

EIR

Executive Intelligence Review

June 12, 1992 • Vol. 19 No. 24

\$10.00

U.S. AID runs anti-U.S. coup in Thailand
New light on 1986 plot to kill LaRouche
Danes make history; nix one-worldist treaty

**Shining Path, 'Pol Pot'
assassins in Peru**



DERAIL NAFTA

fast track to rule by the big banks

EIR Special Report, May 1991

Auschwitz below the border: Free trade and George 'Hitler' Bush's program for Mexican genocide

A critical issue facing the nation in this presidential election year is NAFTA, the North American Free Trade Agreement. Bush and Clinton both back it. This proposed treaty with Mexico will mean slave labor, the rampant spread of cholera, and throwing hundreds of thousands of workers onto the unemployment lines—on *both* sides of the border—all for the purpose of bailing out the Wall Street and City of London banks.

In this 75-page Special Report, *EIR's* investigators tell the truth about what the banker-run politicians and media have tried to sell as a once-in-a-lifetime opportunity to get economic growth started across the Americas. The Wall Street crowd—led by none other than Henry Kissinger—are going berserk to ram this policy through Congress. Kissinger threatened in April: "It should be signed by all parties, and should be defended on all sides as a political vision, and not merely as a trade agreement." Kissinger's pal David Rockefeller added: "Without the fast track, the course of history will be stopped."

With this report, *EIR's* editors aim to stop Rockefeller and his course of history—straight toward a banking dictatorship.

\$75 per copy

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EIR News Service

P.O. Box 17390 Washington, D.C. 20041-0390

Mastercard and Visa accepted.



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EIR (ISSN 0886-0947) is published weekly (50 issues) except for the second week of July, and the last week of December by EIR News Service Inc., 333 1/2 Pennsylvania Ave., S.E., 2nd Floor, Washington, DC 20003. (202) 544-7010.

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Japan subscription sales: O.T.O. Research Corporation, Takeuchi Bldg., 1-34-12 Takatanobaba, Shinjuku-Ku, Tokyo 160. Tel: (03) 3208-7821.

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Domestic subscriptions: 3 months—\$125, 6 months—\$225, 1 year—\$396, Single issue—\$10

Postmaster: Send all address changes to EIR, P.O. Box 17390, Washington, D.C. 20041-0390.

From the Editor

The Ninth Circle, the deepest of Dante's Inferno, is reserved for Traitors. Whereas the Fraudulent in the Eighth Circle have sinned by using the divine gift of rational thought for bestial ends, the Traitors are consigned to freeze in Cocytus in the company of Lucifer, for defrauding those to whom they have conscious obligations—family, friends, guests, fatherland, and finally, God.

This issue highlights several new candidates for the Ninth Circle, the "Project Democracy" crowd which operates officially and unofficially out of various branches of the U.S. federal government.

The intended victims of these traitors include nations with centuries of proud history and ties to the United States and Europe:

- Thailand, which is getting the "Philippines treatment" thanks to the good offices of the U.S. Agency for International Development (AID) and the international banking fraternity (see *Strategic Studies*);

- Peru, about to be delivered into the hands of one of the most murderous bands of Maoist psychotics in this century, Shining Path, while the Anglo-American establishment does everything to demolish the national military and religious institutions capable of resisting this (*Feature*);

- the reemerging nations of central and eastern Europe, which leaped on their own out of the frying pan of communist dictatorship and are being delivered into the fire of "free market" looting thanks to a quasi-public, quasi-private institutional framework which is now being put in place under the aegis of the old Project Democracy secret government crowd (page 34).

Congratulations to the Danes who, days before their national holiday on June 5, squeaked through a "no" vote to the perfidious Maastricht Treaty and thus re-set the political agenda for Europe. Congratulations to the Italian Parliament for electing Oscar Luigi Scalfaro as President of the Republic, throwing a spanner into the spokes of Anglo-American designs on Italy. And congratulations to Helga Zepp-LaRouche and other speakers at the just-concluded Schiller Institute conference celebrating Christopher Columbus in Rome. I direct your attention to the exciting report on this leading the *International* section.

Nora Hamerman

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Feature



On a highway in the coca-growing region in Peru is painted the slogan, "Down with the coca plantation eradication!" and signed with the hammer and sickle emblem of the Shining Path-Communist Party of Peru. This is what the U.S. State Department is currently backing, in the name of "democracy."

18 Peru's Shining Path: deranged assassins on Pol Pot model

The *New York Times* describes this guerrilla group as "the most exciting thing on the left," raising their banner "on behalf of the world's poor." But Peruvian political leader Luis Vásquez Medina, in this speech to the founding conference of the Ibero-American Solidarity Movement in Tlaxcala, Mexico, documents that they are brainwashed, bestial killers, confronting the Ibero-American continent with the cruelest war it has ever known.

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The fall of the House of Bronfman

by John Hoefle

Olympia & York put its massive Canary Wharf development in London into bankruptcy on May 27, just two weeks after the bankruptcy of its Canadian operations, and the bankruptcy of its U.S. real estate operations is now inevitable. O&Y's failure has devastated the Canadian financial and real estate markets, and no one is feeling the pinch more than the Bronfman family, whose corporate interests dwarf those of their protégés, the Reichmanns.

The leading edge of the Bronfman troubles is the Edper Group, a conglomerate of some 500 private and 40 public companies with assets of over \$80 billion. Edper's publicly traded companies account for over 10% of the capitalization of the Toronto Stock Exchange. Edper, the vehicle of Edward and Peter Bronfman of Toronto, is in many ways quite similar to O&Y: It is tightly controlled, secretive, seriously indebted, and has massive real estate holdings. It is also five times bigger than O&Y.

Much of the Edper's real estate is concentrated in its \$12 billion Trizec Corp., Canada's largest publicly traded real estate company and nearly as large, by itself, as O&Y. Trizec, in turn, owns 65% of the dying Bramalea, Ltd., a \$5 billion real estate company with extensive holdings in the United States and Canada. Bramalea, whose financial problems were described by the *Financial Times* of London as being "at least as severe" as those of Olympia & York, is \$4 billion in debt and will have to sell at least \$525 million worth of assets this year just to meet its debt payments. Bramalea's bonds have been downgraded to "junk" status, and its stock has fallen from over \$20 a share two years ago, to under \$2 a share today. Its survival is doubtful, and its failure will almost certainly take down Trizec, and likely Edper itself.

Edper is also suffering losses on its natural resource and financial holdings, including losses of \$174 million in 1991 at Noranda Forest, \$110 million at Noranda, Inc., and \$78

million at MacMillan Bloedel.

There are two elements driving the collapse of the Reichmann and Bronfman empires. The first is the depression. The Anglo-American speculative bubble has popped, causing the evaporation of the alleged value created during the boom. Millions of individuals and smaller institutions have been wiped out, and now the crash is hitting the bigger operators such as the Reichmanns and the Bronfmans. The second element is that the powerful financial interests which *created* the Reichmanns and the Bronfmans, are now moving to take them down and seize their assets for pennies on the dollar.

As presidential candidate Lyndon LaRouche recently remarked, "The sharks are now eating the barracudas."

Who created them?

The Bronfmans and the Reichmanns, despite all their trappings of wealth and power, are, in terms of real global power, mere front men. In intelligence terms, they are "cut-outs," whose main purpose is to provide cover for the criminal activity of those much higher up the financial food chain. In this case, that criminal activity is the international drug trade.

The international illegal drug trade produces revenues of nearly \$1 trillion a year, and is doubling in size every five years. As *EIR's* bestseller *Dope, Inc.* documents, a substantial chunk of the world's financial system is devoted to moving, laundering, and investing that money. From the Hong-kong & Shanghai Bank, to the offshore havens in the Caribbean, to the biggest banks in the United States, Britain, Canada, and Switzerland, the system itself revolves around drug money. Without this financial network, the drug trade would quickly choke on its own profits.

A great deal of this drug money gets invested in real estate. In fact, the real estate boom in the United States during the 1980s occurred primarily because of the flow of hundreds of

billions of dollars of drug money into commercial real estate projects such as office buildings and shopping centers. Much of that money was conduited into the United States through Canadian real estate firms.

Because of its history as a British colony and its proximity to the United States, Canada plays an important role in international narcotics trafficking. Much of the heroin which enters the United States from the Golden Triangle flows through Canada's Pacific Northwest, from which it is smuggled across the border into Alaska, then distributed across the United States. Similarly, a substantial amount of cocaine from Ibero-America enters the United States through eastern Canada. As a result, Canada plays a key role in the distribution of narcotics, and in the laundering of the proceeds. Which leads us to the Bronfmans.

The Bronfman gang

The public profile of the Bronfman family today is much different than it was 50 years ago, when the organized crime outfit known as "the Bronfman gang" was the biggest bootlegger in North America. During Canada's brief prohibition (1915-19), the Bronfman family turned their hotel and prostitution operations into "boozeriums," a move which would eventually raise the family to the highest levels of organized crime in North America. During Canadian prohibition, the Bronfman gang illegally imported liquor from the U.S. mob. These U.S. crime contacts were quite useful when Canadian prohibition ended and U.S. prohibition (1920-34) began, and the Bronfmans shifted from importing liquor from the United States to exporting it. The Bronfmans' control over the flow of liquor—mostly British whiskey and homemade "Seagram's chickencock"—gave the gang virtual life-or-death control over the U.S. mob.

By 1926, the business was so good that the gang's British suppliers, the aristocratic Distillery Company of London of Field Marshal Haig, Lord Dewar, Lord Worlavington, and others, agreed to form a joint operation with the Bronfmans, and the Distillery Corp. Ltd. was formed, with Sam Bronfman as vice president.

With prohibition, crime became a big-time business, centered around alcohol—whose supply was controlled from London and distributed through Canada. What had once been a collection of small fiefdoms, was reorganized top to bottom into an integrated wholesale and retail distribution chain, with well-defined marketing districts, quotas, and uniform pricing.

The Bronfman counterpart in the United States was Arnold Rothstein, who was assigned the bloody job of "reorganizing" crime networks. Rothstein set up syndicates on the East Coast with the help of Chicago mobster John Torrio, who succeeded him upon Rothstein's death by assassination in 1928. Working with Rothstein and Torrio to eliminate the opposition were Meyer Lansky, Benjamin "Bugsy" Siegel, and Lucky Luciano. By the early 1930s, the infamous Murder, Inc. assassination bureau of Lansky and Siegel was protecting Bronfman liquor shipments and killing anyone who

stood in the syndicate's way. In 1932, Torrio gathered the major organized crime families together in Atlantic City, New Jersey to form the National Commission, the board of directors of organized crime. In little more than a decade, the three-way contract among the British suppliers, the Bronfman gang, and Rothstein, had become a nationally organized and controlled organized crime syndicate. For the British and their Bronfman cut-outs, prohibition had been a smashing success.

With the syndicate formed, the immediate task was to prepare for the eventual repeal of Prohibition and the legalization of liquor. The syndicate made its move into narcotics. As *Dope, Inc.* documents, the Bronfman gang sent emissaries to Hong Kong and Shanghai, the way paved by the gang's British controllers, who also controlled the Chinese opium trade through the Hongkong & Shanghai Bank, trading companies like Jardine Matheson and Lancelot Dent, and shipping companies like the Peninsular and Orient Steam Navigation Company (P&O). The door was opened for the flow of Chinese heroin into the United States, via the Bronfman gang in Canada.

With its assimilation into the lower rungs of the British Empire's lucrative narcotics business, the Bronfman family began its metamorphosis from common gangsters into seemingly legitimate businessmen. Sam Bronfman, the crime czar of North America, and his brothers Allan and Abe were placed on the boards of a number of Zionist philanthropic organizations. Sam, his son Charles, and Allan were inducted into the British Crown's Order of St. John of Jerusalem. Sam's children married into prominent Wall Street and European banking families; daughter Minda became Baroness de Gunzberg, a member of the extended Rothschild family. The gangsters had become aristocrats.

With this newly granted respectability, the Bronfman family began to establish a huge corporate empire, and to publicly distance themselves from their unsavory origins. According to some law enforcement officials, the Bronfmans transferred some of their dirtier operations to the Reichmanns, launching that family's rise to prominence.

The Bronfmans divided up the work, with Sam taking over the Seagram's end of the business, which smuggled the drugs, while Allan took over the financial end, which laundered the money, according to *Dope, Inc.*

Sam Bronfman set up CEMP Investments (named after his children Charles, Edgar, Minda, and Phyllis) as the family's investment vehicle. Among CEMP's holdings is a large stake in Cadillac Fairview, another large Canadian real estate firm with U.S. holdings, including 33 blocks of downtown Houston. Seagram's also grew: Besides being one of the world's largest liquor companies, it also owns 25% of chemical giant Du Pont Corp.

Allan Bronfman set up Edper, whose holdings include Canada's three largest publicly traded real estate companies; the second-largest trust company, Royal Trustco; the second-largest food and beverage company; John Labatt; and the resource conglomerate Noranda, Inc.

Danes make history; nix Maastricht Treaty

by Poul Rasmussen

On June 3, the Danes did the unthinkable. In a public referendum, Danish voters rejected the fascist Maastricht Treaty, an agreement which would have relegated national sovereignty in Europe to the dustbin of history.

By the tiniest margin—50.7% opposed, 49.3% in favor—Danish voters put a stop to the dreams of turning the European Community into a tight political European Union with a European central bank and heavily centralized financial and monetary policy. Some 82% of the 3.6 million voters participated, and a majority said no to a treaty that would have stripped the 12 member nations of the European Community (EC) of their right to carry out independent financial policies and would within a few years subjugate everyone to a centralized bureaucracy in Brussels acting without any democratic political control.

The Maastricht Treaty was scheduled to replace the old Treaty of Rome, thereby transforming the EC into the EU by the beginning of 1993. According to the charter of the Treaty of Rome, however, any change in the treaty itself requires unanimity among the member nations.

Since Denmark will not ratify the new treaty, it would be absurd if the remaining 11 nations were to continue the process of ratification on their own. The governments would ask the parliaments to ratify a treaty that is already nullified. Ireland has already called off its referendum pending a full clarification of the fate of the Maastricht Treaty.

The panic among the political establishment of Europe is almost complete. Former German Foreign Minister Hans-Dietrich Genscher insists that the other 11 nations should form their own union without Denmark. Where, however, and how would such negotiations take place? It cannot be under the auspices of the European Community: That is ruled out by the Treaty of Rome.

In France, President François Mitterrand went into a frenzy the day after the Danish vote, making an about-face on the question of a popular referendum on the treaty. In an attempt to undercut any demands for an immediate stop to the ratification process, Mitterrand suddenly announced that he would favor a French referendum, an utterly absurd idea, since the French would be voting on a treaty already voided by the Danes.

What went on in Denmark that led to this political shock for all of Europe? As soon as the first results reached the international wires, frightened political commentators on

both sides of the Atlantic tried to dismiss the Danish rejection of Maastricht as the result of a silly, opportunistic national chauvinism. Nothing could be further from the truth: The entire Danish elite was extremely active in the attempt to secure a “yes” vote. If anything, the “no” vote could be seen as an angry rejection of the “gods of Olympus” by the Danish people.

Eighty percent of the members of the Parliament supported the treaty. So did all of the major trade unions, employers’ organizations, industrial federations, farm organizations, and, with a few exceptions, all of the press. Like the gods of Olympus, Denmark’s establishment tried to scare, seduce, and browbeat the Danes into voting “yes.” The Danish Olympians did not refrain from calling in like-minded “spirits” from abroad to help. Almost all of the leading politicians in Norway, Sweden, and Finland, including Swedish Prime Minister Carl Bildt and Norwegian Prime Minister Gro Harlem Brundtland, came to Denmark to put pressure on the Danes. Even influential Olympians like German Chancellor Helmut Kohl and President Mitterrand uttered some staunch warnings to the tiny rebels in the north. But it was all in vain.

But the vote was not a blind protest against the corrupt Danish politicians, as other international observers have insisted. Most Danish voters did actually try to read the text of the treaty. In all public libraries, post offices, and similar locations, free copies of the Danish-language text were available. The government had to reprint the booklet twice in order to fill the demand.

The Danes rejected the treaty because they did not like it. Some refused to put their signature on a contract they could not understand—a wholly sound reaction. Others recoiled at the idea of European federalism.

The alternative to Maastricht

The main reason why the scare tactics of the gods of Olympus failed to sway most Danes, was the otherwise high level of political debate. A number of Danish economists publicly exposed the planned financial and monetary integration of the European Union as utterly unfounded and labeled it a dangerous economic experiment. Especially the planned European central bank and the single currency union came under heavy attack. It was also pointed out that the stringent budgetary regime stipulated by Article 104 of the treaty was bound to lead to mass unemployment and poverty in large parts of Europe.

With Maastricht dead, a new policy for European economic cooperation has to be worked out. The centerpiece of this must be East-West cooperation. This in turn must be founded on specific physical projects, high-speed train lines from the Atlantic to the Urals and beyond, buildup of infrastructure and modernization of the means of production, and collaboration among sovereign nations in a Europe of the Fatherlands. All this is now possible, since the Danes shot down Maastricht.

Kissinger demands: Pass NAFTA in 1992

by Carlos Cota Meza

After Henry Kissinger's April 22 speech at the Americas Society Forum, the negotiating committees of the North American Free Trade Agreement (NAFTA) put on a burst of speed, determined to have the pact in place before the end of the year. As *EIR* has shown, NAFTA is the plan to create a giant Auschwitz slave-labor economy for looting, from the Rio Grande to the tip of South America.

Kissinger was categorical: The agreement could not get bogged down in claims of this or that technical advantage. "It should be signed by all parties, and should be defended on all sides as a political vision, and not merely as a trade agreement." As a political vision, NAFTA is being pieced together over a mountain of disagreements.

To be sure, the obstacles are not on the Mexican side. In the White House, at its Mexican counterpart Los Pinos, and everywhere else, it is understood that President Carlos Salinas de Gortari's economic program wholly depends on the support it gets from Kissinger, David Rockefeller, and George Bush, in that order and following the Trilateral Commission's ranked membership roster.

In response to occasional hints of independence from the Mexican negotiators, Wall Street circles have begun to manipulate what is known as the weak spot of the "Mexican miracle," namely its reliance on foreign capital. "Argentina and Brazil are today competitors in the search for foreign capital," these sources say. While Mexico is still deemed a good investment, the bonds of Mexico's national companies have begun to fall on the markets, to the point that "recommendations" can now be heard urging a slowdown in such bond offerings.

J.P. Morgan, for example, has recommended "a temporary deceleration useful for balancing against the credit expansion of the private sector," along with a showing of "GNP growth" through 1995. The message delivered by the "invisible hand of the market" to the Salinas government is crystal clear: The only thing you have left to hand over is Pemex, the national oil firm.

On Democrats and 'Bush Democrats'

The political difficulties met in signing NAFTA have been on the American side. These visibly appeared on Nov. 5, when during the senatorial vote in Pennsylvania, Democrat Harry Wofford trounced former U.S. Attorney General Richard Thornburgh, the choice of President Bush. Wofford won by opposing NAFTA, and was backed by labor unions

and farmers statewide, while Thornburgh campaigned in favor of the trade pact.

Still, after the Wofford victory, the political equation changed. The likely Democratic Party presidential nominee is "Slick Willy" Clinton, as fanatic a defender of NAFTA as of the death penalty, and considered a vulgar clone of George Bush. This makes Bush confident that he will not lose votes to such a "rival" by pushing NAFTA.

Indeed, the loudest NAFTA boosters are "Bush Democrats," like Rep. Bill Richardson (D-N.M.), who recently declared, "It is my prediction that at some point in mid-July, the two Presidents will announce that a tentative agreement has been reached." He added that the pact "would be immediately sent for congressional review, but the vote won't come until next year."

'A new perception'

In Mexico, barely a week after Kissinger's speech, the talk was of "a new perception among the three countries," and the 1,200 bracketed objections in the treaty draft—representing all the disagreements of the past 18 months of negotiations—began to disappear. On the issue of tariffs, the "Arthur Dunkel formula" was adopted on Mexico's suggestion. Dunkel is the chairman of the General Agreement on Tariffs and Trade (GATT) who advocates stripping economies of tariff protection and subsidies.

On the automotive industry clause of the treaty, the negotiations "advanced 80%" after the U.S. assemblers yielded on their position. Officially it is said that "Mexico has obtained advantageous positions," although Mexican auto parts producers disagree. In the financial sector too, negotiators claim to "have reached a virtual agreement," consisting of permitting foreign banking institutions to establish subsidiaries in Mexico, but not bank branches. John Reed of Citicorp opposes this arrangement, insisting that Mexico must also accept the installation of foreign bank branches without the need for Mexican partners, branches which would receive the same treatment as their Mexican counterparts.

Although it has yet to be confirmed, it is rumored that Salinas and Bush are running their own negotiations parallel to the official ones. True or not, the announcement by the Mexican head of state—following the Guadalajara disaster—that Pemex would be restructured within 30 days (a period which ends June 12), is Mexico's "contribution" to this "change of perception."

What is expected from this restructuring is that Pemex will be split into four or five new companies (mini-Pemexes), with separate administrations, budgets, and sources of financing. The plan has been described abroad as Mexico's "new flexibility," and as reflecting a new philosophy that effectively turns the famous Article 27 of the Mexican Constitution on its head, by considering everything in the subsoil as belonging to Mexico, and everything from the ground to the heavens as open to foreign investment!

Germany debates dirigist economics

by Rainer Apel

In a happy departure from the shibboleths of Anglo-American free market economics, on May 20 German President Richard von Weizsäcker suggested that the best way for Germany to rapidly reconstruct the areas which were recently liberated from communism, would be to impose a “burden sharing” tax on the significant capital gains which some German citizens have been raking in. But the President received sharp rebuffs from circles in banking and savings, and from various financial policy “experts”—which is hardly surprising, given the refusal so far of Germany’s economic leaders to adopt dirigist nation-building policies.

The tone from the economic commentators in the western German press has been generally negative as well. The daily *Frankfurter Allgemeine Zeitung* became downright abusive: Its chief commentator on free market questions, Hans D. Barbier, huffed that the President is “not, after all, the government’s economic policy adviser. Economic efficiency is hardly the foremost criterion in his mind.” German Chancellor Helmut Kohl likewise allowed himself to be swayed once more by his council of experts, and rejected the President’s proposal.

The President did, however, receive backing from the Social Democratic Party (SPD), the German Trade Union Confederation (DGB), the social welfare committees of the Christian Democratic Union (CDU), and from the CDU parliamentary delegations from Germany’s five new eastern states, where western free-market propaganda is regarded with profound distrust.

What did Weizsäcker actually intend to set into motion with his proposal? He stated that current discussions about an across-the-board wage freeze or additional general taxes in order to finance the costs of reunification, are simply not in keeping with the dimensions of the problem. Germany is confronted with a challenge, he said, which could only be met by something like the “burden sharing” program implemented during the years of postwar reconstruction. A special tax on stocks, obligations, and assets of banks and savings institutions—other categories of assets would be explicitly excluded—should be considered: “In the old Federal Republic [formerly West Germany] we currently have monetary assets on the magnitude of 3 trillion marks. No one can even imagine that number.” (The current conversion rate is \$1 to 1.65 deutschemarks.) Thus, the annual profits from monetary

assets (which amount to more than DM 200 billion at current interest rates) could be drawn upon by means of a tax similar to the burden sharing program practiced from 1949 onward. Just as back then, the proceeds would be put toward bolstering the “investment power” of the German economy.

The ‘economic miracle’ reconsidered

President Weizsäcker was harkening back to a measure which brought in nearly DM 140 billion—a lot of money in those days. Beginning on the same day as West Germany’s currency reform of June 21, 1948, all real capital assets—with the exception of cash, farming establishments, and industrial enterprises—were assessed; half of the assessed value had to be paid to the government, with the exception of assets under DM 5,000, which were not taxed, and with reduced rates for assets under DM 35,000. Payment of the tax was spread over a period of 30 years, so that the burden was kept within manageable bounds. Otherwise, real capital gains were left untouched following 1948-49. The payments into the burden-sharing fund were a crucial factor in Germany’s postwar “economic miracle.”

It should be kept in mind, however, that the postwar burden-sharing arrangement did not directly benefit productive industry—in contrast to the President’s current proposal, which would go toward new housing construction and infrastructure projects in the eastern states. Beginning in 1949, burden-sharing payments went to individual recipients in the form of emergency, household equipment, and reconstruction aid, as well as pensions for injured veterans. The money had the effect of strengthening consumer demand for goods from the productive economy. Beyond the general idea of national solidarity in the reconstruction effort which had inspired the plan, its chief advantage lay in the fact that it guaranteed a constant flow of funds over a long period, and thus constituted an element upon which a predictable financial policy could be based. Today, 100,000 German citizens are still receiving payments from the burden-sharing pension fund.

Richard von Weizsäcker did not intend his suggestion to be taken up as an elaborated program, but rather as a contribution to the running debate about how to cover the costs of German reunification. It is useful insofar as it calls into question one of the most zealously defended taboos of the economic debate up to this point—the ostensibly “untouchable” structures of banking and finance—and points a way beyond dead-end debates over which part of the budget to cut. His demand to put the funds primarily into productive investment projects such as housing construction and infrastructure, is correct.

But the proposal is problematic in the long run, since it presumes a continuation of current high interest rates for its success. What is really required, is not just a punitive tax on pure monetary gains, but long-term, low-interest credit for productive investment.

Tuberculosis strikes as budgets are cut

by Joyce Fredman

Shortly after a report from the federal Centers for Disease Control in Atlanta, Georgia revealed that tuberculosis is still running out of control in the United States, a Maryland prison revealed that it was facing the state's largest outbreak of the deadly disease in decades.

Roxbury Correctional Institution, in Hagerstown, Maryland, now matches the twenty-odd percent infection rate of the New York prisons that has garnered so much national attention. Even worse, on June 3, Warden Jon Galley told this reporter that the inmate who originally had the active case indeed was infected with the dreaded multi-drug-resistant strain. After testing the total inmate population of 1,900, Galley said that the number of positive results was 389, plus 28 cases among prison staff members.

The return of the White Plague

Lest anyone think the recent outbreaks are confined to prison populations, the latest tallies of international health agencies offer grim statistics. There are 20 million cases of tuberculosis worldwide, and the number is growing by 8 million a year, according to the World Health Organization. It takes a larger death toll than any other infectious disease, killing more than 3 million people a year. Nearly 2 billion people carry the disease in an inactive state.

In the United States, the present crisis could have been easily averted. When rates in some of the nation's poorest neighborhoods jumped as high as 50%, as happened in Harlem in New York City in 1979-80, many health care workers sounded the alarm. That fell on deaf ears, and today, in Harlem, the rates are nearly five times what they were 10 years ago. Miami's rate today is higher than the rate in the entire U.S. in the early 1950s. If there are any doubts about the lack of health care available to poor blacks in this country, consider that in North Carolina's migrant labor camps, the rate among U.S.-born blacks is 3,600 per 100,000—ten times that of sub-Saharan Africa!

On May 13, a report from the Centers for Disease Control demanded immediate attention for an epidemic that was "out of control," in the words of Dr. Dixie Snider, director of the tuberculosis division at CDC. The once-treatable disease, through neglect, has developed untreatable new strains, resistant to the drugs that are currently in use. The American

Lung Association is lobbying for a fivefold increase in funding for anti-TB programs. "I'm scared," said ALA President Lee Reichman. "If we don't succeed, we are in very big trouble."

But asking and receiving are two different things, as many health officials have discovered. On April 2, CDC director William Roper, before the House Human Resources Subcommittee, recounted the sorry history of asking for money and being turned down. In 1989, the amount before the White House was \$25 million; the allocation, \$7 million. In 1990, \$29 million was requested; \$7 million was approved. And so it went.

Now, Atlanta, home of the CDC, leads the United States in rates of infection, with an outrageous rate of 76 cases per 100,000. Atlanta has over 300 active cases, a 50% jump from 1990. Close behind is Newark, New Jersey, with 71.8 per 100,000. Next, in descending order, come: New York City, 50.3; Miami, 48.5; San Francisco, 46.0, Oakland, 40.9; Houston, 34.5; Tampa, 31.1; Los Angeles, 30.6; and Santa Ana, 30.0.

Beyond these urban centers, several states are reporting record numbers of cases. California, New York, Hawaii, Florida, and Texas are just some facing the epidemic. But these data don't begin to tell the story. The above figures are only what is reported to the Centers for Disease Control. There are thousands more cases which were not reported in time to be included in the latest statistics, and even more significantly, thousands which go unreported altogether.

A disease of poverty

Tuberculosis is the type of disease which festers in exactly the locations where it is least likely to be discovered and properly treated. In the U.S., it is thriving among the homeless, for example, who are the most difficult to track. The high numbers among prison populations represent an increase of the disease in the underclass. But those who are incarcerated are the easiest to test; their friends and families in the inner cities or rural outskirts, who have little or no access to proper medical treatment, are living time bombs.

The emergency meetings taking place around the country to discuss contingency plans for dealing with such a crisis are filled with duly concerned medical experts. But the solution is not only a medical plan. The economic collapse which has fueled the renewed spread of tuberculosis (as well as other diseases, such as measles) is hitting the hospitals and state budgets as hard as the cities. Many hospital staff members have complained of lack of funds for the proper number of masks, for isolation wards, and for state-of-the-art equipment. Testing must be done on a routine basis, in schools, at public health centers, and for shelters.

Four million people were killed by TB in the United States alone during the first half of this century. Because of conscious decisions by the U.S. government, millions more are today facing untimely deaths, needlessly.

New launch boosts Indian space effort

by Susan B. Maitra and Ramtanu Maitra

The successful launching of the Augmented Space Launch Vehicle (ASLV) by the Indian Space Research Organization (ISRO) on May 20 reaffirmed the confidence generated by the Indian space program over the past decade. The success was particularly welcomed since it came within a few days after the U.S. had officially imposed sanctions on ISRO for two years, for allegedly violating the Missile Technology Control Regime (MTCR)—a missile cartel signed by 12 developed nations and yet to be ratified by the United Nations—by contracting purchase of cryogenic rocket engines from the Russian space agency, Glavkosmos. The sanctions make any sale by a U.S. manufacturer to the ISRO a violation.

More importantly, the ASLV launch, putting the SROSS-C satellite into orbit, has established ISRO's claims that the snags that had led to two earlier failures of ASLV launches have been smoothed out, and that the next phase of the program, involving the launching of the Polar Satellite Launch Vehicles (PSLV), will be ready by next year. In other words, the success of the May 20 launch has put the Indian space program on the right track.

The launch of the ASLV from the Sriharikota rocket range in the coastal state of Andhra Pradesh has nonetheless generated an absurd discussion, to the effect that the launch is in response to the U.S. action. The *Times of India* editorial the next day called it a "fitting reply." However, launching a satellite requires detailed planning which takes a number of factors into account and is done months in advance. Dr. U.R. Rao, chairman of the Space Commission, has made it clear to the press that "it is not a reply to anybody," but "to prove to ourselves," and "live up to expectations placed by the country."

The launch itself was flawless. Every stage of the 23.8 meter five-stage rocket, with a liftoff weight of 41.7 tons performed exactly as it was supposed to, and about eight minutes after the blastoff, the 106 kg SROSS-C satellite was injected into the desired near-Earth orbit. Earth stations located at the Nicobar Islands, Kerala, Karnataka, and Mauritius, immediately began tracking the satellite. The satellite, indigenously designed by scientists at the National Physical Laboratory (NPL) at Delhi, has already sent its first set of data to ISRO. SROSS-C is designed to study the structure

and dynamics of the low altitude ionosphere-thermosphere, useful for the study of weather and in communications.

NPL scientists have told reporters that NASA, Japan, and Germany have agreed to have their satellite tracking and data acquisition facilities collect the relevant data in the ionosphere and thermosphere. SROSS-C is also carrying the Gamma Ray Burst experiment payload designed by ISRO.

From the rocketry point of view, the ASLV-D3 (ASLV-D1 in 1987 and the ASLV-D2 in 1988 both met with failure) can be considered a trailblazer for India's future rocket development. The rocket carried a large number of new technologies in it, including the closed-loop guidance system, strap-on technology, and a large number of controls which needed to be proven for the next stage rockets, the PSLVs. Dr. Rao pointed out that the textbook performance of the ASLV-D3 has proven the validity of all these new technologies.

In addition, a number of other modifications were featured in the ASLV-D3 launch. The thrust profile of the boosters was altered, and their burn-out, in real time, was directly linked to the ignition of the first stage. The autopilot was strengthened and two extra fins were provided to the rocket. Also, the weight of the SROSS satellite, which had accompanied the failed ASLV launches earlier, was reduced from 150 kg to 106 kg. The rocket, for the first time, used the indigenous solid fuel.

Future prospects for indigenous programs

The Indian space program came into its own in the 1960s with the appointment of Dr. Vikram Sarabhai as chairman at ISRO. It was then that the concept of developing satellite launch vehicles began to take shape. In the 1970s, following Dr. Sarabhai's untimely death and the appointment of Dr. Satish Dhawan as the chairman, that the program took a "mission approach." It was Professor Dhawan who set the target for the nation that India would enter the field of 1,000 kg to 1,700 kg remote sensing satellites with microwave payloads. He also conceived the multi-payload (meteorological, television, and communications) satellites and formulated the need for the INSAT-2, 2,000 kg class communication satellites in the 1990s. Now the work is in progress of developing INSAT-2 satellites indigenously for launch in the mid-1990s. The INSAT system is already providing vital services to the country in the areas of communication, television transmission, and meteorological services. The INSAT-1 series were launched from abroad. The last of the series, INSAT-1D was successfully launched on June 12, 1990, aboard a U.S. Delta rocket.

The development of an indigenous second generation INSAT-2 test satellite has made substantial progress with the completion of structural model qualification and integration and test on the electrical thermal model. The flight model fabrication is now in progress. However, there are reasons to believe that the INSAT-2 satellite development will be impeded by the sanctions imposed by the United States and

now considered by other signatories of the MTCR (see *EIR*, May 29).

