.

In a six-page article entitled "The Railroading of Lyndon LaRouche, America's Political Prisoner Number One," De Toledano writes that "if there is any conscience in the White House, President Bush will grant an immediate pardon to Lyndon LaRouche—and an apology to the Bill of Rights and to the Constitution."

The article, which has been made available by the author for circulation, reviews the history of the government's railroading of LaRouche, and the involvement of the Anti-Defamation League and other private agencies in the nationwide "Get LaRouche" task force.

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## U.S. Congress backs deal with narcos

The U.S. Congress has formally endorsed the decision by Colombian President César Gaviria Trujillo to strike a deal with Colom-



bia's cocaine cartels. During a Jan. 7 visit to Bogotá, Rep. Charles B. Rangel (D-N.Y.), head of the House Committee on Narcotics Affairs, told the press after meeting with Gaviria that the Congress fully endorses Gaviria's "sovereign" decision to suspend extraditions and reduce sentences of fugitive drug traffickers, in exchange for their surrender to Colombian authorities.

Gaviria's "decision" is the result of a lengthy negotiation process with the cartels, who are currently holding numerous prominent journalists hostage to their own surrender conditions. The Gaviria government is currently building luxury condominiums to "jail" the traffickers following their surrender.

Rangel, who for years has claimed to be strenuously anti-drug, declared, "The Congress of the United States has confidence in the President of Colombia, and has not thought for a single moment that he or his government are engaged in negotiations with the traffickers."

In an early January interview with the French daily *Le Monde*, Gaviria admitted that there had been contact with the cartels, and that while he had little hope of eradicating the cocaine trade in Colombia as long as there was international demand for the drug, he intended "in the medium term, to reduce the trade so that the narcos go somewhere else, to other countries."

## Roundups planned by Irangate criminals

Plans for detaining large numbers of Americans opposing administration war schemes based upon ethnic origin, were developed by the some of the same criminals convicted during the Irangate scandal.

Today, the FBI is targeting Arab-Americans as the U.S. is engaged in war with Iraq. Under an earlier plan drawn up by the Federal Emergency Management Agency under the Reagan administration, thousands of Hispanic-Americans were to be detained in camps in Louisiana and other states in the event of a U.S. war with the Sandinista regime in Nicaragua.

In the spring of 1987, an *EIR* special report on the secret parallel government in-

cluded a March 1986 affidavit by Christic Institute director Dan Sheehan, in which he cited details of the FEMA roundup plan and attributed the plan to then National Security Council staffer Col. Oliver North. Also at that time, reports had surfaced of parallel plans to round up Arab-Americans as part of a so-called counter-terror scheme.

In both instances, government documents and informants reported that the LaRouche movement was on the FBI's target list of "enemies" to be potentially detained in the event of a national security emergency.

## Sen. Bradley decries Soviet Baltic crackdown

The Senate passed a resolution sponsored by Sen. Bill Bradley (D-N.J.) on midnight Jan. 11, calling upon Soviet leader Mikhail Gorbachov to refrain from further use of force against the Baltic states of Lithuania, Latvia, and Estonia.

"While the bulk of our attention has been in the Gulf, glasnost appears to be dying," Bradley warned, shortly after the Senate passed the resolution for the use of force against Iraq. "The Senate has put a red flag up to the Soviets by going on record stating clearly our view," said Senator Bradley.

Bradley told his fellow senators that the Soviets had already called his Senate office to request a copy of the resolution. The Senator recalled that Bush had spoken to Gorbachov on Jan. 10 and told him his actions were counterproductive. But Bush, when asked by the press why he didn't say more, had responded, "The Soviet Union knows how we stand." Bradley told the U.S. Senate, as he recounted how Soviet military forces had moved in the three Baltic republics, "It would be a sad irony if the price of Soviet cooperation around Kuwait is the freedom of Lithuania."

Sen. Christopher Dodd (D-Conn.) told the Senate, "Another drama is unfolding which we can say can really be linked to the Persian Gulf in the way that Hungary was linked to Suez." We have been so preoccupied with the Persian Gulf just as we "were preoccupied while the tanks into Budapest."

## Briefly

● **THE LOS ANGELES** County Democratic Central Committee passed a resolution affirming that "all Arab-Americans are human beings with the same rights and privileges of other human beings" on Jan. 10. It asked President Bush and Congress to take steps to ensure that their rights are not abridged.

● **JOHN SUNUNU**, the White House Chief of Staff, refused to condemn the Soviet butchery in Lithuania during an interview with CBS News reporter Leslie Stahl Jan. 13.