In addition, India has a series of remote sensing satellites, denoted by IRS. IRS-1A was launched in 1988 and IRS-1B was launched in August 1991. The IRS series has become the mainstay of the National Natural Resource Management System, providing quality imagery for applications including: land use and land cover mapping; agro-climatic planning; wasteland mapping; integrated land and water resources study for combatting drought; crop acreage and yield estimation; and forest mapping. Recently, a hydro-geomorphological map of the entire country covering 447 districts has been completed showing ground water potential using satellite information and conventional data under a project of the National Drinking Water Mission initiated by the late Rajiv Gandhi.

In rocketry development, the ASLV will pave the way for the 44.2 meter high PSLVs, weighing 275 tons. These rockets will be used for launching the IRS series of satellites weighing around 1,000 kg. It is evident from ISRO's announcement that the first of the PSLV rockets will be launched in 1993 that several qualification tests on the stage motor systems, avionics packages, vehicular structurals, etc., have been successfully conducted. The giant mobile service tower for the PSLV assembly at the Sriharikota range has been commissioned. The first stage motor of PSLV is the third largest solid motor in the world. The second stage motor, which has a large liquid engine, has also qualified successfully, reports indicate.

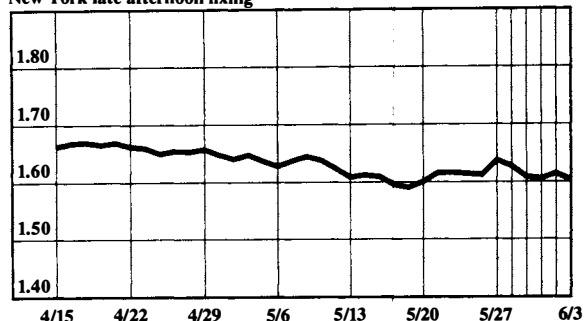
The development of cryogenic engines has also been initiated to permit enhancement of the capability of the PSLV and to be incorporated in the geostationary satellite launch vehicles (GSLVs). This will help launch geostationary satellites of the 2,000 kg class and make India totally self-reliant in launch technology. It is the contracting of cryogenic rocket engines and related technologies from the Russian Federation that has irked the United States, which has slapped on a two-year sanction. Indian scientists claim that the United States is particularly uneasy about India developing the capability to launch 2,000 kg class satellites. If India is allowed to develop this capability, along with its top-notch launch center, it could compete effectively with western nations in commercially launching satellites for other nations.

While the main thrust of the Indian space program in the coming decade is to make operational all services related to communications, remote sensing, television broadcasting, and meteorological data, and to achieve self-reliance both in rocket launching and satellite capabilities, ISRO has drawn up a profile for the decade 1990-2000, which envisages new initiatives in the areas of new materials, development of reusable vehicles, materials-processing in space, satellite navigation, ocean resource surveillance, and a host of new technologies which will cater to the requirements of the next century.

Currency Rates

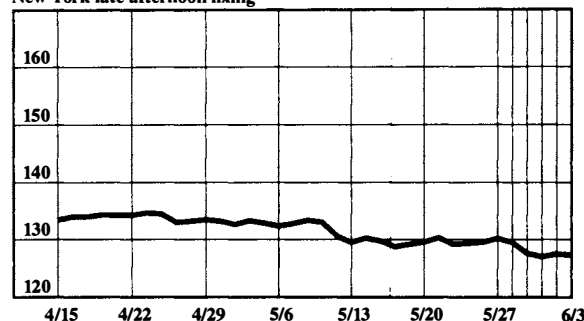
The dollar in deutschemarks

New York late afternoon fixing



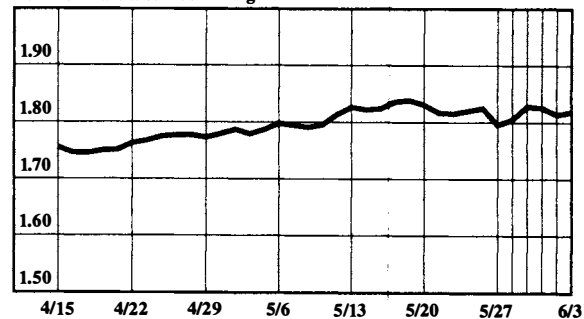
The dollar in yen

New York late afternoon fixing



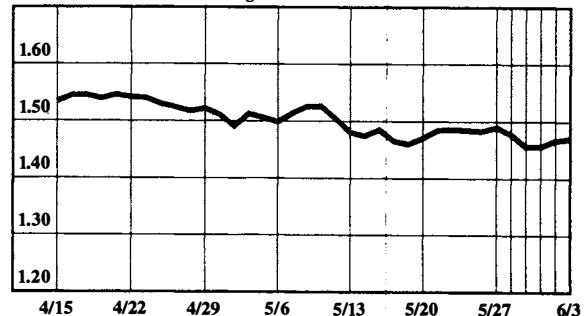
The British pound in dollars

New York late afternoon fixing



The dollar in Swiss francs

New York late afternoon fixing



Concentration camps by another name

Salinas de Gortari's National Productivity Pact is nothing less than "fascism with a democratic face."

Mexico's recently signed National Productivity and Quality Pact is, according to sources at Pemex, the Mexican national oil company, based on the psychological profiling work of British psychiatrist John Rawlings Rees.

Rees evolved his theories based on studies of "battle fatigue" syndrome in war veterans. He later founded the Tavistock Institute, which became a center for the study of psychological intervention into the workplace, in particular, based on the work of two mad psychiatrists, Kurt Lewin and Eric Trist. They sought ways of speeding up labor, without provoking protests or objection from the victims.

From this experience, Rees and company drew up certain "norms" to be applied in the labor sphere. These have come to be known as "labor speedup" (which the Salinas government calls "productivity"), and "community control" (which the Salinas government calls Pronasol, the National Solidarity Program), the better to maintain entire populations in their status as imperial colonies. Today, these "norms," as defined by Rees and Lewin, are known as "fascism with a democratic face."

In Mexico, the "productivity pact" is most advanced in Petróleos Mexicanos, the state-owned oil company Pemex. In January 1989, a vast military-police operation was mounted to entrap and imprison oil workers' union leader Joaquín Hernández Galicia, who is known as "La Quina." With him out of the way, the giant state oil company proceeded to im-

pose a new collective labor contract in August 1991, which "simplified" the proceedings for early retirement of personnel, imposed a clause for "judging labor conduct in accordance with the interest and commitment of the worker to his responsibilities with the company," and established the right of the company to freely hire "the services of third parties."

Through the use of such "democratic" mechanisms, more than 100,000 oil workers have been laid off in the past three years, placing Pemex in a condition of such "efficiency" that many more horrors like the Guadalajara explosions are waiting to happen. Pemex's labor contract is monitored by Pemex's own Department of Labor Relations, a nest of psychiatrists, psychologists, sociologists, homosexuals, and lesbians.

With the new Productivity Pact signed on May 25, the labor situation at Pemex will now be extended to every Mexican worker. The pact is just a cover to justify mass layoffs on the one hand, and to force those who still have a job to work virtually without pay, as slave laborers.

According to the prescriptions made public thus far, the traditional forms of production "are yielding to a new and versatile model of organization, capable of rapidly adapting to technological advances, to the greater demands of the consumer, and to the relative price fluctuations of products."

In accordance with this "modernization" of the Mexican economy, the traditional, and constitutional, con-

cept of "wages" will also disappear. Previously, wages were defined as what is necessary to maintain an acceptable living standard for a worker and his family, including food, clothing, housing, health, education, and recreation. Under the new pact, wages are now called "remuneration," which will be defined as "an element of stimulus to the productive effort," and as "due recognition of the training, efficiency, initiative, responsibility, and effort carried out by each worker." A basic part of these "conditions of stimulus" to the worker, reads the pact, "should be developed on the job."

The syllogism is very simple. The national productivity pact seeks to extend the conditions of the *maquiladora* (sweat-shop assembly line) worker to all wage-earners in Mexico. In the *maquilas*, despite the miserable working conditions, the worker has a "better" situation than at home, where the family has no running water (much less potable water), no sewerage, no electricity, and no public transportation. The children have neither day-care nor schools, and so forth. Thus, the "conditions of stimulus" must lie in the factory.

If they want to be "modern," Mexico's trade union organizations must no longer try to defend the interests of their ranks. Now, according to the pact, they are the "legitimate co-participants in the development of the companies, and demand of them a shared responsibility in the search for quality and productivity."

The right to strike has suddenly disappeared. Now, the labor representatives inside the factories will be the foremen, who oversee the workers' "conduct." "Labor peace" will be enforced by the art of persuasion; "So, you don't want to be more productive? Just remember that for every employed Mexican, there are 1.5 other Mexicans waiting to take your job."

The bank scam shakeup

A slick broker took advantage of a slothful and sometimes corrupt banking system, wreaking who knows what damage.

A massive bank scam that has sent shocks throughout India's financial system has further tarnished the image of India's nationalized banks. A full investigation is now afoot to determine the damage done.

The scam was a simple one which utilized the manual logging of transactions and the corruptibility of the bank chiefs. Although the main culprit is a hot-shot broker from Bombay, there are at least 17 banks which are under investigation. Already, the chairman of the National Housing Board has left. Two other chairmen of major nationalized banks are also on leave. There is no telling how many heads will roll, if the government is serious about cleaning up the corrupt system.

What happened is simply this. According to Indian banking regulations, the banks have to hold 38.5% of their incremental cash deposits in the form of government security (since the last budget, the percentage has come down to 30%). Often some banks may not have the amount in that form, and so, they buy securities from the banks which have surplus securities. However, the banks are reluctant to conduct bank to bank sales: 1) Such transactions will alert the central bank, the Reserve Bank of India (RBI), that reserve regulations are being violated. 2) Such "distress buying" may cause the prices of securities to shoot up. Hence, a broker illegally acts as go-between, on commission.

In a brokered transaction, the selling bank gets the money and gives the broker the bank receipts with the promise of delivering securities in 90

days. When the broker procures a buy order, the bank receipts go to the buyer bank, and then, the buyer and seller bank report to the RBI, which logs the transaction and notifies both banks. The entire process is conducted manually, and it often takes three weeks from the time that the money is transferred until the RBI acknowledges the transaction's completion.

Things blew open in March at the end of the 1991-92 fiscal year, when accounts at the largest commercial bank, the State Bank of India, showed a gap between the securities it is holding and the bank receipts. The gap is reportedly about \$225 million. Under interrogation, the clerk who makes the entries admitted that he had made phony bank receipt entries and the beneficiary in all these entries was the broker Harshad Mehta, who was a raging bull in the Bombay stock market for the last year.

The State Bank of India, the victim, immediately demanded that Mehta pay up; he quickly wrote a check for the amount. However, he failed to produce the securities or the bank receipts he was holding from other banks, and they were never delivered to State Bank of India. The scam was discovered.

Now it appears that Mehta had many of these bank chiefs under his full control, which raises questions about the possibility of insider trading, tinkering with the interest rates of government securities, inside knowledge of interest rate fixing, etc. Mehta took advantage of India's slothful banking system and less-than-vigilant

bank chiefs, who are bureaucrats nominated by the government at the fag end of their careers. It is highly likely that these bank chiefs (and this is being investigated) were skimming off money with the help of Mehta.

What was Mehta doing with the money? Besides his creature comforts, Mehta was buying into the blue-chip companies. With public money, thanks to our generous government "bankers," Mehta picked up large blocs of shares of such top companies as Reliance, Apollo Tyres, and ACC, and created a stock market bubble. The day the scam was discovered, the shares began to fall, and more exposés are about to hit. Discovery of fake bank receipts in the units market on May 18 has created new worries. Reports indicate that banks, financial institutions, and their corporate clients may be holding onto fake bank receipts worth about \$100 million.

Although Finance Minister Dr. Manmohan Singh, under severe attack from members of Parliament, has tried to downplay it by calling it a "breakdown in the system," very few agree with him. It is evident that RBI, which is supposed to monitor all kinds of activities, failed to end the scam when there were tell-tale signs that Mehta was becoming too big. A tax raid last February on his home apparently was not followed up.

Clearly, despite political opposition created by the trade unions, computerization of the banking system is urgent, and bankers with a commitment to clean banking, and not political beneficiaries, must be appointed to run the banks. A good deal of damage has been done: The securities market, unit market, and share market have been contaminated, and people are worried that if the nationalized banks can get embroiled in such scams, what is the difference between a private and a public sector bank?

Why blame cows?

Wisconsin is enacting a new clean water law that will ruin family farms in the country's premier dairy state.

Wisconsin State Senate Bill 281, passed and signed into law May 1 by Gov. Tommy Thompson, was hailed as a landmark clean water bill by the media. The law mandates a cleanup of the state's watersheds and, as originally written, called for cleanup of construction sites. The major target is the dairy farm sector of Wisconsin, the premier U.S. dairy state.

The Wisconsin law was based on the radical environmentalist assertion that the state's watersheds were threatened by "non-point source" pollution, which is eco-speak for any economic practices that the environmentalists target for shutdown, such as the use of crop chemicals. In the case of Wisconsin, non-point source pollution refers to agriculture, and specifically to dairy farming, where cow manure may be carried along with rainwater runoff after storms into streams and rivers.

As written, the bill required farmers to fence out all streams to livestock, invest in wells to provide water, and invest in costly milkhouse effluent containment systems. The bill further burdens dairy farmers, who are being bankrupted by the thousands as a result of record low milk prices, which remain below breakeven for the second year in a row. Wisconsin has lost 9,000 dairy farms since 1985.

Thompson modified the bill slightly before signing it. As signed, the law directs the Wisconsin Department of Agriculture, Trade, and Consumer Protection to find assistance for farmers to clean up milkhouse waste

water, and to have local governments enact ordinances to protect shoreland. The new law also limits the authority of the Department of Natural Resources to enact harsh penalties against non-complying farmers.

Some were dissatisfied with the changes that Governor Thompson made, including the Wisconsin Farmer's Union, which had lobbied hard for the bill, claiming it was a compromise.

The new law mandates that farmers share the cost of this cleanup with the state. This financial burden will destroy many remaining family dairy farms. In addition, the law presents numerous difficulties and regulations that will cost time and money, and create enough inconvenience to drive independent farmers to throw up their hands in disgust and walk away from it all.

And what of the cost-sharing? That is paid for by the taxes that are a hidden cost to consumers for the food they eat.

Farmers are not a naturally selfish crew of profiteers, who refuse to make the investments needed to protect the environment. Food producers need parity prices for their produce, that is, a fair price that covers the cost of production, capital investments, and a fair profit. For decades, U.S. farmers have been chiseled out of fair prices and a decent living.

The foundations which fund the environmentalist movement are tied to the same Wall Street financiers and the commodities cartel companies which have been looting the family

farmer through low prices and high interest rates since the 1950s. The Conservation Foundation is a leading culprit here.

In 1988, the Conservation Foundation published the book *Controlling Non-Point Source Water Pollution: A Citizen's Handbook*, which was the opening broadside against the farmer. The book "suggests" how citizens concerned about pollution of their state's rivers and streams from agriculture and urban runoff can encourage and monitor efforts to assess the state's non-point source pollution problem.

The Conservation Foundation has been promoting efforts since its founding in 1948 to find means to reduce human population levels to "save the environment." Begun with large grants from the Rockefeller and Mellon families, its primary purpose has been to give the eugenics movement a new lease on life after it was discredited by Hitler. The foundation developed a large network of activist environmentalist organizations which could enact its policy pronouncements through channels which would appear to be grass roots.

If a farmer is returned a profit through parity pricing, he will turn those profits into investments to control erosion and other infrastructure, such as manure containment systems, so he can put the manure on the land where it is most useful. He will not push his pastures beyond the normal carrying capacity; he will leave natural grass cover in order to lower erosion rates and buffer the streams from runoff. The family farmer, with his hands-on management and natural concern for his livelihood and his posterity, will care for the land in the best manner.

The best agriculture environment protection act would be to have parity prices and parity international trade.

Watch out, Peru!

If Fujimori takes Henry Kissinger's advice, his war on the Shining Path terrorists will certainly fail.

Thanks to the "inside job" carried out by the bankers' duo in the Fujimori government, Economics Minister Carlos Boloña and the guru Hernando de Soto, the government has just reaffirmed its commitment to Henry Kissinger's economic program, down to the deadly detail of limiting the military budget in order to ensure that debt payments continue undisturbed.

President Alberto Fujimori turned control of the economy back over to Boloña and De Soto in May, after the Bush administration strong-armed Japan into joining the cutoff of international credits for Peru, decreed after Fujimori put Peru on a war footing against the Shining Path terrorists on April 5. The President remains committed to that war, but with the Kissinger economic program cutting off funds to the military and looting the country of precious resources, he will find that he will be unable to fight that war.

On May 26, Peruvian Energy Minister Yoshiyama, who serves as the "privatization czar" within the cabinet, announced to a meeting of David Rockefeller's Council of the Americas in New York that the government will privatize all state-owned businesses, "at the rate of one a week." He promised the representatives of some 50 companies present (among them Kissinger Associates) that the government "is willing to entertain reasonable offers," including debt-for-equity exchanges, and will allow no distinction in treatment between national and foreign capital.

To remove all doubt as to whose

program the government was adopting, both Yoshiyama and Boloña met immediately afterwards with Henry Kissinger himself, to request, according to the June 1 *Caretas* magazine, that he advise the government on the transfer of Peruvian state companies to the creditor banks.

The Rockefeller-Kissinger crowd made clear that they not only plan to buy up cheaply the strategic sectors of Peru's economy, but seek to define political strategy for the country as well. Boloña was interrogated at the Council of Americas meeting on how he planned to keep the government from increasing the military budget. The Peruvian military, desperately short of equipment, supplies, and even food and clothing, has been pressing for a budget increase so it can defeat Shining Path.

Boloña promised the assembled Rockefeller crowd that he had the military under control. "We've told them that our budget availability has a limit, and therefore any request for resources must be accompanied by a proposal for who should lose those resources, which seems to have achieved positive results," he laughed.

Boloña knows better than anyone where those resources could easily come from: In 1990, Peru paid the foreign banks some \$1.4 billion in debt payments, while the military received a piddling \$400 million for all its operations.

While the military has yet to answer that challenge, the government is proceeding to hand the country over to its international creditors at remark-

able speed. On June 2, Yoshiyama repeated categorically that the government will use short-term debt titles in the debt-for-equity schemes. This debt will be priced, not at its nominal value, but at 18 or 20% of its market value. "We think that the process will be totally transparent, because the people who hold these debt titles will be asked to offer them in the largest quantity . . . which they could have, because these are valuable on the market," he stated.

Demonstrating that foreign capital is to run the show, on June 2 Yoshiyama named First Boston Corp. as the "promoter" for the privatization of the iron-producing company Hierro Peru. For its part, Bankers Trust Co. proposed to Boloña that it would buy the state finance company Peruinvest for \$34 million in debt title, which it had bought from Arlabank.

The very day that Yoshimaya made his pitch to the Rockefeller council, the government sold the state mining company Condestable, at 68% of its nominal value. The government announced on May 25 that it would sell Conchan refinery, the Transoceanica shipping company, and the Petroperu gasoline service centers, for starters.

These measures provoked political protests over the lack of "transparency" in the privatization, and demands that the government wait to sell the companies which have higher prices until the value of the dollar increases. *Expreso*, the newspaper of Rockefeller ally Manuel Ulloa, answered by congratulating Fujimori for having stepped on the privatization accelerator, dropped the "outdated" concept of "strategic companies," and readied the sale of the national oil (Petroperu), electricity (Electroperu and Electrolima), telephone (Entelperu), military industries (Indumil), and steel (Siderperu) companies.

Business Briefs

Eastern Europe

Eagleburger aide: Nations must submit to austerity

Eastern Europe has to recognize that "there is no third way," and must submit to painful austerity, according to Robert Barry, a top aide to U.S. Undersecretary of State Lawrence Eagleburger on U.S. policy toward the newly democratic nations. In comments reported in the May 23 *Washington Post*, Barry denounced "the tendency of East European governments to shrink from economic shock therapy"—the sudden transition to an unregulated market economy as dictated by the International Monetary Fund (IMF).

Poland is going through the "kind of political confusion that comes from weariness with austerity," Barry said. "People don't understand that there's no way to take the pain out of a profound economic transformation. But sooner or later, the Poles, and those who balk at austerity elsewhere in the region, will have to recognize that there is no third way—that trying to pump up the dead dinosaurs of inefficient industries with government subsidies leads nowhere but a sure move to the poorhouse."

Trade

Baker: Use CoCom to deny technology

U.S. Secretary of State James Baker has sent a letter to the members of CoCom which proposes changing the entire purpose of the organization, according to the Jan. 26 *Wall Street Journal*. Hitherto, CoCom has been a NATO adjunct charged with denying military-related technology to communist states. Baker's letter proposes transforming it into an organization comprising the former communist countries along with the present members, charged with denying so-called dual-use technologies to other countries.

In the letter, Baker proposes the creation of a CoCom cooperation council which, like NATO's new cooperation council, would include the formerly communist countries. Once

they become members, these countries would be eligible to purchase the advanced technologies they were formally denied—on condition that they enter into CoCom-like export control systems to prevent export of the technologies to non-member countries. In short, CoCom would become an instrument for the implementation of what has been termed "technological apartheid" toward the Third World.

Environmentalism

African leader equates ecologists, imperialists

Alahadj Moh Lawal Garba, head of the African Timber Organization (ATO), has attacked western non-governmental organizations (NGOs) for their plans to boycott tropical timber as a means to conserve rain forests and fight environmental degradation. He sees the move by the NGOs and other ecological bodies in the West as a ploy to perpetuate both poverty in the rain forest countries and their dependence on the industrialized world.

In an interview with Inter Press Service (IPS) during a meeting of the International Tropical Timber Organization (ITTO), Garba said that timber exploitation contributes "very little" to forest and environmental degradation. He blamed shifting cultivation, bush burning, overgrazing, harvesting for firewood, an unplanned land use system, and, to a certain extent, natural calamities.

Garba told IPS that 95% of Africa's 640 million people depend on wood as a source of energy, and their countries are so heavily indebted to the developed world that they must exploit all their resources to pay back these loans, or "they will continue to borrow and forever remain poor."

Said the ATO secretary general, "Campaigning for a boycott of tropical timber without considering this reality is, therefore, politicking, unscientific, malicious, and unrealistic, and only helps to mislead the world community about what sustainable forest management is all about."

Garba told IPS that instead of boycotting timber imports, the industrialized countries

should provide Africa with financial assistance, not only to manage its forests sustainably, but also to develop its agricultural technology to allow for maximum yield within restricted land area.

Infrastructure

Georgian minister outlines desired aid

Greeting U.S. Secretary of State James Baker at the airport May 25 with his boss, Eduard Shevardnadze, Georgian Foreign Minister Aleksandr Chikvaidze made the following remarks in English, according to the *New York Times*.

"Wheneconomics is not working, there is no doubt of unrest politically. If we do not have more butter, more bread, then I don't know what will be the answer. We now have only enough grain for 10 days.

"Our national income has fallen 25% in one year.

"What's very important now for the previous Soviet republics, especially for Georgia, is not humanitarian help. Humanitarian help will never solve any problems.

"It is necessary to help us create some kind of economic infrastructure. It means we have to build things that give us products, that give us goods, which we can use for ourselves and also sell to get some hard currency."

Space

Next Shuttle mission to study microgravity

The next Space Shuttle mission, now scheduled for a June 17 launch and to for last 13 days, will give scientists the longest time ever to conduct microgravity experiments in space. (Until now, the longest scheduled Shuttle flight was 10 days). In a series of briefings May 26, NASA representatives and principal investigators for some of the science experiments aboard the U.S. Microgravity Lab (MGL) discussed their intent to study materials pro-

cessing and the biomedical effects of microgravity on astronauts.

The crew will grow protein and create semiconductor crystals, studying the effects of microgravity on the physics of liquid droplets, and test new methods for delivering food and nutrients for space agriculture. One series of experiments on the science of solid surface combustion will study the initiation and spread of fire along various common materials. This will help improve fire safety on the Shuttle orbiters.

One application of the production of perfectly spherical shells, according to Dr. Taylor Wang, will be to develop containers which can hold living cells, such as the beta cells which produce insulin. This would allow the transplant of live beta cells into diabetics, avoiding the danger of rejection by the immune system. They could then produce their own insulin, rather than suffering through injections.

Dr. Sam Pool described some space biology experiments in which the crew will be the subjects. Doctors expect that the changes in physiology that will take place on the long flight, such as deconditioning, will be more pronounced than on shorter missions, and researchers will use the opportunity to try new countermeasures.

Germany

Loss of fighter project threatens loss of jobs

Germany's threatened withdrawal from the European Fighter Aircraft (EFA) project threatens the future of an entire industrial sector, officials of the German Aerospace Association warned in a press conference in Bonn on May 26. Half the 20,000 jobs that would be lost will be in small and medium-sized high-technology companies which supply the civilian aircraft industry.

Spokesman Hans-Peter Reerink of the Bodensee Geraetetechnik GmbH noted that the EFA project is not a "superbird" for Daimler-Benz, the main German contractor in the project, but concerns the fate of all German suppliers to the aircraft industry. If Germany withdraws, he forecast an "imme-

diolate exodus" of the country's engineering elite, just as after World War II. The issue is no longer an isolated affair facing one industrial sector, but threatens the whole country and its position on the world market, said Reerink.

Aerospace technology is always "dual use," spokesmen for the association explained, with military production having an impact on civilian aircraft production as well as other areas of the economy through complex software systems, miniaturized electronics, etc.

German Economics Minister Jürgen Moellemann is strongly opposed to German participation in the EFA.

Demography

World fertility rates decline dramatically

There is no population explosion, but a population implosion worldwide, and no one can tell what the human population will be at any time during the 21st century, wrote Ben Wattenberg in a commentary in the May 28 *Washington Times*. Wattenberg attacked the U.N. and its population statistics and projections. He also drew a "1965-1990" comparison, without outlining what "1965-1990" policy shifts might have caused the implosion.

In 1965, Wattenberg reported, the U.N. said that the worldwide total fertility rate was 5.0 (the number of children born to the average woman during her years of fertility); in 1990, it was 3.3, again according to the U.N. Thus, the rate had fallen, in one generation, 60% of the way to the simple replacement rate of 2.1. In the Third World, the 1965 rate was 6.1; the 1990 rate 3.8. Since Third World countries, with higher death rates, require higher simple replacement rates, the Third World rate had fallen 62% of the way to simple replacement in a single generation.

Wattenberg also challenged the U.N. statistics. In 1990, it overestimated Nigeria's population by 29 million—more than 30%.

Wattenberg concluded that the demographers' current projections of 21st-century population are "mere games," since they have no idea what fertility rates will fall to.

Briefly

● **GERMAN** and other western companies are "being forced to suspend their participation in modernizing and retooling Russian industries, because the Vnesheconombank, Russia's foreign trade bank," has put a freeze on hard-currency accounts, said a Russian press account.

● **RUSSIA** has announced an AIDS program covering "such areas as the prevention of the spread of AIDS sexually or through blood transfusions, the ensurance of diagnostics, treatment, and clinical examination of patients," Itar-Tass reported May 14. "Much attention in the program is devoted to raising the effectiveness of research into HIV infection," said Vadim Pokrovsky, chief medical officer of the Russian republic.

● **WAL-MART**, the largest U.S. retail chain, has come under attack for its purchase of goods produced by slave labor in China. The Food and Allied Trade Services Department of the AFL-CIO has gone to court to force Wal-Mart to investigate the charge. In fiscal year 1990-91, Wal-Mart imported more than 300 products from China.

● **A BAGHDAD** conference of the Arab Food Industries Federation May 10-15 presented statistics on the Arab world's dependency on food imports. Dr. Falah Said Jubur, secretary general of the federation, noted that the embargo on Iraq highlights the strategic problem that 250 million Arabs are dependent on food imports for up to 10% or more of every important food commodity.

● **ISLAMIC** heads of state participating in the economic development summit in Ashkabad, Turkmenistan have agreed to the construction of a railway connecting Mashad, in northeast Iran, to Sarakhs on the Turkmenistan-Iran border, followed by a line north to Tedzhen, Turkmenistan.

● **THE KOREAN** National Bank has been forced to provide a \$4.1 billion low-interest loan to bail out the Daehan, Hankook, and Kukmin investment-trust companies, reported AFP from Seoul.

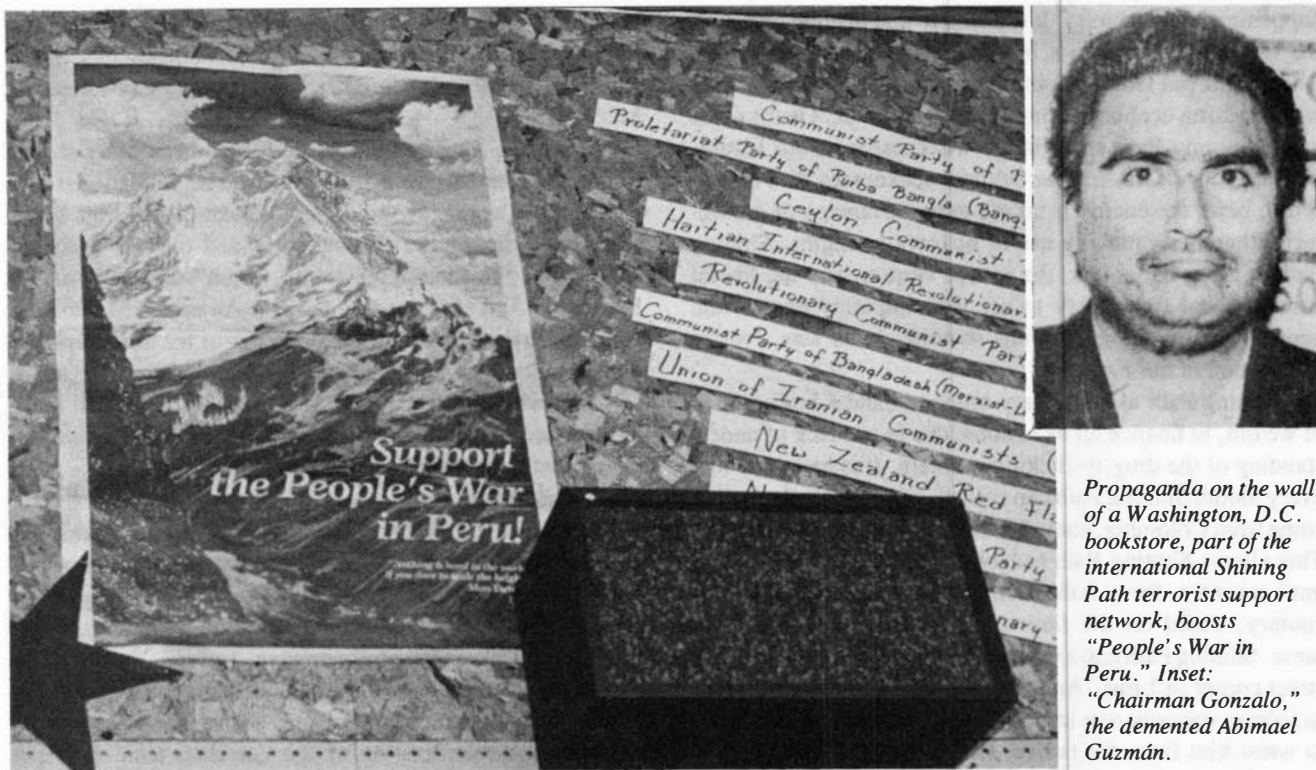
Peru's Shining Path: deranged assassins on Pol Pot model

by Luis Vásquez Medina

We publish here a speech exposing the shocking truth behind who created, and deploys, Peru's Shining Path (Sendero Luminoso) terrorists, which was delivered at the founding conference of the Ibero-American Solidarity Movement in Tlaxcala, Mexico May 18-22. Following it is the related presentation given by Gretchen Small to the same conference.

Another, quite different, view of these terrorists was published by the *New York Times* May 24 in its Sunday magazine section. While author Simon Strong did not exclude reports of Shining Path's atrocities, this article sought to *promote* Shining Path and its Maoist allies as the wave of the future worldwide. Strong described Shining Path as "the most exciting thing on the left," who raise their "banner on behalf of the world's poor," and interviewed a prominent British "expert" on China and international terrorism, Bill Tupman, who declared, "Sendero Luminoso is quite right. The young revolutionary has only the one place to run to." He added, "Maoism gives people something to do. . . . I see it coming back in a big way. Maoism has all the bits of popular appeal: a step-by-step guide to action, a sophisticated model for the study of revolutionary struggle in your own country."

The article signaled the intent of the Anglo-American interests who speak through the *New York Times* to escalate the spread of Shining Path and like movements worldwide, as they created and promoted Shining Path inside Peru. As Strong accurately reports, Shining Path and its Maoist allies are building radical movements on the Sendero model in Germany, France, Sweden, Switzerland, Mexico—and the United States. Joined with Shining Path in the Revolutionary International Movement, for example, is a U.S. group called the Revolutionary Communist Party (RCP), whose national spokesman, Carl Dix, Strong interviewed. What Strong did not report, however, was that the RCP was found in the middle of every major riot that occurred in the U.S. after the Rodney King verdict on April 29.



Propaganda on the wall of a Washington, D.C. bookstore, part of the international Shining Path terrorist support network, boosts "People's War in Peru." Inset: "Chairman Gonzalo," the demented Abimael Guzmán.

The conference where the two speeches below were given, celebrated the evangelization of the Americas that began with Columbus 500 years ago, and exposed the British-authored "Black Legend" which libels the Spanish and Portuguese colonizers as exploiters and murderers of the indigenous.

The reader will notice that Luis Vásquez's speech contains numerous references to slides and maps, which are regrettably unavailable as we go to press. The editors wish to lose no time in bringing to the English-speaking public this information, which exposes a psychotic band exactly parallel to the Maoist maniacs who ruled Cambodia under Pol Pot and carried out a systematic extermination of the national culture, while murdering 3 million Cambodians.—
The Editors.

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Although it is not a very pleasant topic to speak of the Shining Path assassins, I believe that we must look at reality. The reality is that the Ibero-American continent is at war, the bloodiest and cruelest war we may have ever faced. This is a truth that we must not sidestep, we must not diminish, because if we don't have this conviction, we are not going to be able to win this war.

A large area in the south of the continent, the spine of the South American continent, is afire. Peru, a great nation, my homeland, was until a few years ago a nation with many problems, but it had potential. It was on the path of develop-

ment, and had a future that today is on the verge of disappearing. To become the first trophy of this satanic conspiracy means not only the destruction of Peru, but the elimination from the entire Ibero-American continent of everything that may signify nation, progress, and culture.

The forces and the ideas that are behind Shining Path are the same forces that for some time have conspired against humanity. In essence, the battle that our countries have already begun, that must be waged against these forces of darkness, is the same as that of Athens against Sparta. Indeed, we must not limit the phenomenon of this already-begun war to Andean territory, or simply to a regional confrontation. Minimally, looking at the map of the continent today, six nations already have Shining Path's tentacles within their borders.

Up until now, according to the experiences of our country, it seems that our nations, our states, our institutions, are impotent and defenseless against this new type of war, a total war that not only seeks to take power and change political regimes, but seeks to fundamentally change the system of values and beliefs that have sustained Ibero-America for 500 years. Shining Path is the continuation, and perhaps the culmination, certainly in practice, of the Black Legend.

The economic policies which for over the last 15 years have been plundering our continent, have been Shining Path's companion. It is certain that the sociological explanation that says Shining Path is a direct result of misery, is a total fraud, and in a certain sense is complicit in what is now

happening in my country. It is also true that in great measure, the two biggest terrorists in Peru have been Shining Path leader Abimael Guzmán, and whatever International Monetary Fund-run economics minister was in office. On the other hand, Shining Path exploits the weaknesses of our institutions and our states, and our cultural weaknesses. In a certain sense, here, the enemy is taking more advantage of our defects, than he is making use of his own strengths. Shining Path is using the courts, the justice system, and the liberal constitutional framework to act with impunity against the people, against the institutions standing in its way, for the destruction of our nations.

Shining Path also has very much at hand a huge source of wealth, to finance all its actions, due to our lack of understanding of the drug-trafficking problem. It is reckoned that every month Shining Path can collect, from the airplanes that come from Colombia, some \$60 million in protection money. This allows Shining Path to have a media presence, which until recently, for a rather long time, was allowed in my country, based on the famous sacrosanct freedom of the press. Shining Path had a newspaper which was sold on every street corner in Lima. And it had a team of lawyers which, as soon as someone was arrested, was immediately mobilized to wrest him from the police. If this failed, a vast support network assisted, which involved not only student marches and protests by ordinary people, but important politicians and members of Parliament.

Shining Path, thus, bases itself on our weaknesses. It has infiltrated very important institutions. Shining Path until recently controlled all the posts in the Education Ministry bureaucracy. The personnel head of the ministry was a Senderista who hired and assigned, and changed the teachers. Everything that was done was based on Shining Path's plans. I am going to show you some slides so that you may see the grave situation this has caused, to help you to understand a little better the monster we are confronting, a monster whose roots are very dark and satanic.

The means Shining Path uses, obviously, are in accord with its roots. Shining Path's origins are not in the 1980s, or in the 1970s. One has to trace it back at least 60 years, to José Carlos Mariátegui, the "American Antonio Gramsci." Like Gramsci, the Italian Marxist theorist of the 1920s and '30s, Mariátegui was also semi-crippled, and was also a theorist on the role of violence in politics. In 1921 Mariátegui meets with Gramsci and together they attend the Livorno Congress.

Ideological father of "Senderismo," he frequently said: "Let us march on the shining path of the Peruvian revolution." Abimael Guzmán and his acolytes take this saying as the motto of their Shining Path movement. Mariátegui went to Europe about 1919, and linked up with occult networks hooked up with Masonic lodges; there was a group tied to "Young America." There was also an Italian, Seguí, who, on his first mission in Lima, promoted Mariátegui in Peru,

before the latter left Europe. Seguí lined up Mariátegui's travel expenses, which were paid for by Italian banks. Seguí had been secretary to freemasonic revolutionary Giuseppe Mazzini.

In Europe Mariátegui says he turns into a Marxist, but basically he turns into a Bukharinist. The Bukharinist line was that the world revolution would take place in the backward countries before the industrialized ones. Mariátegui adopts this; the Mariátegui stamp which imprints Peruvian Marxism—and why not say it, Latin American Marxism—is a Bukharinist Marxism that is going to try to incorporate the peasant masses into the socialist revolution. Mariátegui said that what has to be done is to use the native ideology, the backward ideology of the peasant, in order to link up these great masses on the continent in the pursuit of the myth of socialist revolution.

Around 1924, when he returned to Peru, Mariátegui wrote the prologue of a book that many see as prophetic of Shining Path, *Tempest in the Andes*, written by a theosophist and anthropologist who became very important later in setting up the University of Huamanga, Luis E. Valcárcel. In his prologue to Valcárcel's book, Mariátegui wrote: "The faith in the indigenous renewal does not originate in a process of material westernization of the Quechua land. It is not civilization, the blank alphabet that uplifts the soul of the Indian. It is the myth, the idea of the socialist revolution. It is the same myth, the same idea, the same decisive agents of the awakening of other old peoples, of other old races in collapse, like the Hindus with the Chinese."

It is very clear what type of Marxism Mariátegui had formed. It is no accident that in 1964, when the Sino-Soviet split occurred, the party which in all the world was Maoist in its majority, was the Peruvian Communist Party. And from that quarry, years later, Shining Path appeared.

In this little known photo, Mariátegui is seen attending a black mass in 1917 which scandalized all the press. A group of young intellectual bohemians were supposedly going to overturn values and went to the Lima cemetery and danced a *danse macabre*, in front of the tomb of one of the precursors of our independence, Castilla, one of the greatest Presidents Peru has had.

Mariátegui's Gnosticism is not just an early stage. He continued it throughout his life. In the Shining Path "bible," *Seven Essays on the Interpretation of Peruvian Reality*, Mariátegui begins with a quote from Friedrich Nietzsche, the great guru of anti-Christianity. Mariátegui in this prologue says the following: "And if I hope to reclaim some merit by which I may be recognized, it is also that of conforming to Nietzsche's principle, to put all my blood into my ideas, my work." Says Mariátegui, "one puts oneself thus, entirely, at the disposal of Nietzsche's wish, that he did not love the author committed to the intentional, deliberate production, of a book, but to those thoughts that form an unforeseen, spontaneous book." Mariátegui's passion for Nietzsche,

which in his work recurs often, makes it clear that Mariátegui's total opposition to Western culture, comes from his opposition to Christianity.

All the indigenist movement, in fact, in Peru and in Latin America, was an elaboration of Gnostic currents. Around 1912, the first pro-indigenous association was founded in Peru by a Harvard anthropologist who was a convinced theosophist, and moreover, who believed he was the incarnation of the poet Shelley. This group of theosophists, years before, created the environment on which Mariátegui based his work.

A secondary school textbook in Peru has a photo with this caption: "Indigenous pilgrims praying in an Andean hermitage. In the religious purity of his Andean soul, his ancestral devotion resorts to the forces of nature." This is written by a historian, Macera, who belongs to the 1950s generation of Abimael Guzmán, who by their own admission were schooled in Nietzsche.

Shining Path began operating in May 1980, in Chuzqui, the place intensively studied by Scott Palmer [see article, below]. There are at least three or four works by other anthropologists, such as Isabel Gent of Cornell University, who also studied the whole socio-economic situation, the cultural, ideological situation—a psycho-social profile, you might say, of these regions. So it is no accident that Shining Path emerges from this area. Chuzqui was the center of a region in the department of Ayacucho, which for various historic and also economic reasons, has remained apart from civilization. The people who live in these zones are not only economically and materially backward, but were also the last bastions of all these pre-Christian ideologies, all these myths that the anthropologists like to revive, reclaim, and spread through the myth of Shining Path.

So Shining Path is born in an Andean region, and it bases itself on this cultural problem which still exists in the Andes. But Shining Path is a project that tends to operate not only within peasant areas but also on the urban level. On Dec. 24, 1980, some eight months after the Chuzqui action, on Christmas Eve, the first bloody act of Shining Path occurs. All these dates are chosen deliberately, to send a message. On Christmas Eve 1980, Shining Path entered a ranch in Cuzco, violently gathered together all the employees and the owners, and began to beat the owners to death in front of the employees. It happened that one of the employees, an Indian youth of 17 years of age, began to cry, and for that they grabbed him and brutally stoned him to death.

I am now going to show you some photos, rather disagreeable ones, but I think they must be seen to understand what kind of animals we are dealing with. On Dec. 26, two days later, they hung this dog in Lima, an action identical to that which occurred just a few days ago at the Peruvian embassy here in Mexico. This dog had a sign around its neck that said "Deng Xiaoping, Son of a Bitch," and revealed the ties that Shining Path has with the ultraradical Gang of Four

in China. Abimael Guzmán was in China twice, exactly during the period of the Cultural Revolution. Further, he was chosen by Mao Zedong himself and by Mao's widow, as one of 10 international leaders to lead the second Cultural Revolution. Abimael did not accept, but returned to Peru to make that revolution in Peru.

A pro-Shining Path historian, Juan José Vega, who became minister of education in the Belaúnde government, sheds some light on the way dates are chosen. Analyzing the Shining Path phenomenon, in one of his books he makes the following offhand remark, referring to the beginning of Shining Path's struggle in May 1980: "It fell in the month of May of 1780, when upon the occasion of a ritual sacrifice being offered, the titular gods uttered a prophesy directed at Tupac Amaru." This refers to the revolution of 1780, two centuries before Shining Path began. And through the mouth of the Quechua priest, the gods said the following to Tupac Amaru: "You must make the Sun shine, and if you do not totally succeed, 200 years may pass before it shines again." "In May 1980," writes Vega, "the armed struggle begins, as a result of the agreements made in the ninth plenum of the sixth national conference of the Shining Path Communist Party in Peru." Nothing is by chance, then, in the Shining Path project.

Here is Abimael Guzmán, in a rather old photo, giving classes in the first Shining Path military school, the same ones that launched armed struggle in 1980. Guzmán is a product of the San Cristóbal National University of Huamanga, in Ayacucho. This university, the oldest in Peru, was reopened in 1957; and who opens it but Luis E. Valcárcel? It becomes the ideological cradle of Shining Path. If one were to count the French or North American anthropologists who have passed through Huamanga, it would really be surprising how much interest there has been recently in this university stuck in the Peruvian Andes. Shining Path was, and is a project that goes far beyond Peru. To give you an idea: If you go now to the University of Jerusalem, you may find a book by Eric Cohen written in 1975, titled *Ayacucho, Its Strategic and Military Potential, and the Problem of Political Leadership in the Region*. This study covers from 1969 to 1975. This shows how far beyond Peru this project started, and why it will not stay in Peru.

Convincing by terror

What Shining Path does is to impose its policy and ideas, by force, by terror, not by convincing anyone. It is pure terror, that people simply accept or die. This is a photo of a Senderista killing in an Andean community. What they do is gather together all the people and then pick out the supposed exploiters of the people. The businessman, however poor he may be, but relatively a little bit more prosperous than the rest of the peasants, is supposedly submitted to people's justice, and is beheaded. They cut out his tongue first, they kill him little by little. Here they are beheading people. These

photos have not been released to the press; they have been produced especially for this congress, to show the bestiality of Shining Path's crimes. They are young. The youths are recruited by force; if they don't want to go, they are given a choice: death or enrollment. That is also how Shining Path is growing.

This is a photo that shows the tortures they have done before killing a soldier. They have pulled out his nails, they have burned his genitals. There are reports that say the Senderistas eat some internal organs or drink the blood itself, in

“Marx, Lenin, and Chairman Mao teach us what the quota is; to annihilate in order to preserve. If one has a clear plan, then one is capable of confronting whatever bloodbath—a bloodbath for which we have been preparing since 1980, because this bloodbath had to come.”

—Abimael Guzmán, Shining Path leader

rituals that are obviously satanic. This is a youth, surely recruited by force, taken from the Andes and brought to an area in the jungle, definitely a coca zone. Youth are recruited, many of them peasants, many of them illiterate, who don't really know where they are going and who later, in the process, turn into Senderistas.

It is very important to analyze this process of forming a Senderista cadre, or in other words, how a person is turned into something that is not human. This is a Shining Path cadre who is captured and is questioned. He had killed a priest, Víctor Acuña, chaplain of the Army in Ayacucho. They ask him what he felt when he killed, and he said: “Immense joy that I am carrying out the party's orders.” These youths, and also some urban dwellers who formed the first ranks of the surge of Senderismo, are very few. The capacity for recruitment in the universities, above all since the fall of the Berlin Wall, since the revolt of the students in Tiananmen Square, has diminished.

What is done to the youths is to tell them that they have to kill because it will bring about a just order, it will bring prosperity to the country; that is, it will bring about a good end, with a means totally outside of this boundary. What happens is that once they begin to kill, the Senderista cadres forget. This has been related, almost with the same words, in the investigations that have been done into the psychology of the Shining Path cadre. The end is forgotten, and the cadre begins simply to function based on the instrument. He begins

to have the means—death—as the end of all his activity; and then we have the satanic personality, we have a Senderista.

Another form analyzed by various journalists, is the Shining Path death cult and what is called the “quota,” the quota of blood. Remember the Mariátegui's motto, “I will put all my blood into my ideas.” Abimael, in an interview in *El Diario Marka*, which until a short while ago was legal, stated: “Marx, Lenin, and Chairman Mao teach us what the quota is; to annihilate in order to preserve. If one has a clear plan, then one is capable of confronting whatever bloodbath—a bloodbath for which we have been preparing since 1980, because this bloodbath had to come.” The Shining Path sources are talking about what it will cost to come to power: 2 million persons. In 10 years Shining Path has killed approximately 23,000 Peruvians. That is, the bulk are still lacking.

In a Shining Path manuscript seized in one of the Army's raids, a Senderista who barely could read, wrote the following in ungrammatical Spanish: “The quota is the stamp of commitment to our revolution, to the world revolution, with that blood of the people that runs in our country. But the majority of the deaths are caused by reaction, and the minority by us. They form lakes of blood, we form pools. The blood strengthens us.” Pay attention to these words: “And if the bloodbath has made us armed forces, the blood is not doing us harm but rather is strengthening us.” All the analyses say, that there comes a moment in the Shining Path personality when death not only of the supposed enemy, but also one's own death, exerts an immense attraction.

Notebooks of indoctrination have also been found which have, for example, the following definitions: What is a Senderista: “He is disposed to cross the river of blood,” the river of blood that includes 2 million Peruvians. What is the government of the Shining Path Communist Party? “It is the chief place,” says the Senderista, “that is with us in the supreme moment of total deliverance of the purifying fire of armed struggle.” What is the watchword of the party? “To die in order to invent the great subjective myth.” River of blood, death, subjective myth, purifying fire: All are obviously totally fascistic, totally symbolic, and I believe have much in common with Gnosticism and Satanism.

Let us begin with the attacks, which are a part of the propaganda and of the Shining Path notebooks. This slide shows an attack committed about 10 days ago in Lima, in which 200 kilos of dynamite totally blew up an apartment building. The total picture of deaths by Shining Path is the following: in the Belaúnde era, 1980-85, 8,103 deaths; under President García, 1985-90, 9,660 deaths. In the two years of Fujimori they have killed 5,555, for a total of 23,000.

This is also the method for economically choking the nation. They have destroyed not only most of the power grid, most of the physical infrastructure, but everything that connects the coast with the mountains. All the damage, calculated up to the present, totals about \$25 billion. Remember that the nominal debt of Peru hasn't reached \$20 billion. That

is, Shining Path has done much more harm than the IMF.

There have recently been more attacks. This slide shows an attack on a cattle ranch in the central mountains, with a very fine herd. Hundreds of head of cattle were killed.

Shining Path now controls the main teachers' union, the SUTEP, with 250,000 teachers nationally. Until a short while ago, there were Senderistas in any given school. This is a photo of the inside of a classroom. It says above, "Long live Chairman Gonzalo" (the pseudonym of Abimael Guzmán) and the children are no older than 12 or 13. This is in Junín, in the country's central region, in the mountains. In other photos with all the walls daubed with paint, some of the teachers are Senderistas. They assign homework like writing over and over, "Long live Chairman Gonzalo," to children, 8 or 9 years old, primary school students. They returned three, four times a month to see if they had done their tasks. The indoctrination begins at once, in those zones where Shining Path has control.

The jails are another hotbed and control center for terrorists. The capture of terrorists has not been really very great, over these past 10 years. This is due, above all, primarily, to the judiciary. I have here some numbers for the quantity of people tried, convicted, and finally, jailed. The number of terrorists arrested, compared to the number who are finally tried, convicted, and jailed is totally disproportionate. From 1981 to 1990, the number of terrorists tried and sentenced totaled only 562. The number absolved was 943. The number not sentenced is 2,540. And the number of Shining Path terrorists who are about to plead, 989. Only 5,031 Senderistas have been through the justice system, and of them only about 550 have been jailed. Those 550 have included some big fish, such as, for example, the number two of Shining Path, Osmán Morote, the son of the first rector of the University of Huamanga, Efraín Morote.

Obviously, there was corruption, authorities who allowed everything to come in, which you see on this slide, for example, people with uniforms, bands, and flags. This is inside the prison at Canto Grande, where Shining Path is holding a ceremony inside the prison. Besides these uniforms, etc., they have allowed in arms, cement, and bricks, by which fortifications were built inside the jails themselves.

They were dislodged in 1987, when the "massacre" occurred, an event provoked by the Senderistas themselves. It is known that Guzmán ordered this lake or river of blood, in order to use this "blood quota" to set the country on fire. He practically commanded that Shining Path cadres in three Peruvian jails should immolate themselves and confront the police forces down to the bitter end. It was practically a collective suicide. There was nothing else left for the police, but to enter with all the fire power they had, in order to reestablish the basic principle of order in the prisons.

This is the site of the last prison which, before we left Lima, a few days ago, was retaken by public forces. Canto Grande is a prison north of Lima. This map shows how the

Shining Path forces had led a series of raids and had set up bases all around the jail. They had army troops, which they call the Popular Guerrilla Army; they had neighborhood Shining Path organizations; they had indoctrination sites, schools all around, and had totally taken over the Canto Grande area.

Narco-terrorism

To get back to the financing of Shining Path, although it started in a very poor Andean region, it immediately deployed out because this was necessary—there was obviously intelligence involved above the regional level—toward areas where they could obtain financial resources for future actions. In fact, if you superimpose a map showing the coca producing regions, where the drug traffic is active, over the area where Shining Path is working, they totally coincide.

Here is the Upper Huallaga Valley region, a river and a valley, the biggest coca-growing region in the world, where about 45-50% of all the world's coca leaf is produced. The entire zone is occupied by narco-terrorists, either Shining Path or Tupac Amaru. About two years ago, Shining Path homogenized this zone, expelled Tupac Amaru and turned itself into what is called the Huallaga Cartel. Shining Path's identity with narco-terrorism could not be clearer.

Here is a document stuck up on a wall in this zone, describing how Shining Path has turned practically into the ruler of all trade relations, so to speak, between cocaine growers and Colombian drug traffickers who come in on airplanes. In this poster which is called "The Demands of the Poor Peasantry," issued by a front for Shining Path, there is a list of all the forms for marketing coca. It says what will be the price, how the coca should be weighed, what should be the profit margins of the intermediary before being loaded on the plane, what is the quota to be given to the party, and finally describes the sanctions. The first thing to be done is that the price and the weight are too low. Second, all property will be confiscated, if this is repeated. Third, revolutionary violence will be applied.

Shining Path controls everything in relation to the drug traffic and the relationship is not just in Huallaga, but it is de facto with the whole Peruvian drug cartel. The boss is one Rodríguez López, a top drug trafficker who got caught in Peru around 1985 and is still in jail today. But from there he continues to function as an important boss of Peruvian drug trafficking, tied to the Colombian cartels. This gentleman was in the Canto Grande prison until days ago. Not only had he made alliances with the drug traffickers outside, but inside the jail he paid for bringing in matériel and equipment. He even paid for Shining Path's number-two leader to have a cellular phone inside the prison, where he could make long-distance calls not only within Peru but also abroad.

A few references to Shining Path's foreign apparatus: This is Maximiliano Durán, from the central nucleus of Shining Path. He is the chief of Shining Path in Europe and is

said to be the next chancellor in an upcoming Shining Path government. He is a physicist at the University of Trieste in Italy, an environmentalist who was let out of jail in 1981 after an international pressure campaign by more than 500 intellectuals, led by Julio Cortázar, who sent a letter from Paris to then-President Belaúnde. Of course Belaúnde, the minute he read a letter in French, let him out of jail.

This is a slide of a Shining Path demonstration in Brussels: As the caption says, their network covers five continents. Here is the front page of Shining Path's English language newspaper. It comes out now in English because it can't be printed any more in Spanish, because the Army seized Shining Path's publishing apparatus, which printed *El Diario* in Lima.

This photo shows the Sandinista former Interior Minister Tomás Borge, who went to Lima in 1988 at President Alan García's invitation. From the presidential palace he slipped out of sight in the streets of Lima and interviewed Víctor Polay, the top boss of Tupac Amaru, Peru's other terrorist movement. The interview was published in *Caretas*, a liberal magazine. He was underground, but obviously Tomás Borge knew where to find him. Later, the police arrested Polay but could not hold him. Polay escaped by making a tunnel, with about 50 members of his MRTA [Tupac Amaru] organization, right under the patient noses of the prison authorities, at the end of the García government. It is said that García actually let him go, as one of his farewell acts in the government.

Here is the map of Shining Path's expansion in Peru. There are three colors, dark red, light red, and yellow. The dark red shows the zones where Shining Path holds, in parts of those zones, a dual power. In fact there are zones very close to Lima where Shining Path functions as the judicial system, the police, practically as the government, and has virtually driven out the Peruvian state. The other zone where Shining Path is strong, is marked by green stripes which show the coca regions. The yellow area is where Shining Path has not yet perhaps achieved what they call strategic equilibrium but where they maintain an considerable presence.

'Strategic equilibrium'

Here is a recent photo of Shining Path where they are talking about strategic equilibrium. They are saying that this whole period of the great long war, which is discussed in their Maoist strategy, of taking cities starting from the countryside, is now under way, with a first stage of preparation of a base in the rural zones, to then jump into the cities, where they will be transformed into forces which are no longer isolated terrorists but regular forces. I am going to relate some facts to you which are only a few days old, in the city of Lima, which prove that Shining Path already has regular forces partially operating under the nose of the Government Palace. This is what Shining Path calls strategic equilibrium.

This photo shows the surroundings of Lima which has 8—they now say 9—million inhabitants, as a result of the

migrations which have grown precisely because of terrorism in the mountains, which has forced people to come to the cities. This has made Lima grow enormously—of course in a disastrous, miserable way.

Lima is being encircled, and Shining Path is taking over all the access routes to Lima. As you know, the Peruvian coast is desertified and has no agriculture. Lima gets supplied with food and energy from the mountains, the plateaus, and the valleys in the Andes. What Shining Path is doing is to cut all the communication links to these vital supply zones and thus to strangle Lima.

Both to the east, toward the Andes foothills, and toward the north and south, zones are being set up where Shining Path is conducting tests, almost daily, attacking one or two trucks, etc. What it is doing is to create the support basis for finally shutting off the highways or blowing up the bridges and simply making the final leap toward the city of Lima. Many people say that this is exaggerated, but I think that if we fail to clearly understand what is occurring—that there are 5,000 Satanists functioning with the destroyed minds, ready to die if necessary, to end the country's urban civilization—we will not be able to deal with this threat which is very close to bringing down the country.

President Fujimori's April 5 measures

Most recently, I hope still in time, there has been an effort to stop this, but the situation is in no way won. On April 5, with the emergency measures of President Alberto Fujimori, a big step was taken; the whole legal structure has been brought to an end, with all the corrupt judges that were letting Shining Path go free, who had freed more than 250 terrorists in the weeks leading up to April 5. This parliament, which protected and in a certain sense was jerked around by the terrorists, has been terminated. Also terminated has been this ultraliberal Constitution of 1979 that ended everything that meant order, everything that meant the sense of nation in my country: a completely liberal Constitution born of an alliance between the supporters of Víctor Raúl Haya de la Torre and the communists with the right-wing liberals in my country, which had ended every institutionalized juridical possibility to be able to impose order in Peru.

This newspaper page shows a liberated zone, as the title of this article clearly says, "8 kilometers from Lima"; and what you have is the diagram of a new town, surrounded by a wall, with watchtowers in the corners. They have made ditches so that Army armored vehicles may not enter. It is dynamited; Shining Path has many people inside. They were very poor families, who came from the mountains, who were settled in very precarious conditions. Shining Path entered and helped in the seizure of the lands. Look at number 5, that construction that has the number 5, as the sign says, it is a police post, very few kilometers—meters, I would say—from this fortification called Raucana, 8 kilometers from the presidential palace in the Plaza de Armas in Lima. The police

and the Army took this on May 9 or 10. But here something happened that shows that things have gone rather far. About 400-500 very poor persons, including children, women, elderly, and all, were living here. The police who had surrounded this zone took two Shining Path leaders prisoner; the population entered with sticks and stones, shouting. It was against the police, the Army, for arresting the Shining Path leaders.

There are studies by the intelligence services that say that 17% of the population in the periphery of Lima support Shining Path. So matters are rather serious. This experience, which was shown on television, and in a certain sense we almost lived it, because we were nearby, was really dramatic. The population was against the Armed Forces. All the big propaganda that has been made on human rights, all the big liberal press, all this liberal Constitution has since 1979, has produced this situation.

Who can stop Shining Path?

Why does Shining Path attack the Catholic Church? Because Shining Path is part of the Black Legend. Shining Path, as we have seen, wants to end everything that may be civilization; it wants to end the last 500 years. In order to rapidly understand this picture, we must locate ourselves in this region, which is Cuzco. This is said to be one of the most beautiful churches built in the Americas. It is very, very old, and it was built on top of the Temple of the Sun, the principal temple of the Inca Empire.

The Inca Empire had some virtues. Perhaps it was ending, or was in the process of ending the human sacrifices of the other nearby cultures. But in fact, it was a rather backward culture. To put it simply, in Quechua, there is no word for "I." That is, there is no capacity to represent the individual soul, the individual person. Everything is "we." So undoubtedly the culture—however some have wanted to glorify it—was the backward, pre-Christian culture that existed then.

Undoubtedly also, the Incan Empire was a bit more advanced than the Aztec, that also is certain, but in fact, the role the Church came to play was preponderant. What the Catholic Church did was to build these churches, in all the towns in the Andes. And from then on, in the 500 years to the present day, this has been the focus of the civilization that the Peruvian Andes have had. In every town this civilization existed.

This is a photo of a very interesting painting, of the marriage of Martín del Loyola, nephew of Ignatius Loyola, founder of the Society of Jesus, to Beatriz Claracolla, a Peruvian princess. That is, the nephew of St. Ignatius Loyola married a noble Peruvian, during the colonial period. At the center are represented St. Ignatius and St. Francis Borgia. This work is in the Jesuit Church in Cuzco. What is interesting about this is perhaps that, in contrast to Mexico, the Spanish "Law of the Indies," in spite of all the sabotage, preserved in Peru the Indian nobility almost until the end of

the colonial period; in fact, almost until 1780, the epoch of the Tupac Amaru revolution, when after the overthrow of Tupac Amaru, the Bourbon crown suppressed the Incan nobility. The Incan nobility was educated. There were schools. The Church educated the children of the leaders, projecting toward the future government.

Tupac Amaru himself was an Incan noble who had much more economic power than the Spanish or the Creoles, who envied him. He had the biggest land transport company at that time in all of Latin America. He had about 20,000 mules which carried all the silver that left Peru, from Potosí toward the Rio de la Plata, to be put on ships.

I want now to move to recent news. The two priests in this photo are Polish priests. One was a Franciscan, and the other belonged to another congregation. They were sent to Peru by the pope and reported directly to the Vatican. They were very much loved in a region, and Shining Path threatened them and told them they could not continue evangelizing, that religion was the opiate of the people, and that moreover they could scarcely do social work, that they could not distribute the small amount of international food aid that came to the most backward zone in the country. These heroic priests did not leave, and one night when they were with their congregation, in a very poor town in Peru, they were carried off and cruelly martyred. This is part of a very long list of priests who have not left the country, like Father O'Brien, who says, "I am a soldier of Christ; I remain." These are the real heroes, and the people who are stopping Shining Path together with the Armed Forces.

This is a church in Lima, half destroyed last April 7. Santo Domingo is a very old, well preserved, church, from the sixteenth century, one of the first built in Lima, and they placed a car bomb here. At the side, there was a military commissary, and they took advantage of this to attack the Cross and the Sword. The other element opposing Shining Path are the military institutions, the last redoubt that can save the nation.

These last scenes of Shining Path show us how important it is that we return to this alliance that was set up at the outset of the evangelization, and which also made the evangelization possible. I refer to the joining of the Armed Forces and the Church, the Sword and the Cross. Five hundred years ago, there was a campaign headed by Bartolomé de las Casas, who was a Senderista of those days, who talked about peaceful evangelization, and said there was no reason for the missionary to be accompanied by a soldier. The missionary might get eaten up, but no matter; this is the sacrifice to be made in order to spread the faith, he said. In fact, Bartolomé de las Casas went so far as to justify human sacrifice to promote his "peaceful evangelization" idea. But at that time they did not pay attention to Bartolomé de las Casas. The soldier accompanied the priest and the whole continent could be evangelized.

It is time to go back to that alliance.

The U.S. government is committed to bringing Shining Path to power

by Gretchen Small

The following is edited from Mrs. Small's speech to the May 18-22 founding conference of the Ibero-American Solidarity Movement in Tlaxcala, Mexico.

In our publications, we have warned that the current policy of the Anglo-American establishment—and therefore, of the U.S. government—is to bring Shining Path (Sendero Luminoso) to power in Peru. Many people have responded that this evaluation is exaggerated, extremist, wrong. They tell us that U.S. policy toward Peru can be criticized, but, they insist, it is solely by error that U.S. policy has repeatedly hit the Peruvian government and military instead of the terrorists; this cannot have occurred because this was the *goal* of the U.S. government. Unfortunately, they are completely wrong.

Do you think that what Shining Path has done in Peru is not known in Washington? They know: Assistant Secretary of State Bernard Aronson told U.S. congressional hearings in March that, if Shining Path comes to power, they will carry out genocide equaled in the twentieth century only by the Nazis and Khmer Rouge, and then he listed their atrocities. Bush's National Security Adviser, Brent Scowcroft—the former president of Kissinger Associates, don't forget—knew very well what he was saying, when he stated on national television April 12 that winning the war against Shining Path is not a priority; the priority for Peru is to follow rules of “democracy”! Let me repeat this so that you hear it clearly. He said: “The heart of democracy is that the rules are more important than winning”—more important, that is, than defeating Shining Path.

Gordon McCormick, director of the Peru project at the U.S. intelligence-run RAND Corp., told U.S. congressmen during hearings in March that it is his evaluation that Shining Path will win, but the U.S. should not do anything about it, except perhaps try to contain it through military deployments around Peru, because Peru is of “limited interest” to the United States. Do not dismiss this as simply McCormick's opinion and hope he has no influence on the U.S. government. McCormick's project on Peru at RAND was financed by the State Department.

The premise upon which that RAND team worked was

that the Peruvian *military* is the biggest threat faced in Peru. How do we know that? Because McCormick prepared a report arguing exactly that for the State Department in 1990—which you can buy from the RAND Corp. McCormick wrote that the *majority* of the assassinations blamed on Shining Path were really done by Peru's military forces; that Shining Path does not play a strategic role in the drug trade, because Shining Path's leaders are too “puritanical” to seriously traffic in drugs; that Shining Path has begun to modify its tactics, and is now more “discriminating” in its “executions.” An open, conscious apology for Shining Path.

What about London's Amnesty International, whose 1991 report on Peru denounces Peru's judiciary—not for freeing terrorist after terrorist—but for not bringing Peru's military and police *to trial*? A report which demands the government make top priority an investigation of the military for “human rights” violations against what they call “an armed opposition group.” Amnesty demanded that the government instruct all military personnel to *disobey orders*, if they think those orders might harm human rights; demanded that the Army hand over the names of all members of any Army patrol to any investigator on demand, and suspend from active duty any officer who is even simply *accused* of violating human rights—even though human rights investigators in Peru today are controlled by Shining Path. Amnesty is demanding that the government produce target lists for Shining Path!

Yet the U.S. Congress and administration use these reports to make U.S. aid to the Peruvian military contingent upon fulfillment of these and other demands by the human rights and democracy crowd.

The evidence is all there to be seen. This support for Shining Path is *conscious and deliberate*.

'Bush manual' targets militaries

The refusal to face up to the fact that the U.S. government is today not just stupid, but very, very evil, and very committed to destroying Peru, is similar to the refusal of others to believe that the U.S. government is out to destroy the military as an institution in Ibero-America. This battle began when we published the famous article “The Bush Manual Plot to

Dismantle Military Ripped by Ibero-Americans” [EIR, Jan. 17, 1992], which denounced the anti-military project run out of the American University and the Uruguayan Peitho Institute. The article reports on the ongoing project which produced the book *Military and Democracy: The Future of Civil-Military Relations in Latin America*, which raves against the Ibero-American military because it still believes its mission includes defending the nation-state, Christian values, and the primacy of good over evil. [EIR first reviewed the book in its Jan. 11, 1991 issue—ed.]

When people in Bolivia began to debate whether or not we were right about the “Bush manual,” the U.S. Embassy took it very, very seriously: They issued a statement Dec. 7 which denied flat out that this book—and here I quote—“has any connection with the U.S. government,” adding that the Pentagon, the White House, and the State Department “deny the existence of any plan or project to recommend the elimination of the Armed Forces of Bolivia or of any other Latin American country.”

My husband Dennis and I arrived in Bolivia one month later, and we did the obvious: We called a press conference, and read from the preface of the book, which states that “primary financial support was provided by the Office of Democratic Initiatives of the U.S. Information Agency”; that the State Department provided “sage advice and assistance with logistics throughout the project”; and lists seven State Department officials who advised the project, including one to whom I will return a little later—Dr. Luigi Einaudi.

So I think it’s fair to say that the U.S. government has “some connection” to the anti-military project.