● **MORE VETERANS** of the Vietnam War have committed suicide since returning to the U.S. than were killed in Vietnam, a Member of Congress announced in the House of Representatives in early January, London *Observer* correspondent Andrew Stephen reported Jan. 13. There were 59,000 Americans killed in Vietnam; so far, 60,000 Vietnam veterans have killed themselves.

● **'BROCCO-FLOWER,'** a new vegetable which is a cross between broccoli and cauliflower, is being stocked by Washington grocers, according to Channel 7 news Jan. 8. The ABC affiliate replayed the news clip of George Bush from March 1990 whining that, "I am President now, so I don't have to eat my broccoli."

● **LEON SULLIVAN**, pastor of the Zion Baptist Church in Philadelphia and a leader of the national Opportunities Industrial Center, has called for a conference on African-American cooperation to be held in June in West Africa to focus on saving Africa.

● **REV. AL SHARPTON**, whose actions have fueled a climate of race war, was stabbed in the Bensonhurst section of Brooklyn, N.Y. just before he was to lead a march there, and is reported in stable condition, AP reported Jan. 12. A white male suspect is in custody. Sharpton called on his followers to refrain from retaliation.

## Editorial

# *Bush is sending us to World War III*

The first bloodshed in George Bush's Mideast war occurred in the city of Vilnius, in Lithuania, by members of the Soviet Army who fired upon unarmed Lithuanian citizens. This was quickly followed by an equally brutal American attack upon the Iraqi people.

The evil of George Bush's war is only matched by the stupidity, the gross miscalculation which has led him to encourage the formation of a ruthless military dictatorship in the Soviet Union. On Jan. 11, President Bush announced to the world how he and Mikhail Gorbachov were "in synch" on questions of policy. The U.S. military deployment in the Gulf has created the conditions which invited the present Soviet aggression against the Baltic republics.

The potential for this turn of events was foreseen by Lyndon LaRouche, in *EIR*, on U.S. network television, and in key meetings with international policy figures, as early as 1983. He warned then that the Soviet empire was undergoing a transition. While communism was increasingly discredited within the U.S.S.R., there was every reason to fear that it would be replaced by an equally evil form of nationalist regime which maintained the Czars' imperialist goals.

Today such a regime would take the form of a military dictatorship, supported by the Russian Orthodox Church, by nationalist Russian forces, and by the KGB. Such a turn was indicated by the recent shifts in Gorbachov's cabinet, combined with the resignation and warnings of Eduard Shevardnadze, and the emergency powers granted to the Soviet President by the Congress of People's Deputies.

The Western betrayal of the Baltic peoples reminds us that, for all the rhetoric to the contrary, the West has consistently betrayed the Eastern Europeans who time and again have tried to resist Soviet tyranny. It is of the stuff of such betrayals that the conditions are being created for yet another world war in this century.

Had LaRouche's policy initiatives been followed, which sought to give the Soviets an alternative of genuine integration into a thriving European economy, such would not be the case. Like Charles de Gaulle before him, LaRouche saw clearly that either there would be

a "Europe from the Atlantic to the Urals," the kind of détente which de Gaulle sought to create between the Soviets and the West, in which Western Christian civilization would be the dominant force; or there would be instead a Europe from the Urals to the Atlantic, dominated by Russia. Such is a Europe which we may see in the not so distant future as a result of the insane deployment of Western forces into the Gulf.

No doubt, George Bush and his British advisers have lulled themselves into the convenient belief that there is only one superpower today, one Anglo-American Empire, just as they imagine that the war in the Gulf will be a short, easily won war. These are illusions which will quickly vanish. Instead of an Anglo-American Empire, we now look at the possibility of either a Soviet Empire dominating the world in the coming period, or World War III—not tomorrow, perhaps not next year, but somewhere in this decade.

This is the reality which we now face. Yet there is still time to avert events, to change the present rush to disaster. The millions of people who are presently demonstrating against tyranny—in the United States, in the Soviet Union, in the nations of Europe, in the Philippines and elsewhere—must become tens of millions.

In the United States there is a clear focus for such demonstrations, not only to end U.S. aggression against Iraq, but also to end police state government at home. Despite the lies circulated by the mass media, pretending that Americans have supported George Bush's evil war, the truth is exactly the opposite, as every congressman and senator admits. Congressional offices have been flooded by the letters and phone calls from constituents who oppose the war.

These people were betrayed by those congressmen and senators who capitulated to White House pressure and voted for the war. The man who could represent their aspirations, whose policies even at this late date could give the world a way to avert the impending disaster, whose on-the-spot presence could achieve a negotiated global peace—that man, Lyndon LaRouche, is presently trapped in a Minnesota federal prison, a hostage to George Bush's megalomania.



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