The two projects, Shining Path and anti-military, are in reality one. I caution you: It would be wrong to try to understand the horror of Anglo-American policy, as some have done, by assuming that they are using Shining Path to destroy the military, and once they have gotten their way, then the U.S. somehow plans to step in to restore order. No, their strategy is to destroy the military, *in order to bring Sendero, and Sendero-like movements to power throughout Ibero-America*. Why? Because that is the most effective way to finally bury the 500-year-old project that is Ibero-America’s contribution to history.

Look again at the new continental movement organized under the banner of “500 Years of Indian Resistance” to Christian civilization. Christianity itself has been declared the enemy! Indians—in every case guided by foreign anthropologists—are marching on Quito, and have been given control over huge chunks of the Amazon. Under this banner, a Shining Path apparatus is rapidly being constructed on a continental scale. It is also no more “native” than Shining Path. In 1990, one of the policymaking forums for the Anglo-Americans, the Woodrow Wilson Center, published a special edition of its magazine dedicated to “the 500th year of Indian resistance.” The Wilson Center has a group of bankers and grain cartel owners on its board, and is a quasi-governmental

body, both heavily financed by the U.S. government, which also appoints a fixed number of board members yearly. Secretary of State James Baker was on the board at the time they began publicly promoting the “500 years of resistance” campaign.

One 1990 issue of the *Wilson Quarterly* is an open threat. According to the magazine’s editors, racial conflicts have been the determining characteristic of Latin American history, and today, it can be expected that this area will rapidly become a racial battlefield. Whatever nation rejects this racist image “will ignore the Indian question only at their peril,” they threaten. They demand that “Indian studies” become the center of all “academic” studies on Ibero-America carried out in the United States. They speak directly of Shining Path. The *Wilson Quarterly* describes Shining Path as simply the latest in a series of justified Indian rebellions against the “brutal subjugation” by the Spanish. What constituted “subjugation”? The fact that the Spanish altered Indian economy and agriculture, and transformed the Indians into miners and city-dwellers. Worst of all, to their mind, was that the Spanish permitted the mixing of the races! With this, the magazine arrives at its central point: “Andean history is full of desperate Indian peasant uprisings,” the magazine argues. “Seeking support of the Indian masses, Shining Path leaders today are not so very different from those creole rebels of the past. . . . They seek to harness the grievances of the Indian proletariat and dispossessed peasants to their own political agenda.”

Note that in another article, one of the most important U.S. anthropologists, Harvard’s David Maybury-Lewis, argues that in the case of Brazil, any discussion of what he calls “the Indian question” is nothing more than “a pretext, or cover, for discussing the military’s development program”—a program that Mayberry-Lewis argues must be stopped at all costs.

Do not forget that a board member of this Wilson Center, Citibank President John Reed, pronounced a death sentence against Peru and Bolivia in 1990, shortly after the center published its call for Shining Path-style Indian “resistance.” “Bolivia and Peru will disappear,” Reed forecasted to the Brazilian magazine *Veja* in July 1990.

The case of David Scott Palmer

I want now to give you an example of how the Black Legend [against Spain and the evangelization of Ibero-America], with its anti-military and Shining Path project spinoffs, all fit together, by reviewing the case of one of the leading U.S. “Senderologists,” a man named David Scott Palmer. Palmer is one of those who portrays Shining Path as a purely native product, which is simply “the most recent manifestation of a historic pattern” of Indian resistance to the Spanish. Palmer made himself most notorious recently, when he proposed before U.S. congressional hearings in March that, if Shining Path chief Abimael Guzmán can be gotten out of the way, negotiations might be held with these killers,

because he argued, "There are some elements within the organization who would prefer a more moderate line."

Now, you might ask, upon what basis does Palmer claim to know that there are "more moderate elements" inside Shining Path? If you look at his published writings for an answer, the most generous conclusion you can reach is that Palmer is in regular contact with "sources" which are, at the least, very, very close to Shining Path.

For example, he reports that his sources include APRA party members who maintained (and here I quote from an article Palmer wrote in 1985), "secret but regular contacts from 1979 until the present" with leaders of Shining Path. At that time, Palmer expressed hope that Alan García's government, which had just taken office, would enter into a "dialogue" with Shining Path, because of APRA's "ongoing relationship," with it over the years. Palmer, it appears, has been pushing "negotiations" for some time now. Other contacts include members of the United Left (IU) who were discussing with Shining Path how they could join forces. Are those the limits of Palmer's contacts with terrorist forces in Peru? I have no way of knowing, but what is clear, is that Palmer has been remarkably close to Shining Path's operations for nearly three decades.

Shining Path began operations in the department of Ayacucho, Peru, quietly building up networks throughout the community over a period of two decades with the University of Huamanga as its primary base. From the very beginning, Palmer was on the scene. Palmer first arrived in Ayacucho in 1962, as Volunteer Leader of all Peace Corps operations in the department. This was exactly the period that Abimael Guzmán began organizing his group at the University of Huamanga. For the first year and a half, Palmer taught English and social science at the university. He then led a reforestation project in the nearby town of Huancaraylla in the province of Victor Fajardo, an area which became one of Shining Path's first strongholds. Palmer explains that during these two years, "I knew many of the individuals who would in due course emerge as Shining Path activists. These included individuals who eventually emerged as leading members of the Shining Path hierarchy."

Palmer returned to Ayacucho for several months between 1970 and 1972, this time to investigate agrarian reform in the area for his dissertation for Cornell University. During this time, he also taught in the Anthropology Department of the Catholic University in Lima. By then, he wrote, Shining Path was "providing needed paramedical, farming and literacy services" to the peasantry in the Ayacucho area. Shining Path at that time killed government agrarian reform workers sent there, and Shining Path chief Abimael Guzmán had become director of personnel at the University of Huamanga. Palmer returned to "follow up" on his agrarian/peasant investigations in Ayacucho in 1977, and lectured at the University of Huamanga in 1979. Palmer writes that he has had no

contact with "the principals" involved in Shining Path since "they went underground"—but that was around 1978, long after Palmer was carrying out his "agrarian reform" research in areas under their control. In 1980, Shining Path carried out its first act of terrorism in Chusqui, precisely the area where Palmer had carried out his "agrarian" research in the 1970s.

If I were in the Peruvian government, I would want to take a closer look at Palmer's work and contacts. I would also want to inquire of the Bush administration just what role Palmer plays in the planning of policy toward Peru.

Luigi Einaudi, Kissinger agent

You see, Palmer is not simply an academic. He worked at the State Department and U.S. Information Service for more than a decade beginning in the mid-1970s, including serving for several years as director of Latin America studies at the Department's Foreign Service Institute. Sources also report that Palmer is now a consultant to the Bush administration's counterinsurgency planning for Peru. Assistant Secretary of State Bernard Aronson singled out Palmer's March congressional testimony for praise. The question thus may be asked: Is Palmer speaking for the State Department when he speaks of possibilities down the road for negotiations with the Shining Path killers? Does this indicate that the Bush administration has already drawn up contingency options for repeating the kind of power-sharing arrangements with Shining Path that they just carried out with the Farabundo Martí (FMLN) in El Salvador?

But let's return to his 1972 dissertation. Palmer wasn't just studying agrarian reform: His main concern then was Peru's *military*, and how the Velasco military government was able—or not able—to change economic and social conditions in Peru. Advising Palmer on his dissertation was Luigi Einaudi, whom Palmer also credits with helping in a later book.

This is extremely important: If there is one man in the U.S. who can be considered "Mr. Anti-Military" for Ibero-America, it is Luigi Einaudi. Today, he is Bush's ambassador to the OAS, from which post he is coordinating the drive to impose collective government and limited sovereignty upon Ibero-America in the name of "defending democracy." At the time he advised Palmer on his dissertation, Einaudi was working at the RAND Corp., writing profiles of the Ibero-American militaries and Church, while churning out reports on border conflicts between Ibero-American nations. Einaudi presented himself as the "friend" of the Peruvian and Brazilian military, got into the inside, and then wrote up profiles of these two militaries which are still used to make U.S. policy.

Einaudi then moved into the State Department, where he directed the Office of Policy Planning for Ibero-America through four administrations—Democratic or Republican, it

didn't matter. By this time, he was known as "Kissinger's Kissinger for Latin America." As I mentioned, in 1986-87, he also began advising the anti-military project which produced the *Military and Democracy* book.

How the 'Black Legend' fits in

Now we get to the key point of all this, which is what makes it so lawful that the second major interest of this U.S. Senderologist Palmer is the Peruvian military. This is where the Black Legend comes in.

Palmer believes that Ibero-America—its history, its politics, its social dynamics—are all a result of a tradition which he despises. This "Hispanic tradition," he wrote in his dissertation, is "authoritarian, traditional, elitist, patrimonial, Catholic, stratified, hierarchical, and corporative." The problem with the military regime of Velasco, he concludes, is that it is attempting to change the basic model of politics in Peru from one that is "western democratic," to one which is "Hispanic corporativist." But Velasco's efforts will fail, he wrote, because they are "not relevant" to Indian society.

A few years later Palmer wrote a textbook for U.S. students on Peru, published by the CIA's Praeger Press, called *Peru, The Authoritarian Tradition*, which added to the list of terrible things about Spanish history, the fact that it was mercantilist, statist, and centralist—as opposed, he specified, to the "egalitarian, federalist, laissez-faire and 'free trade'" attributes of the English system. That pretty much covers the standard litany!

And where does Palmer acknowledge that he got this litany from? From Howard Wiarda, the "academic" who argues that Ibero-American government and culture must be changed because they embody St. Paul's view of man as expressed in I Corinthians 12! It was an essay presented by Wiarda in 1971, on "The Corporative Model" as the framework from which processes of change in Ibero-American must be judged, which Palmer says he took as the thesis of his work. Believe me, Wiarda shares the "Indian perspective" of the Woodrow Wilson Center crowd. In his 1990 book on *The Democratic Revolution in Latin America*, Wiarda projected that in what he calls "the Indian countries"—Guatemala, Ecuador, Peru, Bolivia, Paraguay, Mexico, Peru—"western civilization sometimes represents a very thin veneer that may yet be submerged or swept into the sea. To submerge or sweep it away is certainly the goal of the *mysterious* Sendero Luminoso movement in Peru and is one of the great themes of Peruvian history. . . . A small, white, Catholic, Hispanic, capitalist, western culture has established itself in the coastal city of Lima and has for a long time succeeded in subordinating the 8 or 9 million Indians. . . . But everyone knows (and has known for 500 years) that someday that dormant Indian population may rise up and . . . push the thin veneer of Western civilization into the Pacific."

Shining Path, "mysterious"? What do we have then?

Palmer, a man whose prejudices were shaped by Wiarda; who was advised by Einaudi, a former State Department official still consulting for them; in active contact with networks around Shining Path for three decades, promoting dialogue with these killers even today. Can we still dismiss as rhetoric, the fact that Palmer has twice now compared Shining Path's battle in Ayacucho "for the liberation of the marginalized in Latin America," as potentially of equal historic significance to the last battle of Simón Bolívar against the Spanish Crown?

Does the State Department agree with this evaluation also? You tell me that the United States could not *want* a Shining Path government in power in Peru? That proof of that is the fact that the U.S. is pressuring the government of Peru to let the U.S. participate in counterinsurgency efforts against Shining Path?

'Kissinger created the Khmer Rouge'

I invite those who say our analysis is impossible to study the history of how the U.S., under the direction of that British agent Henry Kissinger, deliberately handed Cambodia over to genocide at the hands of the Khmer Rouge in the 1970s—the Khmer Rouge who are allies of and the model for Shining Path. In 1970, the Khmer Rouge had some 5,000 combatants, when the United States overthrew the government of Prince Sihanouk, began saturation bombing of Cambodia, and invaded Cambodia jointly with the South Vietnamese—who had been enemies of Cambodia for centuries. Three years later, with Cambodia's agriculture and infrastructure bombed into ruins by the U.S., the Khmer Rouge had some 50,000 men under arms and controlled the majority of the country's national territory.

All this was carried out in the name of "fighting communism"—right up to the day that the Khmer Rouge had established their dictatorship. As Prince Sihanouk declared in 1979, "Mr. Nixon and Dr. Kissinger . . . created the Khmer Rouge."

I invite you also to consider how, in 1992, the United Nations, in the name of the new world order, insists that the Khmer Rouge must participate in any "pacification" government in Cambodia, returning to power the assassins who systematically massacred 1 million of their fellow citizens in the name of Maoist egalitarianism, and created the conditions of hunger and collapse in which another 2 or 3 million died.

This is the future which awaits all Ibero-America, if people continue rejecting as "impossible" and "extremist," the clear evidence that the "Bush Manual" against the military, the support for Shining Path, the project to drown the Evangelization of the Americas in Indian blood, are indeed Anglo-American policy. As Helga Zepp-LaRouche noted in her speech [*EIR*, May 22] it is crucial that leaders tell the population the truth, if they have any hope of winning the battle to save their nations.

Who is shooting at Christopher Columbus?

by Liliana Celani

The Pontifical Urbaniana University, looking down to Saint Peter's Square from the Janiculum Hill in Rome, hosted on May 26, in its "John Paul II" auditorium, an international conference of the Schiller Institute entitled "Christopher Columbus: Science and Evangelization in the Discovery of the New World." The conference, attended by a qualified audience of university professors, students, representatives of various religious orders, and diplomats and journalists from all over the world, was opened by His Eminence Cardinal Silvio Oddi, who greeted the Schiller Institute initiative "aimed at reviving the Christian and scientific roots of the great Columbus discovery," and reminded his audience that "on Oct. 12, His Holiness John Paul II will celebrate in Santo Domingo the 500th anniversary of the evangelization of America" on the side of Columbus, "this Genoese, who in the last years of his life chose to wear the habit of the Third Order of the Franciscans and to die with it, and to whom we owe the opening of a new world to civilization and faith," as the pope himself said.

Asking why it was that a Christian found the New World, Cardinal Oddi rejected "the slanders coming from all sides against this 500th anniversary. They reflect a widespread cultural and ethical relativism which afflicts the modern world, and raise the suspicion that behind this campaign there are undeclared, hidden motives coherent with a neo-colonial recrudescence."

Three telegrams welcoming the conference were read to participants. The first, which drew applause, was from newly elected President of the Italian Republic Oscar Luigi Scalfaro, known to be very religious and close to the pope, who excused his absence "due to known institutional tasks," and expressed his "enthusiastic support" for the conference. The second came from another member of the Christian Demo-

cratic Party, Sen. Paolo Emilio Taviani, author of many books on Columbus, and the last came from Archbishop of Genoa Cardinal Canestri, a member of the Commission for the Columbus Celebrations.

The two presentations of the morning session made clear why the Schiller Institute conference in defense of Columbus was not a mere academic celebration. Paolo Vitali located the discovery of America in the religious and scientific revolution of the Renaissance, starting from the 13th-century Franciscan revolution and the great missionary-explorers of the 13-14th century, and including the role of Francesco Petrarca, the Italian poet and diplomat, and the rediscovery of the ancient world. Vitali identified in particular the Renaissance scientists Paolo dal Pozzo Toscanelli and L.B. Alberti in Florence, and their German friend Cardinal Nicolaus of Cusa, as leaders of a new scientific methodology which took the name of perspective, affecting not only painting and architecture, but all fields of knowledge.

Vitali saw Toscanelli and Cusa as the prophets of this revolution, in geography, philosophy, and all sciences, which laid the basis for the pioneer Columbus. The fundamental role of the great Portuguese Prince Henry the Navigator, with his school of Sagres, a kind of NASA of the 15th century, was cited as the preparation for this project. Vitali also unmasked the falsehoods regarding Columbus and his astronomical knowledge, such as the allegation that he thought the world was one-quarter smaller than it actually is. He showed that Columbus not only was a maritime genius, but also had a profound knowledge of astronomy and culture.

That his discovery could only have come by a superior method of thinking and image of man was proven by Helga Zepp-LaRouche, president of the Schiller Institute in Germany, who spoke after Vitali on "Columbus and the Christian

Image of Man.” She opened her speech with a comparison between Columbus and her husband, Lyndon LaRouche, “who has been sitting innocent in jail as a political prisoner of George Bush for the last three years, and whom I thought was the most slandered person in the world until I realized . . . that with the flood of slanders against Columbus and the Catholic Church, he is getting serious competition.”

Mrs. LaRouche proved how untrue the Black Legend is, which accuses Columbus and the evangelizers of destroying a preexisting, superior culture, and is being used today to justify a malthusian genocide in Ibero-America and the Third World, as expressed by the Earth Summit taking place in Rio de Janeiro, Brazil. There was particular interest in her argument that the population density of Mexico at the time of the Aztecs, with their human sacrifices and backward technological state, could never have been as high as demographers Woodrow Borah and Shelbourne F. Cook claim, when they speak of a massacre of 20 million people between 1519 and 1560. “One of the central concepts of the economic scientist Lyndon LaRouche is the concept of potential relative population density, which sheds new light on Borah’s and Cook’s statements,” proving that the population of Mexico could only have been 2.5 million people, and that the population density only increased, as Alexander von Humboldt reported in the 19th century, with the technological improvements introduced by the Spanish colonization.

A professor and demographer from La Sapienza University in Rome confirmed this hypothesis and added that more recent demographic studies on Ibero-America, led by Stanford University, prove the case of Humboldt. He thanked Mrs. LaRouche for her philosophical exposé, which sparked a lively debate on Aristotle versus Plato, and confirmed that the scientific revolution which started with the Italian Renaissance could not have been possible “had the philosophy of Aristotle not been abandoned.”

Plato versus Aristotle

This was precisely the point Mrs. LaRouche made. She proved not only that there was a close connection between Toscanelli, Columbus, and Fernão Martins, canonical of the Lisbon Cathedral, “who often met in Cusa’s house in St. Peter in Chains in Rome to discuss the idea that the ocean may be used as a waterway between the continents, including the southern hemisphere,” but that their discussions were based on the superiority of Plato’s method over Aristotle and Ptolemy. To Henry Vignaud’s argument that Fernão Martins never existed, and that there was no connection between Toscanelli and Columbus, she counterposed Cusa’s *The Non-Other*, a dialogue between Cusa, several other humanists, and “the Portuguese Fernão Martins.” “Highly interesting,” she said, “is also the fact that in this Socratic dialogue, the abbot addresses Fernão as someone who is studying the method of thinking of Aristotle. Cusa continues the dialogue with Fernão trying to define the concept of God as the ‘non-Other,’

and in so doing picks up the critique of St. Bonaventure against Aristotle, who conceived the creatures of Nature, that is, each Other, as if they had a substantial, independent Being.” It was Cusa’s concept of man as *imago viva Dei* (in the living image of God), which made the evangelization possible, and which inspired Columbus and the true missionaries, as opposed to the abusers, concluded Mrs. LaRouche.

In the debate which followed, it became clear that Aristotle missed the ontological concept of the origin of man, and because of his methodological flaws, also ended up justifying slavery, as he does in his book *Politics*.

The afternoon presentation of Prof. Don Dario Composta, professor of theology of law at the Urbaniana University, counterposed three centuries of “Church teaching against slavery from the 15th to the 17th century,” to Aristotle’s justification of slavery, focusing in particular on Pope Eugene IV (1431-1447), “who not only organized the Councils of Ferrara and Florence for the Union of the Churches, but also dealt with what happened outside Europe.” In 1434, he issued the papal letter *Creator Omnium*, condemning slavery and threatening to excommunicate all those who kept inhabitants of the Canary Islands as slaves.

Similar interventions against slavery followed with Pope Pius II (1458-1464), Sixtus IV (1471-1484), Alexander VI, the Spanish pope under whom the discovery of the Americas took place in 1492, and who issued the papal letter *Inter Cetera* on May 4, 1493 congratulating the Catholic monarchs for the discoveries and evangelization and reaffirming the freedom of the aborigines “based on natural law as conceived by St. Thomas Aquinas and not Aristotle.” After Pope Alexander VI, it was Pope Paul III who, with his papal letter *Veritas Ipsa*, condemned every form of slavery, reestablishing the principle that Indians, whatever their faith may be, cannot be deprived of freedom. Don Dario Composta’s documented presentation concluded with the intervention against slavery by Pope Pius V in 1567, who called on all Catholic kings and missionaries to abstain from slavery.

The afternoon session began with a presentation on the neo-colonial intent of those who attack Columbus by Elisabeth Hellenbroich, just back from a conference in Tlaxcala, Mexico (see *EIR*, June 5, and remarks from that conference which follow) who was quoted at length in a Spanish news agency EFE release on the conference published in a number of Ibero-American papers. It ended with a presentation by Father Fidel González Fernández, professor of church history at the Urbaniana University, who gave an historical overview of the evangelization of Ibero-America, where half of the members of the Catholic Church worldwide live, and which was defined by Pope John Paul II the “continent of hope.” Father González located in legal documents, still in the course of being published, the process of encounter of the two worlds, and the role of the Spanish and Portuguese legislation in this respect, and called for the creation of an Institute of Studies of the Ibero-American Church History.

Integration of continent must soon be achieved

On May 18, Prof. Adan Chávez, a teacher of physics at a Venezuelan university and the brother of Lt. Col. Hugo Chávez Frías, leader of the rebellion against Venezuela President Carlos Andrés Pérez on Feb. 4, gave the following message to the founding conference of the Ibero-American Solidarity Movement (MSI) in Tlaxcala, Mexico on May 18-22.

I am very pleased, tremendously moved to be in this meeting with you. I am grateful for the invitation extended by the *compañeros* in Venezuela, from the office in Caracas.

It truly is an indescribable experience: For the first time I have felt—with the contact with you, in feeling the grasps of your hands, the embraces of solidarity which you have been offering since our arrival yesterday afternoon—I have felt for the first time, in truth, the people of Ibero-America as a single heartbeat. That is truly indescribable and priceless. I want you to receive a greeting, a great Bolivarian salute from my brother, Hugo Rafael Chávez Frías, Commander Chávez Frías, and all the other commanders, officers, and subalterns that are jailed in the prisons of Venezuela for the action they undertook on Feb. 4.

It is a Bolivarian and revolutionary greeting, and a greeting of hope, a shout of hope for all the peoples of Ibero-America and the world, with the certain confidence that we will truly achieve what has been talked about this morning, that is the integration of Ibero-America to save our nations from disaster.

I will read two documents prepared by the military men involved in the action of Feb. 4. One of them is a summary of the philosophical basis of the Revolutionary Bolivarian 200 movement, as the movement they lead is named, and the other is a sort of presentation that my brother drafted specifically for this moment with the desire of making our position very clear, because in this movement there are not only the imprisoned military men, there are military men who are not in prison, there is a great civic movement, in which I fortunately find myself, and there is also a great number of religious people, so to speak. That is, our movement is a civic-military-religious movement, the Bolivarian Revolutionary Movement 200, as it is called.

Through the national and international press, you may have noted that there has arisen, as always happens in these cases, as has happened with other movements, attempts by the enemy to distort the philosophical, political, economic, cultural, moral, etc., stance of the movements that are devel-

oping among those people of Ibero-America. Thus, with the aim of making clear what is the stance of our movement, I will read these two working papers. With that [I express] the wish—as I already feel it inside and as I have told some of you with whom I have been able to talk in the few hours we have been here, I feel that there are many points of convergence in all these movements that are coming into being—that we will soon achieve, within a very short period of time, the great integration of Ibero-America.

'Our struggle is against the power of darkness'

Dom Manuel Pestana Filho, diocesan bishop of Anapolis, Brazil, sent the following message to the participants in the MSI conference.

Brothers and sisters:

"At the heart of each political, economic, human problem, there is a religious, metaphysical, problem," said De Maistre, if I recall correctly.

For St. Paul, our struggle is not against the flesh and the blood, but against the power of darkness (Eph. 6:12).

St. John situated this better than anyone, by confronting in his visions the bloody and unceasing struggles of evil against the good.

We live in a truly apocalyptic era, in which the enemy of God attempts through all means to destroy man, image and likeness of the Creator.

Only the implacable hatred against Him explains the diabolical and systematic dismantling of all the Christian values that have always favored the greatness and elevation of man.

Politics, economics, science, communications, and leisure today know only one light: the black sun of Satan.

Those who have undertaken the joyous initiative of convening this congress, do good by calling on all men of goodwill, on those who do not adore the beast and who have not allowed themselves to be marked with its name and number, to join forces in the faith and in courage, to awaken our poor and wretched humanity from the suicidal stupor that is leading it quietly to the slaughterhouse.

It is urgent to heed the call of the Holy Father, Pope John Paul II, to regain Latin America, hope of the world, for the Christian world.

Let us defend its people and all its cultural and religious patrimony, from those who hate the poor and despise the Third World, to the extent that they dream of destroying it through an implacable and true genocide, so that it does not disturb their sleep, but, instead, increase their wealth and power.

May the Lord God of the Hosts of Mary, she who crushed the head of the serpent, light, guide, and protect your struggle for God and the faith.

Bush tightens noose around Haitians

by Carlos Wesley and Valerie Rush

Flouting U.S. law and international treaties and conventions signed by the United States, President George Bush ordered the Coast Guard to interdict Haitian refugees on the high seas, and return them to Haiti to prevent them from reaching U.S. territory and filing a claim for asylum. The order, issued over Memorial Day weekend, is aimed at the thousands of black Haitians who have been fleeing death by starvation and disease due to the economic embargo decreed by Bush against their country last Oct. 30. The blockade is to force the reinstatement of Jean-Bertrand ("Papa") Aristide, the Pol Pot-like dictator who was ousted from the presidency by the military because of his unconstitutional and undemocratic rule, and his repeated disregard for human rights.

The decree was roundly condemned in the United States and abroad. A coalition of civil and human rights organizations brought suit in federal court in Brooklyn, New York to overturn the policy of hijacking people on the high seas and forcibly returning them to Haiti. Sadako Ogata, the United Nations High Commissioner for Refugees, said that the interdictions violate international law.

It hurts me more than it hurts you

Bush insisted that he erected his "floating Berlin Wall"—as it was dubbed by a refugee advocate—out of concern for the Haitians fleeing on rickety boats. The interdiction is "necessary to protect the lives of the Haitians, whose boats are not equipped for the 600 mile sea journey," claimed Bush. He said he would "vehemently deny" any imputation of racism for his policy of barring the mainly black Haitians from reaching the U.S., although no other refugees, say Cubans, are being interdicted at sea.

The more severe sanctions against Haiti were intended to punish the "upstart" nation for challenging Bush imperial campaign to impose a new world order—fascism with a democratic face—under U.S. domination, and as a warning to Ibero-American countries. Since the Haitian military ousted Aristide last Sept. 30, there has been an uprising by nationalist military in Venezuela against Carlos Andrés Pérez, Aristide's patron. Then the military in Peru joined President Alberto Fujimori in overturning Washington's "Project Democracy" chessboard, by dissolving Congress and the Supreme Court for impeding the fight against the Shining Path narco-terrorist gang of mass murderers. Growing discontent with Bush's free market, pro-drug, International

Monetary Fund austerity policies could set off similar actions in Argentina, Bolivia, or Brazil.

Bush took other steps, including closing U.S. ports to any vessel trading with Haiti. On May 29, U.S. Customs agents seized the vessel *Dieu Seul Maître* for allegedly breaking the embargo, when it arrived in Miami with a small shipment of Haitian rum. The U.S. is "examining other steps to tighten sanctions against the illegal regime in Port-au-Prince," said Bush. "Our actions are directed at those in Haiti who are opposing a return to democracy, not at the Haitian poor," he stated on May 28.

Aristide, a defrocked priest who became infamous for deploying mobs to "necklace" his rivals—by chopping off their arms, and placing a tire filled with gasoline around their necks and lighting a match—called on Bush and the Organization of American States (OAS) to institute a full-fledged naval blockade to prevent any breach of the embargo, said the June 4 *New York Times*. Aristide, who has threatened that his "Lavalas" mobs will make Haiti "burn like Los Angeles" unless he regains power, wants the sanctions above all to keep fuel from reaching Haiti.

Since the sanctions were first imposed by the U.S. in October under cover of an OAS resolution, more than 36,000 Haitians have taken to the high seas to escape starvation. According to the May 31 *Washington Post*, "The telltale signs of acute malnutrition and rickets, including swollen bellies, orange-tinted hair, and scrawny, malformed limbs" are seen among children everywhere in Haiti. Even last November, when the embargo was first imposed, relief workers were being cited by the *New York Times* observing that people were eating weeds "and what animals usually eat." The majority of Haiti's 6 million people were earning less than \$50 a year—before the embargo was imposed!

Haiti is nearly deforested, with the obvious resultant soil erosion and crop collapse. Marie-France Racette, Haitian director of the international relief agency CARE, noted that Haitians are turning every tree and root they can dig up into charcoal for fuel. She warned, "It's an ecological disaster. This country was already on a collision course with desertification. Before, there was some hope, but now . . . if the situation continues, maybe eight months from now we're going to have another Ethiopia on our hands."

In an attempt to break the impasse, most of Haiti's political forces, including the Army, announced June 2 that they had agreed on former World Bank official Marc Bazin as compromise prime minister, and to have Provisional President Joseph Nerette vacate the presidency. This was to counter an earlier OAS-dictated deal, to name Communist Party boss René Theodore as prime minister, to rule until some undetermined time when conditions would presumably be right for Aristide to return without precipitating a civil war. But the OAS and the Bush administration rejected the Bazin compromise, and with it, dashed hopes of ending the embargo any time soon.

Project Democracy dirty tricksters establish a new beachhead in Europe

by Mark Burdman

Alarm bells should be sounding in European capitals, about an emerging threat to freedom and republican self-government on the European continent. The same "Project Democracy" apparatus which coordinated the Iran-Contra arms deals and which has built a secret, parallel government structure in the United States since 1982-83, is now establishing itself throughout Europe.

During the spring of this year, two new institutions have been established, one by the British Foreign Office and the other by the European Parliament in Strasbourg, France which are explicitly modeled on and working in cooperation with the National Endowment for Democracy in the United States. The NED, a "quasi-autonomous non-governmental organization" ("quango") established by the U.S. Congress, is the above-board arm of Project Democracy.

Walter Raymond, Jr., a senior U.S. intelligence spook who was most intimately involved in setting up Project Democracy and in helping oversee the Iran-Contra activities of Lt. Col. Oliver North, is now very active on the European scene. Raymond, now deputy director of the U.S. Information Agency, is one of the members of a select "preparatory committee" which is working out the arrangements for a June 19-20 conference, France, under the auspices of the Council of Europe at its Strasbourg headquarters, at which high-level representatives of the "new world order" will gather to discuss how to impose their version of "democracy" on the European continent. The included aim of this event is to transform the Council of Europe, which was established in 1949 as an important juridical-political organization for the European continent, into a vehicle for Anglo-American policy aims. Said U.S. Secretary of States James Baker III, a revised Council of Europe should become the centerpiece of a new "Global European Order."

The Project Democracy agenda

Days before the April 9 national elections in Great Britain, it was announced that a new Westminster Fund for Democracy had been established in London, with funding from the British Foreign Office. It includes representatives from Britain's three main political parties, trade unions, the

media, and other key institutions. The Westminster Fund is being advised by a consultant sent from the NED, and, in the words of one London official, "the foundation and the NED are in quite close touch already." This official commented: "Matters have now, in a sense, come full circle. Recall that Ronald Reagan first made his speech motivating what later became the NED, in a 1982 speech at Westminster in London."

One of the co-authors of the June 1982 Reagan speech was Walter Raymond.

Then, on May 14, the European Parliament formally approved the establishment of a European Democracy Initiative. The resolution emphasized that it would "provide financial aid through the [European] Community budget on a non-party basis, principally through parliamentary institutions and to non-governmental organizations and non-profit groups, for general civic education and to stabilize and reinforce democratic principles in non-EC countries; also, to assist the development of human rights in such countries; in addition, to develop the concept of civil society in countries where human rights, multi-party systems, the rule of law and economic freedom have been lacking."

As we shall see, these lofty aims have nothing to do with the actual operations of Project Democracy.

The EDI was the brainchild of Conservative European Parliamentarian Edward McMillan-Scott of Great Britain. In a May 27 discussion, McMillan-Scott said that "in broad terms, the initiative will be mirroring the NED. . . . It will be implemented in very close cooperation with the NED." In the guidelines for the EDI, he stressed, there is a division of labor in funding projects between the NED and the European Community.

Who will attend conference in Strasbourg

The next crucial date on the Project Democracy agenda in Europe is the June 19-20 Strasbourg conference, on the theme, "Europe and North America, the Dialogue of the New Solidarities." The conference is being coordinated, on behalf of the Council of Europe's Secretary General Catherine Lalumière, by a shadowy figure named Francis Rosenstihl, who

is close to the Kissinger circles in the United States and to Edgar Bronfman's World Jewish Congress.

Attendees and/or speakers at the June 19-20 event from the Anglo-American sphere are to include Avis Bohlen, U.S. deputy chief of mission in Paris and daughter of the late Charles Eustace Bohlen, a former U.S. ambassador to France and the Soviet Union who came from the Averell Harriman wing of the American establishment; Vernon Walters, former CIA deputy director and ex-ambassador to Germany; James Dobbins, U.S. representative to the European Community in Brussels; Kim Holmes, vice president for foreign and defense policies at the U.S. Heritage Foundation; Robert Blackwill, former senior State Department official and aide to Henry Kissinger who is now professor at the Kennedy School of Law at Harvard University; Edward Luttwak, senior strategist at the Georgetown University Center for Strategic and International Studies; and Sir Geoffrey Howe, former British foreign secretary.

At least a dozen U.S. senators or congressmen have been invited, but many have reportedly decided not to attend.

Various influentials from eastern Europe will be speaking, including St. Petersburg Mayor Anatoly Sobchak, Russian Deputy Defense Minister Andrei Kokoshin, and Poland's Bronislaw Geremek, as well as several senior figures in the French foreign policy establishment.

The 'Global European Order'

The Council of Europe, which has its own Institute of Democracy, is emerging as a central transatlantic coordinating agency for "democratic" initiatives in Europe, West and East, and as a point of penetration of Anglo-American policy into Europe. The rubric under which this process is occurring is the "renewed NATO" decided upon at the July 5-6, 1990 NATO heads of state summit. That meeting called for creating a "parliamentary assembly" for the countries of NATO and the Conference on Security and Cooperation in Europe (CSCE), either based on the Council of Europe model, or on the enlargement of the Council of Europe itself, so as to include parliamentarians from the United States and Canada.

On Sept. 10, 1990, the White House released a statement giving President Bush credit for having put forward the proposal on which this call was based. Then, on Sept. 17-19, 1990, these ideas were discussed at a conference at the Council of Europe on the theme, "Roads to Democracy," to which U.S. Secretary of States James Baker sent a message, calling for the creation of a "Global European Order."

During 1992, the Council of Europe has become a key vehicle for implementing "new world order" policies. In mid-February, Lalumière traveled to the United States, and met President Bush, Deputy Secretary of State Lawrence Eagleburger, and others. She told the Strasbourg press: "The green light is given to start a very pragmatic cooperation" between Washington and the Council of Europe. Earlier, she had been in Davos, Switzerland, for the annual World

Economic Forum, where she met Henry Kissinger. Following this, Rosenstihl traveled to the U.S., and met with Raymond and various other figures in the Kissinger ambit.

The "democracy offensive" of Project Democracy is repugnant on both philosophical-ideological and moral grounds. Outlining the purposes of the EDI, McMillan-Scott told a reporter that it would fund projects in two areas: "political structures" and "civil society," otherwise referred to as "civic education campaigns." In his view, the last area would be the more important, since it includes introducing eastern and central Europe to "the mainstream of democratic thinking: Hobbes, Locke, and the rest."

This goes right to the heart of the danger posed by Project Democracy. With communist systems overthrown, the last thing that eastern and central Europe need is British liberalism and Aristotelianism, as preached by Hobbes, Locke, and Adam Smith. These ideologues share with Karl Marx the notion of man as beast, expressed by Marx in his "class struggle" theses and by Hobbes in his view of man in the "original state of nature" engaged in a "war of each against all."

Walter Raymond and 'the war of ideas'

Nations who fought to shed the mantle of communism are now being lectured to about "democracy" by CIA propaganda warfare professionals, and *EIR* has begun to receive reports that the slogan "NED equals CIA" is beginning to circulate in certain circles in eastern Europe.

The case that proves the point is Walter Raymond.

Although little known to the American and European public, Raymond was one of the most important figures in coordinating illicit Reagan-Bush administration-era intelligence operations, and was likely the primary reference point for Irangate's Ollie North. North's calendar shows that between 1984 and 1986, he attended no fewer than 70 "public diplomacy" strategy meetings, held under the auspices of a high-powered interagency group called the Special Planning Group Executive Committee, which Raymond chaired. An autumn 1987 column in the *Washington Times* stated: "Lt. Col. Oliver North may have actually reported to Walter Raymond, Jr., say insiders. . . . Mr. Raymond, a career CIA veteran and director of operations who retired from the agency in 1983, is now assistant director of the U.S. Information Agency [the State Department agency that funds the National Endowment for Democracy—ed.]. That position was created for him in January 1987, after the Iran-Contra scandal broke. Mr. Raymond was quietly moved to USIA from the National Security Council, where he held the title of special assistant to the President and director of international communications. He had been placed at the NSC by CIA director Bill Casey and Don Gregg, our new U.S. ambassador to Korea, says an insider. While at the NSC, he worked closely with Colonel North. Interestingly, Mr. Raymond's name appears on Ollie North's calendar

more frequently than that of any other White House employee, say insiders.”

During the 1982-83 period, and probably beyond, Raymond was also the de facto representative within the NSC structure of the “Get LaRouche” task force, the interagency complex which conspired to harass organizations and individuals associated with *EIR* founder Lyndon LaRouche, and to stop LaRouche’s contacts with the Reagan administration. According to information in the public domain, including evidence in court supplied by a former senior NSC official, Raymond circulated a memorandum claiming that “LaRouche is KGB,” and making other charges he knew to be untrue. LaRouche was an outspoken opponent of Project Democracy’s policy of arming the Contras.

Raymond’s special capabilities were developed long before the Iran-Contra arrangements were set into motion. Having entered the CIA in the 1950s, he developed into one of the agency’s leading specialists in propaganda operations. In 1982, he was seconded by the CIA to the NSC, reportedly at the recommendation of then-CIA director William Casey and Donald Gregg, whom Raymond replaced when CIA man Gregg moved on to become the national security adviser to Vice President George Bush. While continuing on the CIA payroll, Raymond was given the position of NSC senior director of intelligence programs, the NSC’s senior intelligence officer. According to Raymond’s own account before a House of Representatives committee, this meant heading an interagency task force that “had responsibilities for overseeing other kinds of programs, including covert action programs . . . including counterintelligence programs.”

In July 1983, as the NSC was being reorganized preparatory to the replacement of Judge William Clark as national security adviser, Raymond was assigned the new position of international director of communications, and became, concurrently, special assistant to the President. His specialty was running what were euphemistically called “public diplomacy” operations: In practice, this meant coordinating crucial features of the domestic propaganda operations of Project Democracy, including political and media campaigns against targeted enemies, such as LaRouche and associates.

As Raymond put it in September 1987 testimony before a House committee probing Irangate transactions, the position of international director of communications “was consistent with the President’s program as articulated in June 1982 at Westminster in London, that we had quite a challenge, and simply stated, was to fight the war of ideas and build the infrastructure of democracy. . . . I made the point that we were not configured effectively to deal with the war of ideas, and to deal with building the infrastructure of democracy. We did not have enough emphasis on that within the United States government. We did not have an effective way to reach out to various elements of our society and work with them and help assist them to be involved internationally and, last analysis, we also needed to try to encourage the

private sector to be more active. This is hard to do for the government.”

‘The organizational family’

Raymond asserted that events like the Vietnam War and Watergate had caused Americans to “turn inward,” with the result being “that we were not engaged.” He stressed that “we needed to re-engage, and we talked about this, a number of us. The President’s speech set the tone, but we had to translate that into some form of action. . . . The organizational family that tried to deal with these things was the NSDD-77, which was promulgated in January ’83, which was designed to give us a governmental structure. Then we tried to develop a democracy program as an analogue to provide some governmental funding to deal with the programs we are trying to develop.”

NSDD-77 refers to National Security Decision Directive 77, titled “Management of Public Diplomacy Relative to National Security (SECRET),” much of it written by Raymond himself. Since declassified, NSDD 77 secretly ordered the “organization, planning, and coordination of the various aspects of public diplomacy of the United States government relative to national security. Public diplomacy is comprised of those actions of the U.S. government designed to generate support for our national security objectives.” It is the directive which provided the guidelines for the operations of the NED. NSDD-77 also mandated the creation of an interagency Special Planning Group, which oversaw political, media and propaganda, and intelligence planning, and in which Raymond played a seminal role.

With Raymond and cohorts directing the show, such stalwarts of democracy as Chase Manhattan’s David Rockefeller, Archer Daniels Midland grain merchant Dwayne Andreas, British wheeler-dealer Sir James Goldsmith, and Australian publisher Rupert Murdoch were brought to the White House to discuss U.S. policy with President Reagan. They then formed a “private donors executive committee,” to discuss funding for government projects. The advisers to this committee, according to documents in the public domain, were Roy Godson and Leo Cherne, senior figures in the U.S. intelligence community. (Godson was an NSC paid consultant, while Cherne was vice-chairman of the President’s Foreign Intelligence Advisory Board, or PFIAB.)

This ruse allowed the Reagan-Bush administration and the U.S. intelligence community to carry out certain policies that could not simply be carried out in the usual way, because of binding congressional legislation and for other reasons. Under the principle of “plausible denial,” the administration could deny responsibility, should anything go wrong.

Raymond was questioned about this farcical “private-public” theater during testimony in September 1987 before the House Select Committee to Investigate Covert Arms Transactions with Iran. Ever the master of evasion and CIA double-talk, he got himself off the hook.

Scalfaro, an honest man for Italy

by Leonardo Servadio

Oscar Luigi Scalfaro delivered his inaugural speech as President of the Republic of Italy before the Italian Parliament on May 29. He had been elected three days earlier with a two-thirds majority, in the 16th round of voting in the joint chambers of Parliament (Senate and House) with the participation of the "great electors" representing Italy's regions.

The election of Scalfaro, who had been elected president of the House only the month before, came after all the "official" candidates of Italy's various political parties had proven unable to muster enough votes for their own candidates. According to Italian law, the President must be elected with an absolute majority, and this requires cohesion among different parties—something sorely lacking in Italy's political scene today. Scalfaro was voted by his own party, the Christian Democracy (DC), along with the Democratic Party of the Left (PDS, formerly the Italian Communist Party), the Socialist Party (PSI), the Social Democratic Party (PSDI), the Liberal Party, the Green party, the Network party (a splinter group from the DC), and the Radical Party, the only party which had been advocating the election of Scalfaro from the beginning. Voting against Scalfaro were the Italian Social Movement (MSI, the party deriving from the Fascist movement); the Republican Party (PRI, led by Trilateral Commission member Giorgio LaMalfa); the Lombard League; and the neo-Stalinist Communist Refoundation Party.

Achille Occhetto, the leader of the PDS, commented afterward that Scalfaro had been elected because he was the only one who was able to openly oppose the policy of former President Francesco Cossiga, who had been working to replace Italy's parliamentary system with one which concentrates power in the hands of the President of the Republic. And in fact, the President Scalfaro is not only a passionate defender of the present Italian Constitution, which established the parliamentary system, but is one of its few surviving drafters.

There was one other important reason which moved so many parties to vote for Scalfaro: He is known by everyone to be an honest man.

Italy's chief difficulty at present is the widespread corruption of the administrative apparatus—a corruption which emerges in the perception that the power of organized crime

is growing day by day in the face of the impotence of a paralyzed state.

The paralysis became painfully evident to every Italian on May 23, when Judge Giovanni Falcone, his wife, and three members of his personal security detail were assassinated by a huge explosion in Palermo, Sicily. Falcone was the symbol of the fight against the Mafia, and had been responsible for the jailing of over 100 mafia operatives. (See *EIR*, June 5, p. 44.)

A way out of national paralysis

Judge Falcone's assassination came at a moment when not only the institutions of government had become particularly weak, since there was no President and no government, but also when the whole "system" was under a cloud of accusations: The Italian state was virtually bankrupt; former President Cossiga had launched a series of significant attacks against the parliamentary system; and most important, the widespread and growing corruption which had afflicted state institutions had begun to come out into the open.

Trust in government was badly shaken when a Judge Di Pietro in Milan exposed the system of kickbacks on which public works and services are based. His investigation began in March, with the arrest of Mr. Chiesa, an engineer, and the director of a hospice in Milan, the Pio Albergo Trivulzio, who used to collect kickbacks for all the services supplied to the hospice. In Chiesa's house were found some 1 billion liras in Italian banknotes. It was also discovered that Chiesa had donated 2 billion liras to the election campaign of Bobo Craxi, son of PSI leader Bettino Craxi, who was elected last year to the Milan City Council.

Some 60 politicians and administrators have already been arrested in connection with this investigation, including elements from all the major parties—PSI, DC, PDS, PSDI, and PRI—as well as executives in major construction firms. It became evident to the public that this system of kickbacks may in fact be the most significant source of money for Italy's party organizations.

Following the breaking of the Milan case, similar investigations were started up in Rome, Venice, l'Aquila, and elsewhere.

While some have argued that this wave of scandals will only further weaken Italy's international position, it is the case that Italy cannot be saved without the introduction of morality into its political life—a point underlined in recent statements by the Italian Bishops Conference. In a pastoral note issued in March 1990, the bishops forcefully asserted that corruption must be fought, since "the problem of legality involves not only the life of individuals . . . but the very conception of man," and since "the Christians engaged in politics are among those who bear the prime responsibility for the growth or the decline of our country." Having an honest man as President for once, might therefore represent a real revolution for Italy.

U.S. fulminates over European corps

Franco-German plans for a European army corps could provide the nucleus of a new "European army."

When German Chancellor Helmut Kohl and French President François Mitterrand signed a long-term military cooperation package, which had been initiated through the project for a Franco-German Army Corps, on May 21, the Anglo-American bloc inside NATO—Britain, the U.S., and the Netherlands—responded with ire. They are especially concerned that other European states can join the Franco-German corps, and thereby could provide the core of a future "European army." Telegrams expressing the "deepest concern" of policymakers in London and Washington flooded Bonn.

In a six-page statement which was characterized as "highly emotional" by a Bonn official, U.S. Assistant Secretary of State Robert Zoellick complained about the "ungrateful Germans who seemed to have forgotten that America has done so much for their reunification."

Bush National Security Adviser Brent Scowcroft sent a letter to Peter Hartmann, the chancellor's chief foreign policy adviser, warning the Germans not to "overstretch" themselves if they believed they could manage to pull France back into NATO through the Franco-German corps.

The United States was aware that France was the one that kept blocking NATO-related activities aimed at strengthening existing Atlantic institutions, Scowcroft wrote. The Germans should know that the United States would never permit a weakening of NATO structures, nor their replacement by European structures in which the U.S. role was reduced.

Other U.S. démarches made it

clear to Bonn that the Western European Union (WEU), an organization of nine European states in which the British and the Dutch protect U.S. interests, was not the channel to be worked through.

U.S. Deputy Secretary of State Lawrence Eagleburger arrived in Bonn at the end of May to talk Foreign Minister Klaus Kinkel out of the "Euro-Corps" project. Kinkel left for Paris to address an assembly of the WEU on June 2 just hours later.

Because of the British and Dutch role, the WEU is far from being a tool for a genuine European defense policy. But the French-German commitment to develop European defense structures is beginning to outweigh the Anglo-American faction.

The British have adopted a "flexible" approach, pushing the WEU as the second-best option to contain the Franco-German plans—if NATO as such can't halt the drive in Bonn and Paris. NATO requires a unanimous vote for any decision, which always provides the Anglo-Americans with a veto, but a majority of five can vote down the other four in the WEU.

The control mechanisms that have been used at NATO for the past four decades to contain "erratic" impulses from Paris (France quit NATO in 1966 because of that) and Bonn, which would challenge the dominant Anglo-American role, are not available in the WEU. That is the origin of the enmity of London and Washington, irrespective of the fact that the WEU is still an underdeveloped body that is not challenging NATO structures.

There are still pro-Atlanticist fig-

ures in the German administration, including new Defense Minister Volker Ruehe. But mistrust is leading London and Washington to treat the Bonn Atlanticists as "not very reliable," and to overreact. This is embarrassing even longtime friends of the Americans, many of whom are switching to the European camp.

The case of Hartmut Soell, a Social Democrat who backed NATO in the fierce struggles with leftists in the debate over stationing Euro-missiles in the early 1980s, is indicative. Soell, who was elected chairman of the WEU assembly on June 1, wrote a report on Atlantic relations that harshly attacked a recent Pentagon doctrine draft for targeting Germany as one of the prime future adversaries of the United States.

Soell said the arguments in that doctrine were "too simplistic, absurd, and ridiculous," and that it posed the question of "why the Pentagon employs such paranoid officials." The Pentagon still dreams of a "new world order" that would cement American dominance, he said, and refuses to acknowledge that more European political-economic integration means a diminished role for the United States in Europe in the long run.

Pressed by the U.S., the British and Dutch vetoed the release of the Soell report. It had to be edited, mollifying the Pentagon, before it could be taken up by the WEU on June 2.

But the suppression of the original Soell report is creating an increasingly negative image of the United States. Indicative is the leading German business weekly *Wirtschaftswoche*, which charged in its May 29 issue that "the Pax Americana has little to do with peace." Faced with the decline of the coercive Cold War system that guaranteed U.S. dominance in western politics, the Americans are "waging a reckless fight for political and economic supremacy in the world."

Who unleashed Collor's brother?

A corruption scandal hits the President's family, as the Anglo-Americans demand more concessions from Brazil.

The week before the June 2 opening of the "Earth Summit" here, sponsored by the United Nations' one-world elite, Brazil was shaken by yet another scandal of government corruption. This one was worse, because President Fernando Collor de Mello was personally implicated.

The episode was initiated by the President's younger brother Pedro, who denounced the President for, among other things, having used cocaine in his youth. Pedro also lashed out at Paulo César ("PC") Farias, the businessman who had served as Collor's presidential campaign treasurer. The younger Collor accused PC of illicit enrichment, extortion, and running capital flight out of the country.

As a final blow, Pedro Collor added that the former treasurer was acting as a front-man for his brother, the President. Later, in testimony before an ad hoc congressional commission set up to investigate the charges, Pedro Collor softened his charges against his brother, suggesting that the President's confidence was being abused by Farias.

The corruption and sordid business deals exposed by Pedro Collor, especially those of PC Farias, were already well known among Brazilian political circles, but never before had they gone beyond the bounds of mafia quarrels in the northeastern state of Alagoas, where the Collor family and Farias are based, and where President Fernando Collor launched his political career. But this time it was the magazine *Veja*, mouthpiece in Brazil for the U.S. State Department through its

ties to the Inter-American Dialogue, which threw all its journalistic weight into spreading the scandal.

Despite the fact that these developments reflect the rot that has invaded every International Monetary Fund "democracy" on the continent, the cruel fact is that the repeated explosions of scandal in Brazil—most of them well founded—have functioned like a television soap opera, to lull the population into a stupor and to undermine its capacity to respond to the government's betrayal of national interests to George Bush's new world order. At the same time, the Anglo-American oligarchy is taking advantage of, and even encouraging, this "controlled chaos," to wrest more concessions from Collor, precisely as it did with the Carlos Menem administration in Argentina.

U.S. Ambassador to Brazil Richard Melton declared calmly that these scandals are having no effect on Brazil's image abroad. He added that the country preserved its prestige thanks to its neo-liberal economic policies: "My impression is that all is well in that sense."

While the scandals surrounding President Collor's family and friends have managed to temporarily eclipse the more fundamental aspects of the institutional crisis affecting the country, in particular the failure of Economy Minister Marcilio Marques Moreira's "anti-inflationary" program and the growing military unrest, the truth cannot remain hidden forever.

The truth is that in Brazil, the impact of military unrest in Venezuela

and Peru and its own internal instability have led to a growing disenchantment with "democracy," as can be seen in the latest opinion polls. In early May, the newspaper *Jornal do Brasil* revealed that 50% of those Brazilians it polled agreed with the need for an "authoritarian regime" to end the poverty in the country.

The same newspaper sent out an alarm in its May 24 editorial, stating that "When a population grows tired of the parties, what suffers is democracy . . . thus the decadence of the parties can be presented as a threat to the existing political regime."

Military dissatisfaction with low wages and with the political concessions which President Collor has yielded to Washington, continues unabated. The latest confrontation took place during the marathon cabinet meeting May 16-17. According to a report issued by the state news agency and published internationally, President Collor urged the participation of the Armed Forces in the fight against drug trafficking, as U.S. Defense Secretary Richard Cheney had demanded in his visit to Brazil earlier this year.

The discussions on the issue were not revealed because of the intensity of the debate and the categorical rejection by the military ministers present. Those same ministers have publicly divulged the contents of the so-called McNamara Plan (named after former U.S. defense secretary and World Bank chief Robert McNamara), which proposes the dismantling of Ibero-America's armed forces. At the cabinet meeting Navy Minister Adm. Mario Cesar Flores denounced the pressures, "especially from the United States," to get Ibero-America's militaries involved in the fight against drug trafficking, which is seen as a pretext for reducing them to constabulary forces, incapable of mounting any real national defense.

International Intelligence

Bush's new world order not selling in India

"Heading For a Fall?" was the headline of a column on George Bush by the Washington correspondent of the *Hindustan Times*, N.C. Menon, on May 23. Menon reversed his previous enthusiastic support for President Bush's "new world order."

"No nation, however powerful, can afford to antagonize the entire world if it is to endure," he wrote. "President Bush and other decision-makers in America would do well to recall the old saying: The bigger they come, the harder they fall." Describing the crisis in the U.S. economy, Menon cited the testimony of Deutsche Bank Tokyo economist Kenneth Courtis, telling the U.S. Congress that Japan would succeed the United States as the biggest industrial nation in just five years.

Menon called U.S. trade laws against India a "strange amalgam of arbitrariness, asininity, and effrontery."

Serbian church calls for Milosevic to resign

The Serbian Orthodox Church issued a call on May 28 for Slobodan Milosevic to step down as President of what he calls "the new Yugoslavia," and supported calls by opposition leaders for a boycott of elections for the parliament of the "new" Yugoslavia. Milosevic is the communist ruler of Serbia.

The call read in part: "The Serbian Church ultimately takes exception to and distances herself from this and such authorities and their standard-bearers, from the Constitution which was adopted without the people's consent, as well as from the planned elections."

The statement also criticized the European Community for preparing sanctions against Serbia: "The European Community apparently identifies the Serbian people with the regime which ruled over them and in large part still rules today.

"It would be dishonorable and shortsighted to ascribe to any people, especially

the Serbian people, the evils committed in our days on the part of [Josip Broz Tito's] generals on both sides of the front."

French 'New Right' backs anti-Columbus campaign

The French magazine *Krisis*, edited by "New Right" leader Alain de Benoist, in May published the text of a statement by something calling itself the Guatemala Collective, under the title "Call For a Rediscovery of the Peoples of the Americas of Yesterday and of Today." On the quincentennial of Christopher Columbus's discovery of America, the statement exalts the "500 years of indigenous and popular resistance" of the Indians of America against the "oppression of the Christian West."

This "resistance" declaration was put together at the October 1991 meeting in Guatemala of "indigenous and popular resistance movements" from across the Americas.

De Benoist has called for reshaping Europe so that pagan, "pre-Christian" belief structures are recreated. He is a seminal figure in the European proto-fascistic "New Right" movement.

Guerrillas launch total war in Colombia

While the Colombian government continues its "peace talks" with the terrorists, the war on the ground between the guerrillas and the Army is intensifying day by day. The head of the FARC guerrilla group at the end of May ordered his movement to conduct total war to prevent the capture by the Army of his headquarters in Meta department. On May 19, plans were discovered for blowing up one of the largest Army barracks in the country. On May 20, guerrillas sabotaged economic targets in five departments. On May 21, the ELN group assassinated five people, including four policemen, throwing gasoline on their dead bodies and burning them.

The commander of Colombia's Armed Forces, General Roca, vowed that he will

combat armed subversion until he has succeeded in "eliminating the fighting capability" of the guerrillas' leadership structures.

But President César Gaviria is undermining this drive, stating that victory over the terrorists is not his aim. In the wake of a major Army thrust to clear the Uruba area in northwest Colombia of the FARC, Gaviria flew there and gave several speeches praising the Army. But he also stated that the purpose of the military offensive was not to defeat the guerrillas, but "to convince them that the only possible path is political, abandoning arms, and seeking political power peacefully."

The Colombian Senate approved sending the president of the Senate, Carlos Espinoza, to Mexico to meet with leaders of the two guerrilla groups. And Deputy Interior Minister Héctor Riveros Serrato said that the country wants a peace "in which all win, not the state through force of arms, by means of the military activities of the Army."

Saudis challenge Jordan's Hussein

Saudi Arabia's King Fahd has offered to pay for the restoration of the Dome of the Rock mosque in Jerusalem, through funds paid to Unesco. The move is fraught with political implications for the region.

The mosque, as well as all other Christian and Muslim holy sites in the Occupied Territories, is under the administration of the Ministry of Religious Affairs of Jordan and King Hussein, whose great-grandfather had formerly ruled Mecca and Medina, the Muslim holy cities in what is now Saudi Arabia. The Saudi offer has generated an outcry in Jordan, where it is seen as part of a broader Saudi-Israeli plan to displace the Hashemite Jordanian dynasty's religious role in the territories and elsewhere.

Well-informed Palestinian sources report that the Saudis have also begun to fund Palestinians in the Occupied Territories directly, rather than through the Palestine Liberation Organization in Tunis, as has previously been the case. This action suggests a Saudi effort to build up a non-PLO organi-

Briefly

zation in Israel which will cut a deal with Israel. It is also said that the Saudis are negotiating with the Israelis, with the patronage of the United States, to infuse billions of dollars into Israel as part of the deal.

KGB man airs charges on Mattei assassination

The late Enrico Mattei of Italy was assassinated because he was trying to work with the Arabs, U.S. President John F. Kennedy, and the Soviet Union, to break the back of the Seven Sisters oil cartel, charged the Italian daily *Corriere della Sera* on June 1, basing itself on statements by Leonid Kosolov, a former top KGB agent stationed in Italy, and others. Mattei was the president of Italy's ENI oil company.

Kosolov was interviewed on Russian television. He said that the CIA and the "Seven Sisters" gave the orders to kill Mattei, and used the Cosa Nostra to carry out the deed. "In Moscow, Mattei was very much appreciated," according to Kosolov. "We knew he was in danger."

Israel goes wild in Occupied Territories

Palestinian sources tell *EIR* that the Israeli government is deliberately attempting to create total chaos in the Occupied Territories, in the context of moves toward war with Syria, and the situation is already out of control.

Israel imposed a blockade on the Gaza Strip on May 24 after a Gazan Palestinian stabbed a Jewish schoolgirl to death in Bat Yam, near Tel Aviv. Following the incident, a Jewish mob in Gaza stormed a Palestinian school, while in Bat Yam, Jews beat Arabs indiscriminately, shouting "Death to the Arabs." A rabbi in a Jewish settlement in Gaza was stabbed to death, inflaming the situation further.

Israeli Prime Minister Yitzhak Shamir gave the green light to vigilante actions against Arabs, telling Israeli television on May 24, "This man, this stabber [who killed

the girl] should have been shot. His shooter would have come to no harm. Murderers should know that they will not escape alive when they deserve death. There are jurists who criticize me when I say this, but this is my view." Shamir also endorsed the Bat Yam Jewish rioters, saying they were acting with "justified rage," even though the rioters had also attacked a dozen Jewish policemen.

Our Palestinian sources ridicule the claim that the purpose of the operations in the Occupied Territories as well as in Lebanon is to ensure the reelection of Shamir in June. They say that the rulers of Israel, who are above parties, have more important, long-term concerns.

German cabinet members denounce death penalty

German Foreign Minister Klaus Kinkel, responding to the recent executions in the United States, was quoted by the daily *Bildzeitung* on June 1, saying that "no crime, severe as it may ever be, justifies to be punished by the termination of human life." Kinkel was, until May 18, minister of justice.

Minister of Agriculture Ignaz Kiechle said, "Because one can never rule out miscarriage of justice, I am opposed to the death penalty."

On the Roger Coleman execution, *Bildzeitung* writes, "Also those who used to call loudly for the hangman, turned silent in the case of this execution. No guilty plea had confirmed Coleman's guilt. There was only circumstantial evidence, and doubtful at that. And it was beyond any doubt that Coleman's defense was catastrophically wrong. In spite of that, the 33-year-old man with the glasses and the intelligent, open-minded face, was sent to the chair."

"More than 9,000 protest telephone calls didn't impress the governor of Virginia," *Bildzeitung* wrote, quoting the recent statement of German Labor Minister Norbert Blum that Gov. Douglas Wilder's decision to have Coleman take a lie detector test a few hours before his execution was "barbarism in contempt of man."

● **CARDINAL** Camillo Ruini, president of the Italian Bishops Conference, has asked Pope John Paul II to open a beatification process for Pope Paul VI. More than 200 bishops voted unanimously to request the move. Beatification is the first stage in the process of identifying a saint.

● **VIETNAM AND LAOS** will take the first step toward becoming full members of the Association of Southeast Asian Nations during a ministerial meeting in Manila in July. Philippine Foreign Secretary Raul Manglapus, in making the announcement on May 29, said that this shows "there is no more future in Southeast Asia but within the ASEAN."

● **OSCAR ARIAS**, the former President of Costa Rica, has joined the chorus of those calling for wrecking the military in Ibero-America. Speaking in Mexico at the end of May, he said that "Latin American countries need to limit the participation by their militaries in political life, or eliminate them altogether, because they are still the main force for destabilization in the region."

● **A CUBAN** government-backed enterprise has brought out a new men's cologne called "Don Gregorio," named for Gregorio Fuentes Betancourt, the boat captain and fishing partner of novelist Ernest Hemingway, the *Washington Times*. Fuentes, now 94 years old, endorsed the new product, telling the Cuban government news agency: "It is as if they had put Papa [Hemingway] and me together in it."

● **SEVENTY PERCENT** of Venezuelans expect a new coup soon, and 81% believe that things are worse now than they were last year, according to a poll reported by the daily *El Nacional*. Forty percent of respondents said they would not vote in the next election; 87% had a dismal view of the economy, and 86% said they were worse off now than they were a year ago.

U.S. AID runs overthrow of Thailand's government

by an EIR Investigative Team

"Southeast Asia has had the most astonishing progress of all the regions. . . . Southeast Asia has, as far as the United States is concerned, governments that are neither allies nor are they—considered strictly—countries with which we have a very friendly relationship."

—Henry Kissinger
Hong Kong, October 1983

Twice, in the nine years since Kissinger declared that America's longstanding allies among the ASEAN nations were not considered friends of Washington, the U.S. government has acted to prove his startling words true. The first occasion was the February 1986 overthrow of longtime U.S. friend Ferdinand Marcos by a U.S.-ordered military coup, backed up by U.S.-backed "people's power." The second time is now—in Thailand.

EIR has learned that the U.S. Agency for International Development (AID) has been functioning as the financial angel for the entire so-called democracy movement, which erupted into violent action on May 18-19 in Bangkok, leading to confrontation with the Thai military and the killing of probably a few hundred people. That protesters' movement was organized on the ground by a plethora of "non-governmental organizations," which were legalized in Thailand three years ago. These "NGOs" are in turn funded, directed, and controlled both directly and indirectly by the Bush administration. The NGOs are effectively agencies of the U.S. government!

AID funnels the funds

In February 1991, when the Thai military overthrew the government of Prime Minister Chatichai Choonhavan in a

bloodless coup, the United States officially cut off all financial assistance to Thailand. However, according to documents received from the U.S. AID, millions of dollars continued to flow to Thailand from that agency—exclusively to the Thai "democracy movement."

AID has siphoned off nearly \$700,000 to Participating Agencies Collaborating Together (PACT) in Thailand. The money is to be used for the purpose of "NGO coalition building," according to the AID document. PACT formerly was merely the funding arm for AID, but is now its own autonomous organization, concentrating mostly in Asia, a spokesman said.

Another \$1 million in AID monies, to "strengthen provincial councils and strengthen elected government," was dispatched to Thai NGOs through the Asia Foundation.

According to Asia Foundation spokesman Catherine Delpino, the foundation is working "to direct the private NGOs to target the government for reform," and on human rights. The foundation also funds "advocacy groups" of environmentalists and slum-dwellers to "lobby" for change, although "we have to be careful not to appear as though we are lobbying foreign governments."

The Asia Foundation, which has penetrated nearly every layer of Thai society, is nominally a private foundation. However, according to its 1990 annual report, it received \$381,783 from private sources, against \$13.7 million in "grants from the U.S. government" for its operations in Asia. It is therefore presumed that the foundation is helping to carry out U.S. foreign-policy objectives.

AID also pitched in another \$40,000 for the Duang Pratheep Foundation, whose "slum angel" Pratheep was a founder of the Thai Confederation of Democracy.

The AID also forked over nearly \$500,000 in the same time period to the Asia-America Free Labor Institute (AFLI) of the AFL-CIO. This money, says the AID document, was provided to "promote worker participation in elections, advocacy, and promote worker rights."

According to Philip Fishman, the AFL-CIO representative in Bangkok until recently, "Most of these labor leaders who were playing a role in these pro-democracy demonstrations are people who were closest to us and received the most extensive training. I know for sure one was on the organizing committee with [opposition leader General] Chamlong. There was another labor leader from the labor movement who was basically in charge of erecting the barricades and was very well known. It's something I'm personally quite proud of."

The AFLI itself dishes out offices, money, and recreational weekends to bind workers to it. It organized a program on "democracy" for a core of trade union leaders, who then went out and taught a compact version of the course to 1,400 trade unionists. This, along with the Washington-funded NGOs, provided the base of the "democracy" protesters.

In total, for Thailand, the AID has earmarked over \$8.6 million to build non-governmental organizations and to environmental purposes for disbursement over an approximate three-year period. "There is no question but that voice and choice in government has become more effective" in Thailand, said AID administrator David Hagen, in explaining the allocations.

The AID is the prime funder in greasing the wheels for greenie revolution in Thailand, against an allied government. The operational command structure for the entire apparatus begins with Asia Foundation, operating from its offices in Washington, San Francisco, and Bangkok, and from the AFLI. These two organizations train the NGOs and other protest leaders. The Thai point-man for the operation is Sulak Sivaraksa, the Anglican-trained greenie who led the uprising against the Thai military in 1973. By his own account, Sulak and/or his followers have organized the NGOs to which the AID is channeling money (see article and interview on pages 50-53). Sulak and his NGOs are, in turn, supported logistically and protected by a plethora of apparently private "human rights support" operations in the United States that give the subversive movement publicity and credibility.

It is the completely foreign sponsorship of the so-called democracy protesters—not the demands of the rising middle class, as the Anglo-American press would have us believe—that accounts for the violence of May 18-20, which all observers admit is "uncharacteristic of the Thai."

As one U.S. controller of the operation remarked, the Thai military was "very surprised by the resolute civilian action and simply didn't understand the basis of this opposition to what they are doing. They were caught by surprise. When you see that kind of bloodshed, it is usually the

result of armed forces not knowing what they are doing and being caught by surprise, and that is what happened in this case."

Now it's 'democracy'

It would appear that since U.S. embassies, particularly in developing countries, have gained such notoriety for organizing coups, Washington is working hard to cover its tracks by overthrowing governments under the banner of "democracy." As of June 3, nearly two weeks after the NGO-led riots forced the resignation of Prime Minister Suchinda Kraprayoon, the Thai government still lacks a prime minister. The NGO movement is threatening more violence, if the duly elected ruling-party coalition does not name a prime minister it approves of.

The immediate target of the operation is the Thai military, which has been the key governing institution for an independent Thailand since it forced the creation of a constitutional monarchy in 1932. The Bush administration's similar attempts to dismantle the militaries of Ibero-America have now been transported to Asia. Even the same personnel are involved. The Asia Foundation is organizing a conference on "democratization" to be held in Bangkok in June (now postponed), which was to have featured Lewis Goodman, author of *The Military and Democracy: The Future of Civil-Military Relations in Latin America*—the famous "Bush manual" for the destruction of Ibero-America militaries. The book was in part funded by the U.S. Information Agency.

Admitting that the Thai military "has been a source of stability in the political panorama in Southeast Asia," Goodman asserted in an interview made available to *EIR* that the U.S. goal should be to reduce the military to its "proper role." Realizing this objective "will be quite a complex thing," he said. "It may end up with the destruction of the Armed Forces."

The royal family of Thailand, led by King Bhumipol Adulyadej, is another target of the "democracy" movement. Continuing instability forces the king to intervene directly into politics. Already (see interviews below), the protesters are agitating to overturn the amnesty, signed by the king, of former prime minister Suchinda, in a direct challenge to the king's authority. The objective is to force the king into a corner, so that he takes action that destroys his moral authority.

The bloody events in Thailand over May 18-20 are projected to be but the beginning of the destabilization of the ASEAN countries. Next on the hit list are Indonesia and Malaysia, according to James Clad, a member of the Carnegie Endowment for Peace, in comments to the *Washington Post*. It might be asked what the United States hopes to gain by destabilizing the Southeast Asian countries. Thai and Philippine soldiers fought by side by side with Americans in Korea and Vietnam. Henry Kissinger's 1983 statement

helps provide the answer: "Southeast Asia has had the most astonishing progress of all the regions." Over the last decade, the economies of ASEAN, with the exception of the Philippines, have enjoyed high growth rates and are on the way to becoming full-fledged "newly industrialized countries." Evidently, such a prospect is a threat to Washington, and its strategic partners, London and Beijing.

Documentation

AFLI representative: 'We trained them all'

The following interview with Philip Fishman, head of the Asia-American Labor Institute (AFLI) of the AFL-CIO in Bangkok until he became head of the AFL-CIO International Division, was made available to EIR:

On the role of the labor unions in the democracy protests: They played a fairly big role, a bigger role than I thought originally. There was at least one, and maybe two. I know one for sure who was on the demonstration organizing committee with Chamlong, and whether there was an arrest warrant or not, he was one of the people cited. . . . There was another leader from the labor movement who was basically in charge of erecting barricades and was very well known. The vice president of the Thai Trade Union Congress, which is the largest private sector congress in Thailand, spoke at the demonstrations that were taking place in other places. And I just saw . . . that at least seven labor leaders were arrested during the demonstrations, so I think they played a bigger role than I originally knew about. . . .

It is often the case, and it's personally something I'm quite proud of, that most of these labor leaders who are playing a role in these pro-democracy demonstrations are people who were closest to us and received the most extensive training. One of the interesting programs that our institute had been conducting there for five years was a sort of democracy education program, where a cadre of labor leaders were taught to teach model courses to rank-and-file labor leaders on the basic aspects of democracy, the role that trade unions play in building and protecting democracy, how to run a democratic union, these types of things. And almost without exception, these labor leaders who were involved in the leadership and most active in these democracy demonstrations were people that were part of the cadre of educators. So, it is something that we are very proud of.

We used materials here that we had developed basically at our Latin American institute, who sort of have been doing these kinds of programs longer. And then we adopted them to an Asian-Thai context, and we held a series of long training programs, day-long, residential training programs for these democracy educators, out of which emerged a core group of 10 or 12. The rest of them really didn't measure up for one reason or another.

And then these 12 used these materials and boiled them down to a two-day curriculum for rank-and-file union members, and then developed materials in Thai based on the materials that they had been presented in their training programs. The materials they presented were each about five pages long. They developed a series of four or five pamphlets which were developed in very basic language. One was on the political aspects of democracy, and the social aspects of democracy as well as unions and democracy. . . .

The workers themselves did the outlook forum and so on, and there was a series of democracy education programs for rank and file union members and local union leaders in Thailand, which were held at least once a month. And, about the time I left, there were about 1,400 unionists who had attended these programs and the democracy educators themselves used to get together on a quarterly basis and review curriculum and review training techniques, evaluate and so forth, and usually between that and the quarterly meetings I would try to expand upon their own experience and knowledge.

For example, we had Bertil Lintner [correspondent for *Far Eastern Economic Review*, who has led a campaign against the Thai military—ed.]. They were curious about what was going on in Burma for example. During one of these quarterly meetings, we invited Bertil to come and give a presentation on what happened in Burma. So usually we would bring another piece into it.

There was some difficulty, for example, the difference between the political spectrum and the economics spectrum. And there is such a strong identification, as you might know, in Thailand, between democracy and capitalism, that it was hard for our people to see that democracy was a political idea and that there was a whole range of economic structures or systems that could be democratic, that could go along with a political democratic system; so we brought in an ICFTU [International Congress of Free Trade Unions] official who's from Scandinavia, from Sweden, to give them an idea of the Swedish model, to make them understand that when you talk about democracy, you're not talking about laissez-faire capitalism. So, we added a piece to it.

Another time, we had a long session on coalition building, on how to reach out to other groups in a society on particular issues and develop coalitions. It was very interesting.

For me, it was an eye opening. It was really inspiring. It seems to have paid off, in very unexpected ways.

On the role of the U.S. embassy: I have heard that this is something the embassy has taken note of there. There is some indication that they were kind of surprised to see our people play such a preeminent role. They're supportive. . . . The political section, which is responsible for maintaining contact with the parties, with the workers, with the students, with the political opposition, they are usually more understanding of the broader picture and usually more sympathetic. . . . I am sure that the political section people are very cognizant of who is involved and what kind of role they are playing, and very appreciative of some of the work we did, in not only helping to build a democratic institution, but also training individual people who have now emerged in such essential roles. Whether or not that extends up to the ambassador, I really don't know.

On opposition leader Gen. Chavalit Yongchaiyuth: Throughout the '70s and perhaps leading into the early '80s, there was a sort of activist element within the military—the Young Turks they were called; they were responsible for some of the early coup attempts in the early 1980s. Chavalit was identified with that group. Chavalit really rose to fame by putting together the policies in the south that coopted the communists. . . . One of the ironies of the situation is that a lot of those people who came out of the jungle became advisers to Chavalit, and became advisers to a lot of different politicians and so on. They were not only not thrown into jail, but they were immediately accepted as being credible. . . . Chavalit was identified with this soft response to the communists. He was identified with Prasert Supkongkorn, one of the founders of the Communist Party. He was identified with more of the leftist elements.

The irony of it was that the American embassy was in love with Chavalit. He was their boy. He was trained in the U.S.

Asia Foundation: Is Asia following Ibero-America?

The following interview with Asia Foundation staffer Steven Clayborne was made available to EIR:

On environmentalism: That's one of our major focuses in Thailand over the last couple of years, to help strengthen the environmental NGOs in Thailand, and work with businesses and the government on compliance issues and on policy issues, environmental policy issues. So that is something that is definitely on the horizon in Thailand. . . .

The other thing we are trying to do is to hook into some local government assistance. The Interior Ministry runs local government basically in Thailand, but there is some talk that

they will devolve some power, so we are going to pick some municipalities and help with some planning, so that they can actually make requests to the Interior Ministry for money for their own development projects. And hopefully this will tie into the environmental planning aspect of things.

On penetrating Thai democracy: We are trying to work with the Parliament. We have been trying to work with them off and on for a long time. The latest project we had was working with a group of young, would-be parliamentary research analysts who would be housed in an office—a research bureau, basically—who would do research on the budget and provide research services to the parliamentarians, to the congressmen. And this was done through a public think tank, the Institute for Public Policy Studies. And we are still working on this project, if the Assembly ever gets it together. We had them here for nine months basically, studying state legislatures and support services there. So hopefully, we had a couple of guys who were elected to Parliament again who were behind this project, and they will get things off the ground.

So, hopefully, they will help push this through, or at least get it off the ground, with the idea that congressmen need some independent sources of information and research on things. So, that is our major project, which we are still trying to get going.

And then we have been working on accountability issues as well. Trying to bring government accountability departments together, auditing departments, for example, and a corruption commission, and different bureaus in the Thai bureaucracy, to take another look at accountability mechanisms, financial accountability, and basically in helping them to develop some training programs. . . .

And then we are also working with the press, the Press Development Institute of Thailand, on investigative reporting training programs to strengthen their ability to do that kind of investigative journalism. That's the other side of accountability. Again, focus on accountability.

The institute is about 10 years old. It's not what you would call one of our creations, but we helped get it off the ground. We have a lot of journalist friends. It's a fairly free press. . . . So we're pretty active. We have a pretty big program in Thailand.

On the military: There is definitely some sort of dialogue going on—it's in the streets now. It's always been a bone of contention. I think we have tried to address it by bringing military people over here and looking at the relations between our military and civil society, and we are planning to do more in this area in Asia. But I guess the study of civil-military relations is not as advanced as in Latin America, for example, where they have really gone through some kind of process. The question is, is Asia following the same sort of process?

Anglo-Americans' Jacobin in Thailand

Virtually every individual connected to Thailand's synthetic "democracy movement" directs inquiring reporters to "the man behind it all": Sulak Sivaraksa. The movement, created by Anglo-American intelligence for the purpose of weakening or destroying the military, religious, and political institutions of that nation, is composed of hundreds of NGOs (non-governmental organizations), but is run by only a handful of individuals who overlap these various NGOs. What they all have in common is their funding and direction from U.S. government and intelligence institutions, and their connection to Sulak.

Sulak is now in exile, living mainly in the United States and Canada, with occasional trips to Europe. He is in a familiar environment, since he spent much of his adult life in the West, and, despite his firmly professed Buddhist faith, confirms that "most of my friends are Anglicans." His international organization, the International Network of Engaged Buddhists, was spawned from the American countercultural swamp left over from the 1960s and '70s in Berkeley, California. He espouses the most wretched forms of the British colonial ideology of the "noble savage," demanding that the Thai people be denied access to even the most primitive kinds of technology, in favor of the "joy" of backwardness and poverty. His hatred of science and technology parallels that of Cambodia's Pol Pot and the Maoists of China's Cultural Revolution.

Like the British-controlled Jacobin terrorists Marat and Danton, who directed the 18th-century French Revolution into mob assaults against science, against progress, and against the emerging republican institutions in France, so Sulak and his friends have been deployed to wreck the sovereign independence of the Southeast Asian nations, one of the last remaining areas of economic growth on this planet.

British education

Sulak was born to a wealthy Sino-Thai business family. He was educated in the best foreign schools in Bangkok before going to England for college. He spent nine years there, first at St. David's University in Wales, then at Middle Temple in London, where he qualified for the bar in 1960.

Asked about his relationship with the British and the Anglican Church, Sulak replied: "This is my identity."

After a year in training as a broadcaster at the BBC, he returned to Thailand. He was set up as editor of the Social Science Association Press of Thailand, and its journal, the *Social Science Review*. The Ford Foundation was actively supporting and expanding the work of the Social Science Foundation throughout the 1960s and 1970s, setting up Social Science Institutes at the universities. Under Sulak's direction, the journal and a bookstore he opened became the focus of radical opposition to the Thai government. As he explained: "I went home in 1961 from Wales with all my Anglicanism. I was supposed to be upper class, but [my magazine] became a torch in the dark world. All the students looked up to our magazine and they all came to see me and I became a small hero among a small group of people . . . and the demonstrations in 1973 started from my bookshop."

The 'joy' of primitivism

The message Sulak delivers to the Thai youth is that of rabid anti-development forms of environmentalism and iconoclastic attacks on the institutions of state. On the potential for Thailand to emerge as one of the "Little Dragons" of economically powerful states in Asia, Sulak opined: "I, of course, was a very outspoken critic of this. I said that development means human development, means spiritual development, cultural development." This is typical vocabulary of the International Monetary Fund and the U.N. ecological fascists, who justify the economic backwardness imposed by the IMF under the guise of ecological and "human development" frauds. The peasantry should be "self-reliant," without the benefit of fertilizers or "mechanical stuff," Sulak told an interviewer from his home in Toronto. "Let's go back to our buffaloes, go back to growing with joy."

Sulak irrationally equates the Thai military with the most hideous forms of fascist and communist dictatorships. Thailand, despite severe problems of corruption, is generally considered to suffer, not from authoritarian dictatorship, but from an overabundance of libertarianism and lawlessness. Still, Sulak says that the Thai military accommodation to the Japanese in World War II (when the British offered no assistance whatsoever to Thailand's defense) shows their inherent fascism, and that the Thai military imitated the Nazis by accusing the Chinese minority in Thailand of being an inferior race, an enemy of the Thai people. "All this is never acknowledged," he says, and traces the military leaders of the postwar period to these imaginary roots. The Thai military, he insists, is on a par with the ex-Soviet and Chinese communist tyrannies.

Sulak's training in the modern form of CIA intelligence operations through NGOs was carried out during the mid-1970s in the United States. He was in the United States to lecture at the Smithsonian Institution, when he learned that

he had been arrested *in absentia* in Thailand. He spent the next few years lecturing at the University of Toronto, Cornell University in New York, and at the University of California at Berkeley.

At Berkeley, he met up with the myriad institutions that emerged out of the countercultural hey-day in Berkeley. The "New Religion Project" at the Berkeley Divinity School was actively profiling and shaping a wide variety of sects and cults for various purposes, while U.S. intelligence operations for Asia were using Berkeley as a major base for its operations.

One of the groups that emerged was the Buddhist Peace Fellowship, founded in the late 1970s, composed primarily of aging hippies who were "experimenting" with Buddhism. Later, in the 1980s, this group sought out Sulak to head a new international organization, providing him with backing and direction. This organization, the International Network of Engaged Buddhists (INEB), according to one of its spokesmen, was based on the principle that "the Buddhist practice of wall-gazing was a selfish pursuit, and that Buddhists should become 'engaged.'" Their first "engagements" were efforts to stop nuclear power in Asia, save the whales, and other operations linked to such radical environmentalist groups as Greenpeace.

'Buddhist socialism'

Sulak had been influenced by a Thai Buddhist sect headed by a monk named Buddhadasa, who was an advocate of "Buddhist socialism." Buddhadasa argued that a "dictatorial Buddhist socialism" was justified—in fact, necessary—provided only that the dictator was righteous. While this is a point of debate among Sulak's followers, it does not prevent him from denouncing the leaders of the current government as vile dictators, and even declaring that General Suchinda is not a Buddhist—despite the fact that the ruling council of the Thai Buddhist Sangha visited Suchinda with a pledge of support as the legitimate head of state. Sulak boasts that the rural monks he has helped organize "take no notice of the hierarchy."

Sulak also attacked the king, specifically his involvement in the economic development of the country, claiming that this had "spoiled the monarchy." This earned Sulak the charge of *lèse majesté*, which is one of the reasons he is now in exile.

As for the NGOs in Thailand which ran the recent violent revolt, Sulak claims to have instructed virtually all of their leaders, especially those behind the scenes. Fully aware of the source of their funding in the Anglo-American intelligence community (in fact, he is responsible for much of the fundraising), he brags that they "have now become very much respected . . . so the people are captured by them. . . . These NGOs have now become the democracy movement. Nobody trusts the government; they trust the NGOs."

Sulak boasts, 'I have become a hero again'

The following are excerpts from two interviews with Sulak Sivaraksa that were made available to EIR:

On his British identity: I was brought up in an Anglican college, in Wales. In fact, I am to have dinner with the primate of Canada tonight. This is my identity.

In 1961, having returned from Wales with my Anglican background, I started an intellectual magazine. Before I returned, there was no intellectual publication whatsoever. Anybody who criticized the military government was considered a communist. I did not know that. I went home in 1961 from Wales with all my Anglicanism. I was supposed to be upper class. But I became a torch in the dark world. Then, of course, all the students looked up to our magazine and they all came to see me and I became a small hero among a small group of people. So I started a coffee club, and that was the place where all the student leaders came, for 10 years, from '63 to '73.

I started a bookshop, and the demonstrations in 1973 started from my bookshop. It started with 11 persons, and it ended up just like this time, but even more than this time. It was half a million people. I am supposed to be, you see, the originator of all this.

Founding the NGOs: From 1978 onward, for the last 14, 15, 16 years, I have been very active in founding various non-governmental organizations. Non-governmental organizations have now become very much respected, because they are honest, composed of young people. They hardly get paid properly, and they work for an alternative. So the people are captured by them. I founded the first one 25 years ago. I usually was not the founder; I usually got more respectable persons to be the founders. People know I am behind the scenes.

We sent all this information to the Asia Watch, to the Asia Resources Center, so they came. The Children's Foundation—I am not really in the forefront, but the managing director was my secretary. All three of our organizations—they were all raided. All these organizations, in their opinion, are clandestine and anti-government. But we are working for the people, for justice, truth, and nonviolence. We have them all over the country now. In the north, there is a kind of networking—in the northeast, in the south. That is why this time, unlike October 1976, the demonstrations took place all

over the country, not just in Bangkok, because the NGOs are involved everywhere.

The NGOs have been respected very much. In '73, '76, they were labeled communists. Now, even this government, in the last elections, asked the NGOs to supervise the elections. These NGOs have now become the pro-democracy movement. Nobody trusts the government; they trust the NGOs, partly because they have no power, and partly because they are known for honesty, and that is why the NGOs now command respect. In fact, you see, before Suchinda resigned, the NGOs came out together and set up a commit-

"We stopped many dams. We stopped cable cars. We stopped high-rise buildings. That is a good sign. Now the monks say: Let's go back to our buffaloes, go back to our growing with joy, the whole community. Economic growth is a great danger to our people."

tee of seven to oversee all the demonstrations. All these seven were ordered to be arrested. And later on there was a declaration of 17 more dangerous persons, and they are not allowed to leave the country, and they are all my friends, you see.

The people who played a very important role in the demonstrations are not known. We like a well-known person to be known. These seven people are very well-known people; we want them to be known, but those who are really working—my young people—one is a Buddhist monk, you see, and they keep on moving from one office to another. They raid our office, but by that time, we have moved to another. At least our people are very well informed. We can get much more information than the foreign journalists. And we do thorough research. These are the young people we know. Some may say I trained them, but I didn't train them. We work with them. It is good that I have been away for seven months—they do not need a guru or anybody.

Rejection of economic development: This pace of development—to the *Wall Street Journal*, we are the big dragon—Taiwan, Korea, Singapore, Hong Kong, and we are the fifth. I, of course, was a very outspoken critic of this. I said that development means human development, means spiritual, cultural development. Then economic or technology goes, but we must limit our greed. We are very greedy; we have destroyed all our forests and now we have to go into Burma to destroy the environment in Cambodia and Laos. We fish

from the Gulf of Siam and we pollute our Gulf of Siam. We fish in the Gulf of Burma and Vietnam.

The World Bank was meeting in Bangkok in October. Everywhere the people demonstrated against the building of the dam to show the bank that we don't want that dam. Only the rich people want the dam. And again, the monks have come out for the people. We stopped many dams. We stopped cable cars. We stopped high-rise buildings. So that is a good sign.

The noble savage: The poor must feel that they are important, whereas the present norm makes them feel hopeless, makes them feel stupid, foolish. So the Buddhists are now working with the poor to make them feel that they are important, and they can be self-reliant. They can grow for their own consumption, whereas the government tells them to grow for sale. The more they grow for sale, the more they are indebted, the more they have to import chemical fertilizers, they have to use mechanical stuff. Now the monks say: Let's go back to our buffaloes, go back to our growing with joy, the whole community.

In reality, the farmers have been brainwashed to believe the government, and they have seen that in the last 30 years, the more they follow the government line, the more they are in debt, the more their land has been destroyed by chemical stuff, and the more their environment has been destroyed. The only thing they have to do is to limit their greed. That means they shouldn't watch television, or if they watch television, they have to be mindful not to want what they don't really need.

So I think this is working. We are still blessed in our country with rainfall, with easy growing, and if we grow just for our own food and our own stuff, I think we can survive very nicely.

Economic growth is a great danger to our people.

Against the king: The people are not happy with the king.

My proposal was that the monarchy must curb its greed. The monarchy must not get involved with economic development. I feel that all the top institutions must limit their greed. The monarchy is now having one bang, the commercial bang which has now gone into Cambodia. We have the Siam company, a crown property. This has spoiled the monarchy in the long run. I said, "In the long run, this is not good," and the king was not happy with my remarks. I think we must preserve the monarchy, but it is better for the king to be poor.

Against Plato: My lectures in Chicago and at Harvard made very clear that there are two lines of thought, fundamentally. One is the worship of power; it goes right back to Confucianism, that the emperor has the mandate of Heaven; and right back to Platonic thought, of the philosopher king,

in the West; it goes back to Hobbes and so on, that power is justified; and back to the Hindu concept, of the *deva raja*, the divine ruler. Whatever they have the "right" to do, they do it. That is not only Tiananmen Square, but also Ne Win, and of course the Thai also follow that line. The Thai have been influenced more by the Hindu concept, and, of course, later on, by the western colonial concept.

The Thai elites never understood the West properly. They only brought the prevailing norm, which is the worship of power, which is strongly advocated by Plato; the worship of money and greed, strongly advocated by Adam Smith; or the alternative, a few who joined the Marxists, which is another kind of power, full of hatred, destruction. But the beauty of the West; you have the real primitive Christianity, going right back to Christ, to Francis of Assisi, to the Menonites, the Quakers—you even have this in the Roman Church, like Thomas Merton.

Against the Buddhist Sangha: The whole Buddhist concept has been, unfortunately, a compromise all along. The Thai hierarchy has been compromising with feudalism. The Sangha right now is quite feudalistic. But that is alienated from the teaching of the Buddha. We are the only country in the world left with a monarchy. The Sangha has been clinging to feudalism, and now they have now come into confrontation with consumerism and capitalism, and they have joined it!

But luckily, in my country, the Sangha at the grass roots is implementing the fundamental teaching inspired by Buddhadasa. So in these recent years, people at the grass roots take no notice of the hierarchy. I can't give the numbers, but in almost every province we have these people, this movement. I happen to be involved with these groups. They are active in alternative development, in looking after the environment. The norm of development is to get the rich richer, and the poor poorer, with the destruction of the environment. But the monks want human development first.

Destroy the Army: Looking at it positively, if the Thai democracy movement is clever, they will start working in the Army, divide the sheep from the goats, start working with some elements of the Army, and in the long run destroy the Army—if they are clever. But I am afraid that they are not clever. There are some people in the Army who are open to this.

Where does the Air Force stand? The Air Force is now playing a crucial role, but, unfortunately, the people also lump the Army and the Air Force all together. They don't divide the goats from the sheep, and the people have to pay the price for this. This is what I try to tell the people at home.

The Thai military is fascist: In 1939 [when the Japanese occupied Thailand], the military backed the wrong horse.

Thailand imitated Hitler and Deutschland. The Deutsch were the Aryans, the superior race. And like the Deutsch, they said that the Chinese were the enemy of the Thais. We must hate the Chinese even though they were our fathers, and grandfathers. You see, as I said, they were with Hitler and Japan, and they were defeated in the Second World War. But all this is never acknowledged.

On Suchinda: The pact in 1957 was that the Army and the civilians would share the spoils, but that the Army would remain behind the scenes. But in the last three or four years, the politician end became out of control. The politicians felt that the time of the coup d'état was over, so they became more corrupted and did not share with the Army people. So they became very angry. They kicked the politicians out in 1991, and claimed that they wanted to put the house right, that they wanted a clean, honest government—this was Suchinda. So people did not mind that the coup came.

But I gave a press interview at home and said that yes, people would not mind to begin with, but after three months, people would start minding. And it was true enough. So after three months I gave a speech at Thammasat University denouncing Suchinda—that the coup was wrong, that he did it for selfish reasons, that our country would suffer. He said that he wanted to save the monarchy. It is not true. He is not a monarchist; he is a Suchindaist. He says he wants to serve Buddhism. I said, this is not true. He is not a Buddhist. Buddhism believes in nonviolence. It preaches against greed; this man is greedy. It preaches against hate; this man is very hateful. Buddhism says to be careful about illusion; this man is an illusionist, because he is very selfish and egocentric. Of course, he was very angry. If he had ignored my speech, no one would have taken me seriously. But he made an arrest warrant against me, and that's why I had to leave the country. So my speech became like a bible again, you see. I have become a hero again.

The only mistake that Suchinda made is that he wanted to come out into the forefront. The Army is very good at remaining behind the scenes and getting all the benefits. When you go to prostitutes, of all the dollars you pay there, some of it goes to the military man. The same with drug traffic or child labor. That's why these problems are not solved, because the Army is a major beneficiary of the problems.

On Chamlong: There is one guy that I am at a bit of a loss to account for: what he is trying to do, the way he looks at things. And that is this fellow Chamlong. He seems to be well motivated. He is a contradiction in himself. He tries to be very honest, but he still has a dictatorial approach. He has been educated by the military, so that they think the civilians are too liberal, they talk too much. At first he was very popular, but many were alienated by him. At this point, we must regard him as a fellow traveler, until he changes.

Sulak's U.S. support apparatus

From the United States, the entire array of non-governmental organizations founded by Sulak Sivaraksa and his followers receives logistical and conceptual support from a handful of "human rights" organizations. Among those organizations directly aiding Sulak's ventures are:

- **Freedom House**, New York City. Chairman of the executive committee is Leo Cherne, a member of President Reagan's Foreign Intelligence Advisory Board and an advisory board member of the Center for Strategic and International Studies at Georgetown University. Another key individual in Freedom House was Carl Gershman, now executive director of the National Endowment for Democracy. Freedom House overlaps with the Jay Lovestoneite International Department of the AFL-CIO. Sulak was a featured speaker at Freedom House in May to a room full of reporters and representatives of foundations.

- **Democracy in Asia**, Washington, D.C. Its head, Michele Bohana (see interview below), has been squiring Sulak around most recently; Sulak is reportedly on the organization's board. Also on the board is Elsie Walker Bush, who maintains regular political contact with her cousin, President George Bush, according to Bohana.

- **Amnesty International**. The U.S. branch of the organization is running support operations for Sulak and company, and claims opposition leader Gen. Chamlong Srimuang as "definitely democracy movement." Amnesty was founded in 1961 and was exposed by its nominal founder as an offspring of British intelligence.

- **Asia Watch**. One of a number of "Watches," it maintains close links with Freedom House. One of its operatives in Southeast Asia, Therese Caouette, is in constant touch with Sulak (see interview). Among other actions, Asia Watch is demanding that the United States "actively lobby at the World Bank for a suspension of multilateral loans to Thailand," according to a May 21 release.

- **Asia Resources Center**. Working with a left cover, the center has close links with the National Council of Churches, and organized a pro-Sulak demonstration at the Thai embassy May 23.

- **Lawyers Committee for Human Rights**. Funded by many of the country's most prestigious law firms, the committee is currently working on a project to prove that the amnesty granted by King Bhumipol of Thailand to former Prime Minister Suchinda is against international law. The

committee works closely with the Union of Civil Liberties in Bangkok, one of the key NGOs in organizing the "democracy movement." The Union of Civil Liberties also gets direct funding from the Ford Foundation.

From outside Thailand, these organizations direct the NGOs. As one source explained, "In the last months, the NGOs have been particularly crucial in ensuring protection for the students, and providing support and that kind of thing, against reprisals. In making declarations, in formulating principles, etc., so that this didn't just become another discontented student uprising kind of thing. NGOs played the role of ensuring in the public's mind what the struggle was about."

Among the NGOs in Thailand receiving direct support from these organizations are: Asian Cultural Forum on Development, Union of Civil Liberties, Coalition for Peace and Development, Project for Ecological Recovery, People's Plan for the 21st Century, Democratic Doctors, Democracy Heroes' Fund, the Coordinating Group for Religion and Society, the National Institute of Development Administration, the Campaign for Popular Democracy, the Foundation for Children, the Duang Pratheep Foundation, and the Law Society.

Documentation

The following are excerpts from interviews made available to EIR:

Michele Bohana, director, Democracy in Asia

I think half the battle is won, but the other half is trying to firmly root democracy in the political process, when so much of the military is part of the picture, when Suchinda is head of the military. . . . He's not the entire military. The infrastructure of the military in Thailand is all-pervasive. . . . They have got to disengage the military from the political process if this is going to last more than a month. Otherwise we're going to be right back to square one. That's my feeling. . . . So the students are saying two things: Don't give amnesty to Suchinda and the military thugs, and two, get the military out of our process, and those are two very just things that they are asking for. I'm all for holding these murderers accountable according to somebody's international standards. It's like Idi Amin leaving Uganda and going to Saudi Arabia, living in glory. I don't buy that. You don't necessarily hang them, but if we took the Nuremberg Tribunal as one step, that might be a good idea, everyone seems to agree with that. Hold them accountable. What other deterrent is there?

**Therese Caouette,
Asia Watch**

I just talked to Geneva right now: We are now trying to push for the International Committee of the Red Cross to have access to the jails and to the people who are still being detained there and to be able to investigate more specifically what the conditions of the releases are, if the charges are still there. What we are trying to push for in Thailand is that there be allowed to be set up some sort of accountability for those who are missing or lost. In the paper today, in the faxes I received from Thailand today, they said there are several groups that are setting up such an office. Now we just have to watch and see that they are not threatened or harassed, because when they did that two days ago, they were forced to close by the military.

[I was there] 10 years. And actually I just returned on Saturday [May 16]. I was there all during the prelude to this. I saw it building up. We all knew it was coming. There were supposed to be demonstrations and they were called off a week ago, because Chamlong ended his fast, hoping they could negotiate. . . . So we knew that on Sunday there would be demonstrations. When I left on Saturday, by Friday, they had 8,000 military troops already brought into the city. So it was already quite tense. People were quite clear about what would happen next. I think the point is that we encouraged the negotiations, but to say that the question is not quite so simple as just changing the Constitution, we have to take it a bit further. . . .

Our Washington, D.C. office has been doing some research into the arms trade with the U.S. and Thailand. Officially they are not to be trading at all since the military coup. However, there is a loophole where they have been able to if Thailand actually purchases weapons themselves, then it is not actually government assistance. . . .

You really need to look at the corruption of the military and how that is tied into the political system. Mostly because I worked with refugees along the borders, you can see both in heroin trading and also in logging teakwood from the borders, the military is in very, very tight control of the economy and sort of the black market trade. It really needs to be exposed and to encourage a government that's a bit more accountable to the people. I just signed a contract with those who are organizing the demonstration, actually, that they would come here and help work on it back and forth, and we would try to do one this summer, because there has been a lot of very subtle intimidation and people missing in Thailand since the coup and others who have been forced to leave the country.

There is one Professor Sulak, have you ever heard of him? He was exiled for speaking out against the military and especially for their deals with the Burmese military. And he has been in exile since October. He's a very, very wise and respected Thai. . . . I have run into him everywhere. . . .

The royal family is really very, very weak. They're just a showpiece, really. They are very weak. I often wonder, like at this time, what they really have over them. What keeps them so unable to act? I don't really know about this, but they are really cornered. They very rarely do anything. They are very slow to act.

**Clarence Dias, International Center
for Law in Development, U.N.**

Chamlong is not the leader of this movement; or at least he wasn't until three to four weeks ago, because of the fast. See, several people went on fast; some broke the fast. Chamlong was the one person who went through almost to death's door. It was at this point that the movement coopted him as their leader; it was not the other way around. . . .

It is all interrelated in a uniquely holistic kind of way. The democracy movement is the name being given now, because that is a priority, but it is linked with maintaining the cultural life-styles; namely a society not completely over-run by the mad rush to industrialize; to urbanize; a very strong environmental movement. There isn't a very strong anti-poverty movement, because there isn't the kind of poverty you find in other Asian countries in Thailand. It is a movement to prevent poverty from coming as a result of this rapid industrialization; this property development; the Japanese development investments in Thailand.

These things are interrelated. And interestingly enough in the male-dominated society, there is also a strong women's movement.

In Thailand, this is not separate. The people in the human rights movement are the people in the democracy movement, the environment movement, the women's movement—they are the same people. And often the same organizations. You have a meeting on prostitution in Thailand, and you have some of the leading environmental groups being at the forefront of that meeting. There has been a whole kind of social revolution that has been democratic, participatory, human rights sensitive, gender-sensitive, going on. The democracy movement is getting more visibility right now, because that's the immediate struggle.

The environmental movement showed its strength by having won so many battles. They won the imposition of the logging ban all over Thailand; of course the people making money off it then went and began logging in Burma and other places, but still they won that. They won against the construction of a very environmentally damaging dam. The Pak Moon dam project was blocked. They won in the World Bank governors' meeting the blocking of another environmentally damaging dam. . . .

But still you see the environmental movement had made significant gains. The women's movement has made a lot of gains in terms of working mothers' rights, and the whole AIDS issue.

Thailand faces major capital flight by London banks

by Kathy Wolfe

Thailand may face a purely politically motivated Ibero-American-style bankruptcy, begun by flight capital, such as that which London and New York banks used against Argentina and Mexico after Great Britain's April 1982 Malvinas War against Argentina, a British government official told *EIR* on June 1.

"It's impossible to rule out completely major capital flight" by foreign banks and local Anglo-Chinese drug money, despite Thailand's "economic and financial health," said the source, who spoke on condition of anonymity. It is likely that all the media are now receiving this as the word from London.

In Bangkok, financiers close to London and the Anglo-Chinese Hong Kong market have already begun to feed a panic. "It's a nightmare," Dr. Nimit Nontapantawat, chief economist of Bangkok Bank, told British wire services May 29. The Chinese Sophonpanich family which owns the bank is heavily invested in Hong Kong.

"Plunging tourist revenue and investment in the wake of the bloodshed in Bangkok" could produce Thailand's first foreign deficit since 1984, Nimit said, "as foreign direct and equity investment dries up." Nimit said that foreign capital flight had already hit the Thai stock market, 10% owned by foreign investors.

Ten years ago, the same pattern of outside political manipulation wrecked the economies of Ibero-America. In 1982, Mexico was a major oil producer, Argentina a leading food producer, and great infrastructure development projects were being built in these countries, Brazil, and elsewhere on the continent. Suddenly, Argentina's military action to regain the Malvinas Islands from Britain, which Britain holds as the "Falklands," became the excuse for financial war on the continent.

Ibero-American foreign reserves in London and New York were frozen, billion-dollar bank loans were suddenly called in, and Argentina, Mexico, and Brazil were pushed to the edge of bankruptcy by the International Monetary Fund (IMF).

Today, a long-term national industrial development plan by the Thai crown and military, backed by \$8 billion in productive plant put in by Japanese industry, has made Thailand one of the only growing economies in the world. Openly admitting that there is no economic reason for flight capital out of Thailand, the British banks are promoting it, as a political attack.

Care and feeding of a panic

The British official we spoke with admitted that there is no economic reason to expect a panic. "Yes, the Thai economy is famously resilient in these situations," he said. "It has survived 17 military coups since 1932. And Thailand's industrial economy has been growing fast, fueled by investment from Japan." Thailand, he admitted, is a magnet for foreign investment.

"But I would *not* say that everything is fine," he continued. "Now we're seeing the friction which has been caused by Thailand's spectacular excess growth in the last 10 years, and all the political blow-backs which arise. . . . One cannot say that if hundreds are shot by the military, and almost 1,000 reported missing, which is what we have now, and that if it continues this way, then foreign businessmen will continue to put all that money in Thailand. They might start to take it out."

More candid market-watchers in New York, asked to estimate the capital flight described by Dr. Nimit of the Bangkok Bank, said they had seen none. "After the demonstrations began," one New York bank economist admitted to *EIR* on May 29, "we did *not* see large capital outflows, period. Foreign exchange reserves at the end of March were very high, the equivalent of six months of imports, almost \$15-16 billion.

"The proof is that nothing has happened to the Thai currency, the baht," he said. Flight capital occurs when investors dump a domestic currency to buy dollars to ship abroad, causing the local currency to drop sharply.

The British official, however, dismissed this reasoning. "At the moment, it's too early to say whether there really was no capital flight—and if there will be a lot more," he said. "I'm *not* sanguine, it remains to be seen. First of all, the baht foreign exchange rate tells you nothing. Because it is a fixed currency, the baht is *not* going to respond to capital flight like a free-floating currency. The Thai central bank may have paid out dollars to keep the baht steady. Thailand could be bleeding reserves and we'd not know yet. The stock exchange has been very, very jittery."

Rumors and horror stories

The British news agency Reuters, however, has been issuing alarming wires, warning foreign investors to get out,

and playing up the statements of Dr. Nimit about a looming balance of payments deficit. According to a wire on May 29: "The Bank of Thailand said Thailand posted a balance of payments deficit of 700 million baht (\$27.45 million) in April, its first monthly deficit in 17 months.

"Finance Ministry sources said the figure for May would be far worse as a result of the Bangkok bloodshed caused when troops opened fire on unarmed Thais protesting the appointment of a non-elected military premier.

"Chalongphob Sussangkarn, of the private think tank, Thailand Development Research Institute (TDRI), said Thailand's easing of foreign exchange controls since 1990 had made it difficult for it to stem private capital outflows. 'I've just heard horror stories of some recently completed hotels now operating at 10% occupancy,' he said. 'Most new luxury condominiums are desperate to find buyers.'

"Chalongphob said the next several weeks would be crucial. Any coup or further anti-military protests could turn the present steady capital outflow into a torrent."

Reached for comment, Citibank's chief Asia economist in New York, obviously not "in the loop," responded: "Bull, bull, bull! We haven't seen any indications of real capital flight. Sure, the Bangkok stock market *did* get killed; it fell almost 100 points to 689 on May 29. But the stock market was overinflated anyway.

"The Thai currency is closely managed by the central bank. The fact that the baht is managed, and not in some free float, means people will trust the currency, so investors are *less* likely to dump baht. Are foreign corporations getting out? No! U.S. and Japanese companies in Thailand are in for the long haul. Thailand has had numerous opportunities to go off the rails, and somehow it never has. I just don't see it."

Stopping the 'Japan model'

London has a strong resentment against Thailand's nationalist military and the Thai crown, who have kept Thailand from becoming a British colony for 200 years. King Rama V sponsored creation of Thailand's first bank in 1906, and Rama VI founded huge industrial firms to build up the country, such as Siam Cement, National Petrochemical Corp., Thai Oil, and Siam Pulp and Paper, all of which are still managed today by the Crown Property Bureau.

Today Siam Cement, for example, is Southeast Asia's largest producer of construction materials, and is a force for the industrialization of the entire region. It has also opened up plants to produce petrochemicals, automobile engines, tires, glass, and other industrial goods in joint ventures with Japanese companies. London financial analysts and environmentalists often complain that Siam Cement continues to build new plants every year, and is implementing a three-year plan to build \$1.3 billion more in new plants by 1993, to expand production in all its industries by 30% to 100%.

British free market dogmatists are also furious at Japan's

success in exporting the "Japanese model" of dirigist industrial development to Southeast Asia, a model happily adopted by the Thai crown, which has invited the Japanese in for dozens of joint ventures.

"If you think the Soviet empire in Europe is collapsing, wait until you see what happens to the American empire in the Pacific," University of California Prof. Chalmers Johnson said in a Washington speech last year. Johnson is the top "Japanologist" at the New York Council on Foreign Relations, the American arm of Britain's Royal Institute of International Affairs.

"Americans, British, French all make a lot of noise. But the Japanese are the real power in Asia," complained K.C. Kwok, economist at Britain's Hongkong and Shanghai Bank in Hong Kong, in an interview last year.

Japan's cumulative financial flows to Asia are nearing \$100 billion, between \$8-10 billion of which has gone to Thailand. Japan's first investments in Thailand and Asia were to secure supplies of raw materials. Since 1985, however, the Japanese have begun a major buildup of industrial plant and equipment in Thailand, South Korea, Taiwan, Indonesia, and Malaysia. At first this relocation admittedly took advantage of cheap Asian wages, which are often 10% of wages in Japan.

Today, however, Japanese economists say that per capita incomes in Asia have risen to the point that the new Japanese investment is going into higher-wage high technology industries, for sales to the local population. "Up to now, most Japanese investments in Asia were relocation of plants to produce for export [to the United States and Europe], but that's over now," says Kayoko Kitamura at the Tokyo Institute for Developing Economies. "The ASEAN market is growing rapidly and now Japanese investment will be for the local markets."

More than half of Japanese auto production in Thailand is now bought by the Thai public itself, as Thai living standards have dramatically improved. Sales of cars and trucks in Thailand have tripped from 100,000 a year in 1987 to over 300,000 a year. Japan's Ministry of International Trade and Industry estimates that in Thailand, 300,000 workers or 15% of the work force will be employed by Japanese firms by the end of 1992.

The Anglo-Americans are also worried that if Japan succeeds in creating this new Asian market, Japan will be less dependent on the United States and less manipulable on the world stage by London and Washington. Japan has been importing more from Asia than from the United States since 1989, when Japan imported \$88 billion from Asia. Japan now takes more than 25% of ASEAN's exports, according to Nomura Research Institute in Tokyo. Japanese companies surveyed by the Japan Export Import Bank recently said that from 1991 to 1993, Asia will be the location for 44% of their new investment projects, with only 19% of Japanese foreign investment going to the United States.

Drug lobby kicks off new drive for decriminalization

by Kathleen Klenetsky

The Los Angeles riots have provided the pretext for a renewed drive to legalize drugs. Advocates of decriminalization have seized upon the violence there as "proof" that illegal narcotics such as heroin, cocaine, and marijuana should be decriminalized, arguing that this will remove the financial basis—drug trafficking—of the inner-city gangs.

The riots are "an opportunity for us" to push drug legalization, according to Kevin Zeese, vice president and counsel for the Washington, D.C.-based Drug Policy Foundation, the principal propaganda outfit for the advocates of drug legalization. "Clearly, if you legalize drugs, the gangs no longer have a funding base."

A flurry of articles calling for drug legalization has cropped up in the U.S. media since the riots, and a spate of books advocating decriminalization is scheduled to appear over the coming months. Worse, drug decriminalization is being enacted through the back-door, via the proliferation of "clean needle" programs which major U.S. cities have implemented in the false hope that it will contain the AIDS epidemic raging among intravenous drug-users.

Spreading the drug plague

The drug decriminalization campaign now under way further confirms *EIR's* analysis that the Los Angeles riots were deliberately instigated by the highest levels of the Eastern Establishment, specifically circles associated with the Trilateral Commission, for the purpose of ramming through a host of policies that otherwise would be unacceptable, or at least unpopular, to many U.S. citizens. These policies range from the Trilateral takeover of the Los Angeles Police Department, under the guise of "reform," to drug legalization, and the creation of virtual slave-labor camps in the inner cities.

Several of the recent media commentaries promoting drug decriminalization, including one by Jonathan Marshall

that appeared in the May 17 *Washington Post*, have zeroed in on the Los Angeles Police Department's aggressive enforcement of anti-drug laws, claiming this contributed to setting off the riots.

One of the key figures behind the legalization drive, Richard Dennis, has long-standing and intimate links to Stanley Sheinbaum, a leading advocate of Los Angeles police "reform." Sheinbaum is a close associate of Trilateral Commission member Warren Christopher, who headed the Christopher Commission which was set up by Los Angeles Mayor and Trilateral Commission member Tom Bradley to investigate the Los Angeles police in the wake of the police beating of Rodney King.

Christopher was instrumental in getting his crony Sheinbaum appointed to the top slot in the Los Angeles Police Commission soon thereafter. Sheinbaum has long hobnobbed with some of the most outspoken advocates of drug legalization, Dennis among them.

In a recent discussion, Dennis asserted: "It would be the rational thing" if the riots led to legalization. "People talk about empowering inner-city residents. But you first have to remove the criminal element, and the way you do that is by removing their financial base, the drug trade, through legalization."

Dennis gloated that there will soon be a "spate of books arguing for drug decrim," including one he has just written with the working title of *Let's Legalize Drugs*.

He further predicted that drugs would be legalized in Ibero-America "within the scope of a few years"—a prime objective of the high-level financial interests behind the drug trade, including many of the most important international banks which favor drug legalization, since it would give debtor governments in Ibero-America a new source of funds with which to pay their massive debts.

Dennis traveled to Mexico City in mid-May to attend a

conference sponsored by the Cato Institute, a libertarian think-tank based in Washington, which focused on drug legalization. Ted Galen, Cato's foreign policy director, told UPI that programs aimed at eradicating drug crops in Peru, Bolivia, and Colombia could badly harm their economies, since these countries are so heavily dependent on cocaine, marijuana, and heroin poppy production. Milton Friedman, who has long advocated drug legalization, also attended the conference, and was quoted extensively in the Mexican media promoting legalization.

Drug legalization and Trilateral fascism

Dennis isn't just any wild-eyed fanatic. A wealthy, Chicago-based commodities broker, Dennis not only provides major funding to the the Drug Policy Foundation, but he also boasts that he is the second-biggest contributor to the Democratic National Committee, and is backing Arkansas Gov. Bill Clinton's candidacy for President. (Dennis lamented that the drug scandals surrounding Clinton's candidacy have made it impossible for him to raise the drug issue, but opined that Clinton would, if elected President, look upon drug legalization sympathetically.)

Dennis also edits *New Perspectives Quarterly*, the magazine of Robert Hutchins's Center for the Study of Democratic Institutions. Sheinbaum is the magazine's publisher, and its board includes Mickey Kantor, the lawyer for the Hollywood mob who currently serves as Clinton's presidential campaign manager.

Dennis exemplifies the "right-left" convergence on what is appropriately labeled "Trilateral fascism," a program whose elements include not only drug legalization, but also massive austerity and the emasculation of constituency-based politics.

A longtime associate of the libertarian Reason Foundation and author of several articles for *Reason* magazine, including at least one advocating drug legalization, Dennis describes himself as a "pragmatic libertarian," and advocates what he calls the "empowerment, not subsidy" approach to the plight of the inner cities. This includes drug legalization, privatization of social services, school vouchers, and "workfare not welfare," i.e., a program that would "do away with welfare, and make the government the employer of last resort"—at low wages.

AIDS as a tool

One of the cynical ploys the drug legalization lobby has seized upon to further its agenda is the AIDS crisis. In a recent conversation, Kevin Zeese of the Drug Policy Foundation said that AIDS has crowded out drug abuse as a leading priority for big-city mayors, and that as a result, many key cities have implemented, or are moving to implement, so-called "needle exchange" programs for drug addicts, ostensibly to deter the spread of AIDS.

"City leaders all across the country are recognizing that AIDS is a much greater threat than drugs, and are reordering

their priorities accordingly," said Zeese, adding that this development, coupled with legislation to authorize the medical use of marijuana and heroin, shows that there is a "lot of progress" being made toward the goal of total legalization, at least on the state level.

Clean needle programs, especially, represent an important back-door means of decriminalizing drugs, Zeese said, since they legitimize government involvement in drug distribution, and also often require eliminating or modifying existing drug-control laws.

Zeese reported that the American Foundation for AIDS Research (AMFAR), led by Hollywood mafia madame Mathilde Krim, who spearheaded the campaign against two anti-AIDS ballot proposals advocated by associates of Democratic presidential candidate Lyndon LaRouche in California, announced a nationwide campaign for needle exchange and condom distribution programs in May. Since then, New York City and Washington, D.C. have initiated such programs. In the case of New York, the decision represented a 180-degree turn-about from two years ago when Mayor David Dinkins halted a needle exchange program because of public opposition. According to sources, Dinkins's change of heart largely resulted from AMFAR's intervention.

As part of its new campaign, AMFAR has given the Drug Policy Foundation a grant to run a clean-needle project in Chicago's North Side, according to Zeese.

New York and Washington have joined a growing number of U.S. metropolises which have implemented programs to hand out needles to drug addicts. According to the May 25 *Time* magazine, Rhode Island, New Hampshire, and Connecticut will soon take "the even more dramatic step of decriminalizing the possession of hypodermics."

Further, the magazine reported, "movements are under way in New Jersey, California, and Massachusetts to remove legal barriers and begin officially sanctioned needle programs." In Congress, Rep. Charles Rangel (D-N.Y.), who previously led opposition to needle programs, has asked the General Accounting Office to reevaluate such programs.

The war on drugs fraud

What makes it possible that the drug lobby will succeed in making dangerous drugs legally available in the not-too-distant future, is the utter failure of the Bush administration's vaunted "war on drugs." By focusing almost solely on low-level dealers, while leaving untouched the international bankers and others who reap the profits from the drug trade, and treating favorably the narco-traffickers in Ibero-America, the Bush administration has set the stage for drug legalization.

As Zeese put it, "Americans are growing very weary of the Reagan-Bush war on drugs. It's not working. The latest figures show that hard-core drug usage is up. The population just isn't aware that the alternative is decriminalization."

The drug legalization lobby is doing everything within its power to make that "alternative" known, and is pushing for a moratorium on anti-drug law enforcement.

LaRouche vote shows growing support

With the final major round of presidential primaries completed June 2, substantial vote totals for Democratic contender Lyndon LaRouche in selected precincts and districts from coast to coast demonstrate the depth of LaRouche's growing political support, in the midst of an otherwise dismal political landscape.

The majority of voters, faced with increasingly desperate economic circumstances and no solutions presented by the "front-running" candidates, once again stayed home or voted "uncommitted."

LaRouche is a political prisoner of the Bush administration, and has been subjected to a virtual press blackout. He received 2% of the vote in New Jersey and Ohio; 1% in Alabama, California, and New Mexico. But in two counties near Cleveland, Ohio with large eastern European-American populations, LaRouche received 26% and 16.6%, and boroughs in rural Ohio gave LaRouche 7-10% of the Democratic vote. Altogether in the primaries this year, LaRouche has officially polled over 130,000 votes, his largest counted vote since 1980, and the June 2 vote continued the upward trend of recent primaries in Pennsylvania, Idaho, and Arkansas.

In Alabama, where LaRouche's official vote was 3.3-4.3% in areas in and around Tuskegee, the candidate received the endorsement of the *Birmingham World*, the oldest black newspaper in the state. The editorial was titled, "Lyndon LaRouche, Jr., an Alternative That Merits Serious Consideration." Citing LaRouche's principled opposition to the death penalty, it stated:

"When elected officials are seen pulling the lever executing someone, what message does this send to our younger, already confused generation?"

"Second, LaRouche has a real recovery program. He is the only candidate who proposes to hire tens of millions of our unemployed and underemployed citizens in productive, high-paying, skilled jobs, building roads, schools, hospitals, and industries we desperately need. . . . [T]his kind of program, . . . modeled on those recovery programs that rescued our nation from past depressions, will restore hope for the future."

In other elections, candidates associated with LaRouche gained significant vote totals. California State Assembly candidate Alice Robb won her bid for the Democratic Party nomination, with 60% of the vote. Andrea Ingraham, running for State Assembly in California's 15th District, received 40% of the vote. Don Tirey received 30% of the vote in the 22nd district (San Jose). Monterey businessman Art

Dunn polled 14% of the vote in his congressional campaign against Leon Panetta. In New Jersey, Mary Frueholz polled 40% in her bid for Congress in the 11th district, while the *Bergen Record* headlined its coverage, "LaRouche Disciple Defeated."

Televised broadcast

On May 30, Democrats for Economic Recovery/LaRouche in '92 aired its third half-hour television broadcast of the primary campaign season, this on May 30 on the CBS television network. The program explained how and why LaRouche was jailed. As the announcer explained, "Lyndon LaRouche is a political prisoner. He committed no crime; he is in jail because his ideas represent a political danger. Evidence already placed before the courts—including government documents, and the testimony of government agents—proves conclusively that LaRouche is innocent. The government has admitted that it holds tens of thousands of additional, unreleased documents from its secret war against LaRouche. George Bush has been repeatedly asked to release those files which would show LaRouche's innocence, but has refused."

The show outlined the policies that made LaRouche the enemy of Bush and Kissinger. LaRouche explained how in 1982 he submitted reports to various governments around the world, including that of the United States, recommending immediate action to prevent the looming debt crisis from triggering a collapse in the solvency of the U.S. banking system. But instead of listening to LaRouche's advice, the Reagan administration brought in Henry Kissinger and adopted his policies. It was then that the "Get LaRouche" task force went into high gear. In memos to the FBI, Kissinger demanded action against LaRouche. The Soviet government and the Anti-Defamation League (ADL) were also shown to be part of this worldwide campaign of slander and dirty tricks against LaRouche.

One Democratic Party activist's response to the show was: "You would need one show like that a week to change the opinion of LaRouche, but I think that would do it."

The June 2 election results highlight the observation made by the candidate himself a week before, that had he the resources, he would be pulling an across-the-board 15% in the primaries. Exit polls show that the majority of voters from both parties would vote against both George Bush and Bill Clinton.

"Bush is in deep trouble," said LaRouche on May 29. "There's an increasing perception, and well-founded, that Bush is not capable of carrying this, he is not capable even emotionally of coping with the reality of what's hitting the United States now. The Ross Perot phenomenon . . . obviously is a tactic by part of the people behind the intelligence establishment to throw a monkey-wrench into the campaign, in the event that Democrats are dumb enough to stick with Clinton. . . . This throws the game open. So, I think we're dealing with an open game."

Secret Pentagon unit was involved in 1986 raid against LaRouche

by Edward Spannaus

Investigators are currently probing the role of the U.S. Defense Department's (DOD) "Special Operations" command, which specializes in covert operations and counter-terrorism, in the 1986 government raid against facilities in Leesburg, Virginia associated with Lyndon LaRouche. The Special Operations unit has also been linked to the Iran-Contra operation run by Oliver North and Richard Secord.

The disclosure of military involvement in a domestic criminal case further shows the flagrant illegality of the government's conduct in the LaRouche case. By law, the military units involved cannot be engaged in domestic law enforcement or domestic covert operations.

The Pentagon's involvement in the Oct. 6-7, 1986 raid was disclosed in a partially declassified set of documents recently obtained from the FBI under the Freedom of Information Act. The correspondence between the FBI and the Joint Chiefs of Staff (JCS) concerned an FBI request for declassification of information pertaining to the initial storage of records seized in the 1986 raid.

Two truckloads of documents were seized during the Leesburg raid, in which well over 400 federal agents, state police officers, and others took part. At the same time as the search warrants were executed, indictments were issued in Boston against 12 individuals and five organizations, including LaRouche's 1984 presidential campaign committee.

The defendants in the ensuing criminal proceedings were initially told that the documents had been taken to Quantico, Virginia, where the FBI has a training academy alongside a U.S. Marine Corps base. However, in the spring of 1988, during the trial in Boston, prosecutors disclosed that the seized records had actually been stored in Henderson Hall, a Marine Corps building adjacent to Fort Meyer in Arlington, Virginia. The newly disclosed documents show part of the process in the declassification of information regarding Henderson Hall.

First is an FBI message dated March 31, 1988. The message cites a telephone call "to LTC. [deleted], JSOC," and enclosed a letter with instructions to "Hand carry to JSOC for their formal declassification."

("JSOC" is the Joint Special Operations Command, the military's unified command for counterterrorism and covert operations. JSOC was created in December 1980 to coordinate the counterterrorist activities of the various services,

particularly the Army's Delta Force and the Navy commando unit Seal Team 6. JSOC was based at Fort Bragg, North Carolina until late 1987.)

JSOC is in a domestic investigation

The reader might wonder at this point: What does something like JSOC have to do with an allegedly domestic law enforcement investigation? Read on.

The referenced FBI letter, stamped "Secret," was addressed to Col. David K. Sims, Chief, Support Activities Branch, J-3 Special Operations Division, Office of JCS, Room 2C840 Pentagon, Washington, D.C.

The FBI letter begins by stating: "A request for DOD assistance was made by the FBI in support of a criminal investigation [deleted 'sensitive information']."

The deleted portion is officially withheld as information "concerning military plans, weapons, or operations . . . and intelligence activities, (including special activities) or intelligence sources or methods, the release of which would damage national security."

The FBI letter requests declassification of the "request of DOD for a secure location" and that the location was "Henderson Hall." The letter continues:

"Initial contact with LTC. [deleted] indicated no problem was foreseen on the declassification of those two items as long as [deleted 'sensitive information'] and points of contact are not divulged."

What these two "sensitive information" deletions show is that there is something more, beyond the Henderson Hall information, which pertains to the LaRouche investigation, and which is still classified on "national security" grounds. This letter is stamped *Classified by DJSOA. Sensitive Information. Special Access Required.* "DJSOA" stands for "Director, Joint Special Operations Agency." JSOA was created in 1984 to coordinate counterterrorism and special operations within the JCS Joint Staff.

During 1984-87, JSOA incorporated the Special Operations Division (SOD) and related branches. The branches included in JSOA-SOD were Unconventional Warfare, Psychological Operations and Civil Affairs, Contingency Operations, Support Activities, etc. (In late 1987, with the creation of the unified Special Operations Command, the SOD was returned to the J-3 Operations Directorate.)

'Focal point' system

As the listing of functions implies, the Pentagon's SOD is a continuation of the old office of the Special Assistant for Counterinsurgency and Special Affairs (SACSA), created in the 1950s as the CIA point of contact, or "focal point," within the Office of the Secretary of Defense. Under Defense Secretary Robert McNamara, it was moved into the Joint Staff. Col. L. Fletcher Prouty (ret.), in his book *The Secret Team*, describes SACSA as "almost entirely CIA-oriented," with very few military responsibilities. The "focal point" system, according to Prouty, allowed the CIA to use military communications channels to send messages back and forth with only "cleared" personnel having access to these communications.

The military's Special Operations Forces were downgraded during the 1970s, but were built back up during the early years of the Reagan administration. The Army SOD has been described as "the Pentagon's CIA," and it provided a largely hidden covert operations capability outside of the CIA. With the amount of intelligence oversight being demanded by Congress, it was convenient to build up a covert capability which was both outside the official CIA, and which was under "operations" rather than "intelligence." This was true for both the Army SOD (which was located under the Army Deputy Chief of Staff for Operations), and the JCS-SOD (under the J-3 Operations Directorate). Thus, for example, during the Boston LaRouche trial, when the judge ordered an "all-agency search" for exculpatory documents, the government only searched the "intelligence" branches of the military, thereby excluding the Special Operations units which were operating against LaRouche and his associates.

A military-intelligence expert observed the following concerning Executive Order 12333, the 1981 directive which permitted covert intelligence operations within the United States. E.O. 12333, he pointed out, only pertains to the *intelligence* components of the military. Strictly speaking, even E.O. 12333 would not legalize domestic activity on the part of *operational* components of the military—which are what was involved here.

One further point about the FBI-JSC letter bears comment. The letter was sent to the chief of the SOD's Support Activities Branch. The functions of this unit are officially listed as providing the DOD point of contact with other government agencies for "sensitive support" and "sensitive operations," and as providing the "focal point for a special communications channel within the worldwide communications system." Historically, the "focal point" system meant that when the CIA or perhaps another intelligence agency needed logistical support or coordination from the DOD for a clandestine operation, this request was to go through the "focal point" office.

The Contra connection

It is not surprising that when the late CIA director William Casey told Oliver North to set up a covert mechanism for sup-

plying the Contras in Central America, that North turned to personnel from the Special Operations Division.

In mid-1984, knowing that the Boland Amendment (barring U. S. aid to the Contras) was coming, Casey suggested to North that he use Special Operations veteran Richard Secord to set up a supply operation outside of official CIA channels.

Secord had been forced to retire from the Pentagon in 1983. His boss was Noel Koch, the deputy assistant secretary of defense who had responsibility for special operations from 1981 through mid-1986. When Secord retired, Koch hired him back as a "consultant" and, in 1984, placed him on the Special Operations Policy Advisory Board, a group of mostly retired officers who were to advise the secretary of defense on special operations. Koch has long been accused of suspect loyalties to Israel, and had been a lobbyist for the Zionist Organization of America before coming to the Pentagon. Within the Pentagon, Koch was the major proponent of the Israeli line that the PLO and Libya were behind all terrorism. Koch was also a principal advocate of the Israeli model of giving Special Forces a preeminent position within the military establishment.

To help set up the Contra supply operation, Secord tapped Richard Gadd, another special operations veteran who had been the Air Force liaison to JSOC. After Gadd "retired" in 1982, he created a network of "private" corporations which contracted with the Pentagon to provide air lift and logistical support for covert operations. Joining Gadd were still other special operations veterans, including Col. Larry Stearns, who was the chief of the JCS-SOD from 1978 to 1983. (Gadd and Stearns, incidentally, worked together in Room 2C840 of the Pentagon, the same SOD office to which the FBI addressed its letter to the JCS in March 1988.)

In early 1985, Secord designated Gadd to organize charter flights to bring munitions from Portugal to Guatemala for the Contras and, in the fall of 1985, Secord put Gadd in charge of the operation to parachute supplies to the Contras in the field in Nicaragua.

In December 1985, another Delta Force veteran who was working in the SOD in Room 2C840, "retired." This was Master Sergeant John H. Cupp, who went to work for Gadd as his assistant in the Contra resupply operation.

On May 5, 1986, Secord sent a secret message to Oliver North, which included the phrase: "Our man here claims Lewis has collected info against LaRouche." After this document was obtained by a co-defendant of LaRouche in 1988, "our man here" was identified as Gadd's assistant John Cupp by both government prosecutors and by Secord himself. "Lewis" was Fred Lewis, a retired Delta Force buddy of Cupp's from Fort Bragg.

Thus, a mere five months before the Leesburg raid, North and Secord were using SOD veterans to collect "info" on LaRouche. The instant turning over of the seized LaRouche documents to the SOD on Oct. 6-7, 1986, is obviously only part of the story, which is still to be uncovered.



Military role in 1986 raid throws light on murder plot

Democratic presidential candidate Lyndon LaRouche was interviewed by telephone by Nancy Spannaus on June 3. Excerpts of their conversation follow.

EIR: I understand there's new information coming out, which sheds light on the 1986 raid in Leesburg, which included a plot to assassinate you. What can you tell us about it?

LaRouche: The most significant piece of new information identifies a section of the Joint Chiefs of Staff as being intimately involved in the case. From what I know of the list of personalities associated with the Joint Chiefs of Staff operation identified, this unit was operating in our environment very closely over an entire period, probably the entire period of the Reagan administration at the very least, and involved apparently one of my adversaries, Noel Koch, on top of the operation (see page 61).

I would say that is the most significant new category of information which has developed in the case in the recent period.

EIR: Is there any *official* information which you've been able to get access to, which points to this assassination attempt?

LaRouche: Yes, there is a link of this to the assassination plot which was acted out in Leesburg, from the period of Oct. 5-7, 1986.

Just to situate it. One should recall, that there were a number of teams, including helicopters and light planes, and people with automatic weapons, who were surrounding the premises in which I was situated, who had no business there.

Also, there was equipment and personnel held in reserve on premises nearby the place, who were interlocked with this Armored Response Group United States, called ARGUS, in which the local sheriff and this strange fellow called Herbert Bryant, Jr.—the putative nominal major general, nominal colonel, nominal whatnot—were involved.

Without going into the details in particular at this moment, the fact is, that I knew at the time, from observing what was going on, that there was a plan to come in in a kind of "Wounded Knee operation," to wipe out the persons on those premises and to take my hide in that fashion, during, probably, the wee hours of the night of Oct. 7.

So I sent a telegram to [President] Reagan; as a result, that operation was put on hold. And then in the morning it was scotched entirely, as they pulled everything off, at about 10 a.m. or somewhat after that. But there was a very real assassination operation going.

The link is Captain Sealock of the sheriff's department, who would be key with the sheriff and with [Sheriff's Deputy Lt.] Donny Moore, and with [Richard] Egan of the FBI in plotting that assassination, along with some others subsequently exposed as corrupt officials of the Virginia State Police. But the significant thing is this link with ARGUS.

This operation cuts into the U.S. Marshals Service as one of the corrupted or tainted agencies involved in this; and it also cuts into the military side, and into military support operations—which vectors back into the same direction as this storage of documents by the Joint Chiefs of Staff.

Now, what it looks like, is this. The overall operation involving North's and [Richard] Secord's acquaintances inside the Joint Chiefs of Staff, inside the J-3 Special Operations Division, would be running an operation under Executive Order 12333 against us, on the basis of our opposition to their playing around and supporting, actually, drug runners in Colombia and Central America. And they would be fighting back against us, as they were; that's a matter of record.

Somehow, this would be done under 12333. If you look at the enabling recommendation for a 12333 operation, that is, Henry Kissinger made the motion, and the President's Foreign Intelligence Advisory Board, including his lawyer, Edward Bennett Williams, passed an enabling recommendation for a dirty operation against me and my associates on Jan. 12, 1983. That's an enabling recommendation. The enabling recommendation indicates foreign [threats], among other things. So the 12333 [operation] would be running as a foreign operation, in part, under that.

The operation under North, Secord, and company, would start under the cover of being a foreign intelligence operation against me under 12333. Then, however, it would play back into the United States, as a completely illegal and out-of-control operation, which, through various kinds of manipulations, would end up being entangled in a plotted assassination of me, plotted for the period of Oct. 6-7, 1986.

This makes also quite clear some other things about it,

There were two major policy fights in which what I was doing . . . ran athwart of the major policy interests of people in our own and other governments who would tend to run as running dogs with Kissinger or Kissinger's backers, and with what we call today the Project Democracy or neo-conservative crowd.

but that's the essence. Yes, there is a connection between this new information and the assassination. My knowledge of the assassination stands on its own. I was on the ground; I saw the events. I knew what they were up to, because of the nature of the operation. There was no doubt of what they were up to, and all I have done since is gotten more and more corroboration. There is no doubt that I was correct in that assessment, and there's no doubt that my telegram to Reagan was the only thing that prevented a bloody shootout against me, to wipe me out, and anyone associated with me, that night. That's clear.

But what is now clear, is that because of the out-of-control character of the 12333 operation, because particularly of the inclusion of the Anti-Defamation League [ADL] and other private organizations in this, the thing went totally out of control, and thus the Joint Chiefs of Staff's involvement in a 12333 operation, through things such as ARGUS and the local sheriff's department, in a cover of complicity with an assassination plot.

EIR: Why would sections of the U.S. government want to eliminate you?

LaRouche: It's very obvious, why the overall operation was set into place. There were two major policy fights in which what I was *doing*—as opposed to what I was merely saying, or my friends were merely saying—ran athwart of the major policy interests of people in our own and other governments who would tend to run as running dogs with Kissinger or Kissinger's backers, and with what we call today the Project Democracy or neo-conservative crowd.

One was, that we had been traditionally involved in campaigning for a monetary reform and denounced the kinds of monetary policy as being akin to those of the Nazis—that is, the monetary policies of austerity, imposed upon developing countries to the effect of causing mass death, sometimes in a very horrible way.

In the summer of 1982, we came very close to winning a faction fight for such a monetary reform, which would have meant a defeat for every institution which the public associates with Kissinger and his policies.

In the same timeframe, I was working in cooperation with the U.S. government, specifically the National Security Council office of security, in back-channel negotiations with Soviet representatives to feel out the Soviet Union on accep-

tance of a package which later came to be known as the Strategic Defense Initiative.

This negotiation, had it been successful, would have destroyed the Yalta approach, which later Reagan took with Gorbachov; it would have destroyed that kind of approach, and would have approached the question of a peaceful resolution of the Cold War, so-called, from a much more viable basis. That would have been a major threat to the vital or perceived interests of the backers of Kissinger.

So that one can say that anyone who is allied with Henry Kissinger in the U.S. government, on issues of North-South monetary and banking policy for one thing, and on the basis of a condominium relationship with Moscow under the terms of Yalta, that anyone who is strongly attached to those two policies of Kissinger and his backers, would be violently opposed to me, and were in fact, as Kissinger, the initiator of the 12333 operation, and the authors of the operation in which this assassination plot against me was situated, exemplify.

EIR: Does this assassination effort involve international forces as well as ones in the United States?

LaRouche: Yes, there are major international forces involved in this. There are a great number of people in this century who have been victimized or assassinated because they're doing things which were not dissimilar from what I was doing, on the same issues.

For example: Why would John Kennedy be assassinated? Why would anyone wish to assassinate the President of the United States? When you eliminate the argument of the Warren Commission—which purports to represent an Office of Naval Intelligence-FBI agent, Lee Harvey Oswald, as being the perpetrator—and get to the truth of the matter, others were involved, known entities.

The same people who tried to kill [Charles] de Gaulle in that period, the same people who killed [Enrico] Mattei; the same group who, on Kissinger's recommendation, eliminated Aldo Moro. These forces can be identified, essentially, with what I call the Versailles system. That is, the British, having won the United States over to support this position, created a war in Europe, called World War I, to prevent Russia, Germany, and France, essentially, from entering into economic development cooperation of a sort which would have meant the general economic development of Eurasia.

World War I was created, orchestrated, and fought to

prevent that from ever happening. So a Versailles system was set up, with the idea of uprooting all possibility of that ever happening in the interest of what had become the Anglo-American alliance, with a sort of a French subordinate running dog at that point, after Versailles. That failed, for various reasons; and at the end of World War II, or in the course of the ending of World War II, the United States and Britain negotiated with Moscow a new version of the Versailles system, including the Bretton Woods agreement, the San Francisco agreements, the Yalta agreements, and so forth.

The real victim of the past postwar period has been primarily the people of the so-called developing sector, who have been looted, and they've been looted by virtue of an agreement and collaboration between the Anglo-Americans on the one side, and Moscow on the other.

The fight has been between Yalta, representing the two quarreling condominium partners, the Anglo-Americans and Russians, and the rest of the human race. That's been the real quarrel over the past century.

So naturally, there are international forces which are just as bitterly, perhaps sometimes even more bitterly, opposed to what I represent, or what Kennedy represented in his way, or what de Gaulle represented, what Mattei represented, and so forth, as those in the United States.

EIR: Could this assassination attempt have been related to the slanders of you internationally?

LaRouche: There is no doubt about that. Remember how the operation was done. Over the period from 1983 through a recent time, there has been no significant coverage of me, in any major Anglo-American entertainment or news media, which pertained to anything I actually did, or was involved in as a breaking news development, except to broadcast, in print or electronically, the wildest falsifications imagined.

These falsifications were all a product, directly, of a group of people represented in a salon in New York City, a salon held under the auspices of a private banker up there, John Train. This included many representatives of government agencies, the ADL, and various press agencies.

These groups plotted and constructed, crafted, if you will, a set of guidelines for lies to be spread against LaRouche, et al. The news media in general dutifully accepted this dictate. If you look back over the Lexus/Nexus, or any other survey of publicity on the subject of me over that period, you will find nothing covered, nothing published, *sui responde* by these agencies which does not conform to these wild concoctions coming out of the participants in the Train salon. And this Train salon was a government operation, part of the 12333 operation.

That shows, I think, to any honest and intelligent person, that the slanders which were being concocted under the direction of the same people who concocted the prosecution, and who concocted the assassination plot or were tangled in concocting it, that this is all one common ball of wax.

'Iraqgate' scandal targets Kissinger

by Scott Thompson

Rep. Henry Gonzalez (D-Tex.), the chairman of the House Banking Committee, has released new evidence implicating former Secretary of State Henry A. Kissinger, National Security Adviser Brent Scowcroft, and Deputy Secretary of State Lawrence Eagleburger in widespread corruption, perjury, and conflict of interest. Before assuming top posts in the Bush administration, both Scowcroft and Eagleburger were partners with Kissinger in the international consulting firm of Kissinger Associates.

The documentation, released by Gonzalez in a lengthy report published in the *Congressional Record* on April 28, details the role of the three men and another official of Kissinger's private consulting firm, Alan Stoga, in the manipulation of U.S. government loans to the government of Iraq during the period leading up to the 1991 Persian Gulf war, and in a subsequent effort to cover up the criminality.

Gonzalez has been in the forefront of a several-year-long battle to expose the continuing rotten influence of Kissinger inside the Bush administration. After the release of his April 28 *Congressional Record* report, Gonzalez was accused by Attorney General William Barr of "leaking" classified government documents relating to the so-called Iraqgate scandal. Other senior Bush administration officials threatened a cutoff of all information to the House Banking Committee unless Gonzalez would agree to keep the material under seal.

The Gonzalez assault on Kissinger and friends unfortunately misses the boat in several important respects, which could potentially undermine the impact of the otherwise invaluable effort. Kissinger need not be attacked for "supporting" Iraq—or for delivering high technology to the Third World. What his dirty apparatus does, is to use Third World countries to make money, and to carry out geopolitical manipulations that lead to further destabilization. What needs to be uprooted is not the policy of technological aid (which is what Gonzalez's bill targets), but the operation of the filthy Kissinger apparatus and policy within the federal government.

Indeed, this same apparatus is operating to inflame the Balkan situation—having originally sided with Serbia, and now moving to play the opposition. The manipulative *modus operandi* is the same.

What Gonzalez probe actually details is one facet of the role of Kissinger, Scowcroft, Eagleburger, and others in a decade-long policy of covertly arming both Iran and Iraq to perpetuate a war that ensured the continued inflated price of oil (first established by Kissinger during his tenure as secretary of state in the Nixon administration), the unchecked flow of petrodollars into London and Wall Street, and the prevention at all costs of real economic development and national sovereignty for the nations of the Middle East.

When the Iran-Iraq War ended in 1988, with Iraq the ostensible victor, a City of London-led economic warfare drive was immediately launched against Iraq with the openly stated purpose of blocking any real postwar reconstruction. To facilitate that economic warfare, the British crowd—including the self-proclaimed British agent of influence Henry Kissinger—began to pull the plug on the very dirty banking networks that had been used to funnel arms to both sides during the 1980-88 war.

Representative Gonzalez has unearthed the fact that Kissinger Associates was a key component of that dirty banking apparatus; but so far he has failed to make the distinction between legitimate aid (including legitimate sales of military equipment) to countries like Iraq, and the geopolitical shenanigans of Kissinger and company.

Nevertheless, the evidence amassed by Representative Gonzalez against Kissinger, Scowcroft, Eagleburger, and others is damning and demands answers from the Bush administration.

We reprint below extensive excerpts from Gonzalez's April 28 *Congressional Record* report.

The network that manipulated Iraq

Excerpts from the statement published in the Congressional Record of April 28 by Rep. Henry Gonzalez (D-Tex.) titled "Kissinger Associates, Scowcroft, Eagleburger, Stoga, Iraq, and BNL":

It is truly amazing that the BNL [Banca Nazionale del Lavoro] scandal went on as long as it did. Various agencies within our government knew of BNL's [Banca Nazionale del Lavoro] role in bankrolling Iraq—yet they supposedly did not know that the loans were unauthorized or had not properly reported. How is this possible? The committee is still investigating the extent to which the U.S. government had knowledge of the BNL scandal.

Several of BNL's high-level friends in the United States should have been aware of the BNL loans to Iraq. The high-level patrons that I am referring to are Henry Kissinger, and his Kissinger Associates compadres, Brent Scowcroft and Lawrence Eagleburger.

Several Kissinger Associates clients had extensive dealings with Iraq, including Volvo, Midland Bank, Chase Manhattan Bank, Fiat, and Asea-Brown Boveri, and those same companies also were the beneficiaries of BNL loans to Iraq

or were involved in some way with BNL-Atlanta. . . .

Both Mr. Eagleburger and Mr. Scowcroft played a key role in the Bush administration's handling of the BNL scandal, even though BNL was a paying client of Kissinger Associates just months prior to the BNL scandal becoming public. . . .

Until recently, Mr. Kissinger was a member of the BNL's international advisory board and during the height of the BNL-Atlanta scandal BNL was a paying client of Kissinger Associates.

While Henry Kissinger was a paid member of the BNL's advisory board for international policy between 1985 and June 1991, he received at least \$10,000 for attending each meeting of the BNL advisory board. Mr. Kissinger met each year with the president of BNL when the latter visited the United States to attend the annual IMF [International Monetary Fund] conferences in Washington, D.C.

Other BNL advisory board members included David Rockefeller, the chairman of the Rockefeller Group and a director of Chase Manhattan Bank, Pierre Trudeau, the former prime minister of Canada, Lord Thornycroft, the former British minister of defense, and other politically well-connected international notables. . . .

Mr. Kissinger was not the only Kissinger Associates employee that dealt with BNL. Mr. Brent Scowcroft, the vice chairman, and Mr. Lawrence Eagleburger, the president of Kissinger Associates also had relationships with BNL.

One of the most prominent of the Kissinger Associates alumni is Brent Scowcroft, President Bush's current national security adviser and head of the NSC staff. . . .

In 1982, Scowcroft joined Kissinger Associates. Scowcroft served as vice chairman and head of Kissinger Associates' Washington, D.C. office until becoming the head of the National Security Council [NSC] under President Bush in January 1989. . . .

While at Kissinger Associates, Scowcroft worked on the BNL account and met on numerous occasions with the BNL management. On three occasions alone between 1986 and 1989, Mr. Scowcroft briefed the BNL board on international political and economic developments. In addition, when the president of BNL traveled to the United States to attend the annual IMF conference, he met with Kissinger and Scowcroft in New York.

Just months after resigning from Kissinger Associates to join the Bush administration, Mr. Scowcroft was heavily involved in the handling of the BNL scandal, including winning approval of the \$1 billion CCC program for Iraq in late 1989. [The Commodity Credit Corporation is a U.S. Agriculture Department (USDA) program to help foreign countries purchase U.S. agricultural products—ed.] for Iraq in late 1989. Mr. Scowcroft was also directly involved in trying to win the release of the second \$500 million CCC installment for Iraq in March 1990. . . .

The NSC did not limit its activities to supporting the 1989

decision to grant credit to Iraq. The NSC was also directly involved in the USDA investigation of the BNL scandal. . . .

The NSC's role in the USDA administrative review raises serious questions because the USDA review was an almost complete whitewash of the problems found during the BNL investigation. . . .

Could it be that the NSC's involvement in the USDA study of BNL was meant to cover up an awareness that CCC-guaranteed commodities were being diverted to pay for Iraq weapons purchases? . . .

Taken together, these factors raise serious questions about why the NSC was involved in the BNL investigation and whether or not they were aware of the diversion of U.S. commodities [for military purposes]. These questions take on special importance in light of NSC director Scowcroft's long affiliations with BNL.

Lawrence Eagleburger, Deputy Secretary of State, has held many positions of international influence in both the public and private sectors. . . . When in 1969, Henry Kissinger became Nixon's national security adviser, Mr. Eagleburger served as his executive assistant. . . . Eagleburger rejoined Kissinger at the State Department again as his executive assistant in 1973. . . .

Before assuming his current position as deputy secretary of state in 1989, Mr. Eagleburger, like Mr. Scowcroft, worked for Kissinger Associates, Inc. In fact, during this tenure, Mr. Eagleburger was the president of Kissinger Associates. . . .

The most notorious Eagleburger involvement in the BNL prosecution was related to the investigation by the United States Attorney in Atlanta of Iraqi involvement in the BNL scandal. . . . [S]ometime between the BNL raid in August 1989 and early 1990, it was decided that the Atlanta investigators would not be permitted to interview the Iraqis involved in the BNL scandal.

Instead, it was decided that the Atlanta investigators would be permitted to submit written questions to the State Department which in turn would send the questions to Iraq. This pen pal approach to the criminal investigation effectively thwarted the investigation of the Iraqis responsible for the BNL scandal and was used as an excuse to delay the rest of the BNL indictment until it was more politically correct to reveal Iraqi involvement in the scandal.

Another link between Kissinger Associates, BNL, and Iraq is Alan Stoga. Alan Stoga is a former economist at First Chicago Bank and is currently a director of Kissinger Associates. . . .

The former head of BNL's U.S. operations stated that he attended a 1987 meeting in New York with Mr. Stoga, the head of BNL's Rome headquarters, and Mr. Kissinger, Mr. Scowcroft, Mr. Eagleburger. The meeting was held to give BNL advice on doing business in several countries, including India. Mr. Stoga and Mr. Scowcroft brought the BNL officers to lunch after the meeting. . . .

Committee investigators interviewed Mr. Stoga about his role during the June 1989 trip to Iraq. Mr. Stoga stated that he went along on the trip to get to know the country better since he had never before been to Iraq. He stated that he did not go on the trip to discuss Iraq's debt problem.

To the contrary. In a "60 Minutes" interview that aired a week ago, the president of the United States-Iraq Business Forum, Marshal Wiley, stated that Mr. Stoga was in Iraq to advise Saddam Hussein on Iraq's debt problems and the feasibility of restructuring Iraq's debts. Mr. Stoga may also have misled the public about Kissinger Associates' relationship with the BCCI organization [the London-based dirty-money Bank of Credit and Commerce International, which was seized by British authorities in June 1991 and later liquidated—ed].

BCCI was notorious for recruiting well-connected, former high-level government officials around the world in order to influence government policy and to gain protection from the law. They also tried to hire Kissinger Associates in the fall of 1989, when Mr. Stoga and BCCI's representatives met several times to discuss BCCI becoming a client of Kissinger Associates.

Conclusions

Mr. Scowcroft and his staff at the National Security Council along with the State Department masterminded the Bush administration's handling of the BNL scandal, in order to mitigate the damage it would have caused to United States-Iraq relations. In the process they trampled on United States law enforcement efforts and repeatedly misled the Congress and the American public about United States policy toward Iraq.

BNL was not Mr. Eagleburger's client at Kissinger Associates, although he did meet with BNL's management for at least one briefing. But I did show in April 25, 1991 and Feb. 24, 1992 floor statements that several of Mr. Eagleburger's Yugoslavian-related business ventures, the LBS Bank and the Yugo automobile, relied on BNL-Atlanta financing. Despite these ties, Mr. Eagleburger did not recuse himself from the handling of the BNL case.

These revelations are not surprising—Mr. Scowcroft and Mr. Eagleburger refused to recuse themselves from the handling of the BNL scandal even though BNL was a client of Kissinger Associates just months earlier. Their actions provide a revealing example of the ethical atmosphere at the White House and the top levels of the State Department.

As for Mr. Kissinger, he misled the public about his relationship with BNL and about his firm's contacts with Saddam Hussein. Mr. Stoga misled the Banking Committee about the reasons for his trip to Iraq in the summer of 1989 when he met with Saddam Hussein to discuss Iraq's debt problem.

Their ethical behavior is just as deplorable as Mr. Scowcroft's and Mr. Eagleburger's. Is anyone really surprised?

Book Review

How the Gnostic 'birth control' army invaded U.S. public life

by Nora Hamerman and Warren A.J. Hamerman

Blessed Are the Barren, The Social Policy of Planned Parenthood

by Robert Marshall and Charles Donovan
Ignatius Press, San Francisco, 1991
326 pages, paperback, \$19.95

This book deals with one of the major satanic armies which the Versailles system unleashed on the world in the wake of World War I, turning the 20th century into a moral and economic wasteland.

Blessed Are the Barren recounts the story of how what is now called the Planned Parenthood Federation of America, founded by Margaret Sanger, became the main arbiter of social policy in the United States, imposing its philosophy of sexual amorality and eugenic population control through a policy of Goebbels-like Big Lies, systematic undermining of religious institutions, and infiltration of the Executive branch of the U.S. government with the aim of destroying all influence of the Judeo-Christian ethic in public life.

To the point that today there can be little doubt that many Americans would be more inclined to believe that Planned Parenthood cares about their health than their pastor or rabbi—provided, of course, that their religious leaders are not themselves leaders of Planned Parenthood!

Although written for an audience of pro-life activists, this book is so well researched and carefully written, that it deserves to be read by everyone, including those who sincerely believe that it is possible to be "pro-life" in general and still accept birth control and abortion in certain cases. *Blessed Are the Barren* will tell you where you got those opinions; it may make you reconsider them.

The exposé, published in 1991, is now silhouetted against a 1992 U.S. presidential campaign in which each of the three media-supported presidential candidates is, on social policy issues, a puppet of Planned Parenthood. Bill Clinton is a rabid "choice" fanatic who believes that abortion is a constitutionally guaranteed right. George Bush has for decades

followed the rabid anti-population policies of Bush family friend Gen. William F. Draper, Jr., and has implemented them as President as U.S. foreign policy. As for the "independent" Ross Perot, he openly supports the "right" to abortion, and has been one of Planned Parenthood's biggest bank-rollers.

Part of the Versailles disease

Margaret Sanger (b. 1879), the "founding mother of birth control," was, as this book indicates without going into the full lurid details, a habitual liar and above all a sexual adventurer driven by a need to justify her own legendary promiscuity.

Sanger's magazine *Woman Rebel* went into print in July 1914 with a series of wildly provocative articles, including one which endorsed political assassination, weeks before the assassination of Archduke Francis Ferdinand in Sarajevo which started World War I. The future founder of Planned Parenthood thus began her political operations simultaneously with the creation of the Federal Bureau of Investigation, the Federal Reserve, the Anti-Defamation League of B'nai B'rith. All these institutions were designed to subvert the Judeo-Christian world outlook of the American republic, and replace it with an atheistic, materialist world outlook which would serve the strategic aims of the British oligarchy. As we shall see, this timing was not a mere coincidence.

Early issues of *Woman Rebel* supported birth control and abortion, denounced capitalism, railed against St. Paul, and demanded that women should get "control of their reproductive functions." Sanger was indicted, as she obviously desired, in August 1914 for publishing articles in violation of the federal Comstock law that forbade contraception, abortion, and obscenity. She fled to England, via Canada.

Today, in an era when the Surgeon General can send out a congressionally mandated mailing urging condom use in heterosexual and homosexual liaisons to prevent AIDS, it is hard to understand the problems Sanger faced in trying to translate her views into public policy in the 1920s. But until 1930, when the Church of England bishops broke the logjam, every major Protestant denomination, as well as the Catholic

Church, prohibited birth control and abortion. It was in 1930 that the Anglican bishops opened the door for the later changes in values, by issuing a nonbinding directive that allowed members for the first time to use artificial contraception in certain cases.

The Anglican bishops speak for the regime of Great Britain. The "pope" of their church is the King of England (today, the Queen of England). What else was the English monarchy doing in 1930?

It needs to be underlined that this seemingly innocuous step was taken by the Anglican Church at precisely the time when British bankers were foisting upon Germany, then crushed by the burden of the Versailles debt reparations, the austerity straitjacket of Economics Minister Hjalmar Schacht, whose policies paved the way for Hitler, and who continued to run Nazi economics after Hitler took power in 1933. These policies culminated in the death camps, where people were worked to death through slave labor, before they were gassed.

Eugenics and racism

The Anglophile Margaret Sanger, with co-thinkers in the U.S.-centered eugenics movement, was a key figure in shaping the National Socialist policy of singling out individuals as unfit to survive. The introduction to this book describes an international birth control gathering in New York City in 1925, addressed by Dr. S. Adolphus Knopf, a member of Sanger's American Birth Control League. He warned against the menace of the "black" and "yellow" peril. Another doctor suggested that euthanasia be used to counteract the effects of preventive medicine in saving the lives of "worthless unfit." Another of Sanger's close associates, Dr. Harry Laughlin, was the inspiration of the Nazi sterilization law, which he helped to pioneer in Virginia in 1927, with the infamous case of Carrie Buck.

It is one of the most appalling ironies of the century that the Planned Parenthood Federation of America, the successor of the overtly racist American Birth Control League, should have given an award to Dr. Martin Luther King in 1966. As *Blessed Are the Barren* documents, one of Sanger's successful projects was to win over the support of black ministers, so that Negroes would not suspect that birth control was a plot to exterminate them.

Did Planned Parenthood change its mind from the days of the old birth control league? Was Margaret Sanger's 1923 promise that birth control would help eliminate "mental defect, feeble-mindedness, low mental calibre morons, defectives, and paupers," merely a blast from the past? The authors document the ongoing close relations between the Human Betterment Association of America, a eugenics outfit, and Planned Parenthood, right into the 1950s. Today this is called "genetics counseling" and is still voluntary, but, they report, there are some signs that it may become compulsory.

Blessed Are the Barren likewise debunks the myth that

birth control and abortion are Protestant versus Catholic issues. All Christian churches were assaulted by Sanger's propaganda machine, and Planned Parenthood made dramatic inroads in breaking down the resistance, over decades, of most of the Protestant denominations. In the United States especially, Sanger's troops had enlisted certain Catholic priests and bishops to their cause, but to their great dismay, in 1968 Pope Paul VI slammed the door by putting out *Humanae Vitae*, the encyclical which reiterated the Catholic Church's traditional ban on artificial contraception and abortion.

It should be underlined that this encyclical followed closely after *Populorum Progressio*, the encyclical on the Church's social policy, which stated that "Development is the name for peace." In fact, Pope Paul VI quoted *Populorum Progressio* in *Humanae Vitae*. The two encyclicals complemented each other.

Motherhood as a disease

Other chapters of the book have such titles as "Planned Parenthood and Medicine: Motherhood as a Disease," and "Evolution of the 'Right to Abortion.'" Planned Parenthood has sold itself to the public as a lobby concerned for the rights, safety, and health of women. Nothing could be further from the truth, as these chapters show. Although PPFA in its soap-operatic advertisements dramatizes the stories of women who have died in childbirth or from illicit abortions, the group's actual outlook is that all forms of birth control are safer for women than pregnancy and childbirth, and that "killing children is safer than having them," as the authors put it. If that does not make you cringe, you may have already been an unwitting victim of PPFA brainwashing.

This crazed view that bearing children is dangerous is conveyed by means of the crudest statistical manipulations, exposed in the book. Not only is this message, widely accepted almost as a truism after decades of media promotion, a quick prescription for the extinction of the human race, but it has fostered the spread of homosexuality with all of its accompanying tragedies. Meanwhile, the dangers of "the Pill" were deliberately concealed from the public until well after millions of women were taking it. Likewise the intra-uterine device. The fact that many artificial contraceptives are actually abortifacients, which destroy newly conceived embryos, is also well concealed from the public.

By a wondrous sleight of hand, Planned Parenthood convinced the public *both* that abortion must be made legal (allegedly to protect the rights of poor women who could not afford "safe" illegal abortions) *and* that the best way to prevent abortion is to spread the means of artificial contraception. Thus, as authors Marshall and Donovan point out, abortion is presented both as "bad" and "good" depending on the audience and how far one has broken down their moral resistance. This defies even mere logic!

What have been the results of all this? All the things which the legalization and spread of artificial contraception

and abortion were supposed to prevent, have dramatically increased: including venereal disease, teenage pregnancies, abortions. The family is being shattered as an institution, and the disorders of homosexuality and lesbianism are spreading like wildfire.

The myth of the unwanted child

The strongest point of this book lies in its brief but precise identification of the enemy behind Planned Parenthood: the age-old cult known as Gnosticism, which was deployed against Judaism and Christianity. It is worth quoting at some length the author's discussion of the widely accepted term, "wanted baby":

Notice that when Planned Parenthood uses the "wanted baby phrase," that such babies have rights. Unwanted babies have no rights and are morally equivalent to disposable property. But under the wanted baby scheme, where do rights come from? From being wanted, of course. But who is that does the "wanting" that results in the conferring of rights? Not the father, nor a couple seeking to adopt. No, it is the pregnant woman alone who gets to confer rights. Planned Parenthood, could never use the phrase, "Every child a valuable child," because that would implicitly recognize the intrinsic worth of the child irrespective of whether father, mother, etc. "wanted" the baby. And the next logical question would be: "Who put the value there and why is the child valuable?" That question was answered in Genesis 1:26: "Let us make man in our image, after our likeness."

Needless to say this does not sit well with persons who view themselves after the manner of the Deity, claiming that they are their own ultimate arbiters of right and wrong. Man, in other words, is made in man's image. Man does not merely measure, man is the measure. By claiming an inherent inequality among the human species, the "problem" of too many inferior men, i.e., overpopulation, can be "cured" by contraception, sterilization, abortion, and euthanasia. But since the Author of Genesis is correct, how can there be too many creatures made after the likeness of absolute goodness, or God?

Quite obviously, Planned Parenthood ideologues are not satisfied with the current arrangement of things in the universe. . . .

Further on, the authors explicitly identify this outlook, against that of Genesis, as being that of Gnosticism. Gnosticism is the ancient anti-fertility cult which regarded all material conditions as necessarily evil, and called upon spiritual natures to assert their independence of the material world, by indulging in its pleasures without restraint. Hence, the planning or spacing of births by means of sexual abstinence

is regarded with total horror by the Gnostics.

Interestingly, Marshall and Donovan present the spectrum of debate in Christian circles, showing Protestant theologians Bonhoeffer and C.S. Lewis *against* the Gnostic trend, and a Catholic theologian (now forbidden by the Vatican to teach theology) Charles Curran, attacking the Church's teachings from the Gnostic standpoint. "Catholic" politicians like the Kennedys are likewise exposed for presenting no obstacle to PPFA's goals.

The preface by John Cardinal O'Connor makes it very clear that there are no asterisks on the principle of life, by comparing the democratic right to abortion, to the democratic right to receive the death penalty efficiently. O'Connor reports on that "marvelously democratic fellow," the French physician Joseph-Ignace Guillotin, who invented the guillotine so that even the humblest of capital criminals during the French Revolution could be executed quickly by decapitation, the system reserved heretofore for the aristocracy. (Poor and middle class people had been executed by much more painful and degrading means, like disembowelment, if you must know.) O'Connor compares Guillotin's "democratic" zeal to that of the abortion rights activists today, who insist that poor women have to have the same right to kill their children as rich women, and that the only way to guarantee this is by passing liberal laws that will allow "safe," cheap, legal abortions equally to all.

What is to be done?

Blessed Are the Barren falls short in the Epilogue, where it proposes to answer the question, "What then can be done by those whose faith or good will takes offense at this sensually fueled death machine that has taken on worldwide proportions?" The prescriptions offered begin with a reform of one's personal and family life, and extend to activism on behalf of the pro-life cause in politics. Good—but not good enough.

Missing is the positive program: the other half of the injunction of Genesis, in which God ordered man not only to be fruitful and multiply, but to fill the Earth *and subdue it*. Economic justice without economic progress is an empty construct. And Sanger's death machine, for all of its appalling horror, is only one of the Gnostic monsters which oozed out of Versailles. The hydra is sprouting other heads.

The PPFA and the rest of the population control lobby cannot be fought separately from a commitment to bring down the whole monstrous system, including the debt collection policies for which population control is now both the goal and mechanism of enforcement. Marshall and Donovan do name the Rockefellers, American Express, The New York Times Foundation, and others of the international banking fraternity and its media tentacles, as piggybanks for Planned Parenthood. What is undeveloped is the powerful economic motives which lie behind this evil institution.

Some of the political figures most implicated in the rise of Planned Parenthood to its present status as a de facto part

of the federal government—like the late Averell Harriman and George Bush—are not mentioned at all. Nor do the authors draw the obvious connection between the late Paul VI's *Populorum Progressio* and *Humanae Vitae* in fighting these "structures of sin," as they were called by the current pontiff in *Sollicitudo Rei Socialis*.

It is also an important omission, that although the clear ties to the imperial policies of the British oligarchy which we have mentioned, are all based on information in the book, the authors don't make that connection, nor do they seem to notice that Margaret Sanger's birth control movement fed on the despair born out of the meatgrinder that was World War I, which was the result of deliberate British imperial policies, and the ensuing, hideous injustice of the Versailles Treaty, imposed by the British and French after that war, which led to Fascism, Nazism, Communism—and to World War II.

The authors do expose Gen. William Draper, Jr. of the Population Fund for helping Sanger in her campaign to subvert the Catholic hierarchy and even to pressure the pope.

The following needs to be added: General Draper and his son William H. Draper III, longstanding intimates of the Bush family, did succeed in their decades-long project to make the dispensing of birth control a key instrument of American foreign policy. General Draper, the vice-chairman of the Planned Parenthood Federation, has guided George Bush's thinking on population matters for decades, from 1969 when Congressman Bush was an overt advocate of birth control to stop the spread of "undesirables," down to the present. The younger Draper was co-chairman for finance (chief of fundraising) of the Bush-for-President national campaign organization in 1980; he now runs population control programs at the United Nations, where the Chinese model of forced abortions and infanticide is shamelessly inflicted on poor nations, with the complicity of the U.S. State Department.

These facts make it clear unless the battle is broadened to encompass a struggle for economic justice against the British system of slave labor and usury, the pro-life militants who read this book will go down to certain defeat. It seems to us that many patriots in Ibero-America who are engaged in the fight for their sovereignty, for national economic development, and against the forced sterilization and other population control programs being pushed abroad—by the same political figures exemplified by Bush, Clinton and Perot—have a somewhat better understanding of the scale of the battlefield.

To all who wish to defend life without "exceptional circumstance" asterisks on their commitments, it will be most informative for them to reflect on the reference which provides the title to the book. As Christ was being led to his Crucifixion, he warned: "Daughters of Jerusalem, weep not for me, but weep for yourselves, and for your children. For behold! The days are coming when they will say, 'Blessed are the barren, and the wombs that never bore, and the breasts that never gave suck!' . . . For if they do these things in a green tree, what shall be done in the dry?"

EIR issues population book

Executive Intelligence Review released in June its new Special Report, "The Genocidal Roots of Bush's 'New World Order.'" The 188-page report, which sells for \$250 and is available from *EIR* at P.O. Box 17390, Washington, D.C. 20041-0390, documents the origins and scope of the policy of the U.S. government to depopulate especially developing sector nations—a policy put forward under the Carter administration, in the infamous *Global 2000 Report*, and being realized under the Bush new world order.

Edited by U.S. Club of Life chairman Nancy Spannaus, the report makes the case that the ideology of "zero population growth"—or even, nowadays, *negative* population growth—is genocidal. It elaborates one of the key components of Lyndon LaRouche's economic theory: that the world needs more people, not fewer.

Included in the documentation are:

- the relationships, both ideological and practical, between the Nazi genocidalists and the "population control" movement in the U.S. in the 1930s;
- the evolution of that lobby into the maker of policy for the U.S. government;
- how U.S. depopulation policy has been tested and applied, including in the Vietnam War and, more recently, in the program which sterilized roughly half of Brazil's women of child-bearing age.
- the recently declassified National Security Study Memorandum 200, written under the direction of Henry Kissinger and Brent Scowcroft in the 1970s, which defines population growth as *the* enemy of the United States, and targets over a dozen poorer countries on its "population enemies list."
- George Bush's involvement, since his days in Congress, in promoting "eugenics" and depopulation.
- the goals and activities of the premier anti-population organizations, from the Club of Rome to the Worldwide Fund for Nature;
- quotes from the leading depopulation ideologues, from Parson Thomas Malthus of 18th-century England, to Prince Philip and John D. Rockefeller III today.
- a case study of the demographic collapse of the Roman Empire, showing the human, environmental, and ecological *devolution* which was caused by the depopulation.

Dems' leadership resists balanced budget amendment

The proposed balanced budget constitutional amendment, which was picking up steam throughout May, now may be in trouble. The amendment is supported by the Bush administration, but is opposed by the Democratic leadership in the House and the Senate.

Many incumbents, facing enraged constituents, were eager to back a "quick fix" before the election and jumped on the bandwagon. Momentum for the amendment has also come from a combination of Republicans and "austerity Democrats" like Rep. Charles Stenholm (D-Tex.), who has sponsored the most extreme version. An amendment mandating a "balanced budget" would provide the cover for legislators to start gouging Medicare and entitlement programs.

But House Democratic leaders have proposed alternative amendments, which seem to have whittled away support for the Stenholm amendment. Stenholm, who still thinks he has more than the 290 votes needed for passage, agrees that it will be a tight contest.

Figures released on May 26 by House Budget Committee Chairman Leon Panetta (D-Calif.) indicated that if the amendment were enacted, Congress would have to come up with \$560 billion in spending cuts or tax increases over the next five years. Panetta, an opponent of the amendment, presented a variety of proposals which would mandate a graduated cutback in expenditures over the next five years. Like the failed Gramm-Rudman-Hollings budget law before it, the Panetta proposal also contains an "automatic sequestration" clause which would go into effect if the mandated budget levels were not met.

On May 28, House Majority

Leader Richard Gephardt (D-Mo.) introduced his own version, which would exempt Social Security from spending cuts and would give the President and Congress more flexibility. Gephardt's proposal introduces specific five-year targets for eliminating the deficit. If Congress and the administration fail to meet these targets, a combination of spending cuts and tax increases would automatically be imposed.

In the Senate, Majority Leader George Mitchell (D-Me.) and Appropriations Committee Chairman Robert Byrd (D-W.Va.) seem to have enough support to block passage of the amendment. A constitutional amendment needs two-thirds of the votes in both houses for passage.

Special counsel Wilkey a 'reform' zealot

Malcolm Wilkey, the special counsel appointed to investigate the House Bank scandal, has long been a zealot of congressional reform, according to the May 31 issue of the Capitol Hill newspaper *Roll Call*. Wilkey was appointed by Attorney General William Barr to take over the investigation.

Wilkey has pulled together a top team of investigators, including James M. Cole, a top official in the Public Integrity Section of the Justice Department for a decade. Another member of Wilkey's team, Jonathan J. Rusch, is among the top bank fraud and money-laundering prosecutors in the country.

A man who has been publicly portrayed as chosen by Barr for his "integrity" and "objectivity," Wilkey has for years been an advocate of curbing the power of Congress. In an article published in the *Harvard Journal of Law and Public Policy* in 1985, enti-

tled "Judicial Activism, Congressional Abdication, and the Need for Constitutional Reform," Wilkey argued that "only outside intervention can alter the performance of Congress." Among the unconstitutional reforms he proposed were a prohibition on reelections and strict single-term limits.

He also wants to introduce the post of ombudsman, a feature of the British system of government, a person who would be elected together with the congressmen (one for each district), and who would deal exclusively with constituent relations.

Wilkey called for a "smaller and more manageable" Congress, with members representing larger population districts than they do now, and an end to the requirement of Senate confirmation of presidential appointees, except, perhaps, judges.

Wilkey also considers the "constitutional concept of declaring war by congressional resolution" an "anachronism." In an address in 1985, Wilkey explained his position: "As an active judge, I have always felt a reluctance, either on or off the bench, to propose such obviously sensible measures as a courtmartial jurisdiction for the civil service. Just think of it! It would take only one firing squad to alter the whole quality of performance by your public servants!"

Incumbent defeats may be a growing trend

Considerable shock was manifest on Capitol Hill as Rep. Carroll Hubbard (D-Ky.), a nine-term House member, was decisively defeated in his bid for reelection in the Democratic primary on May 26. Hubbard had several hundred overdrafts on the House Bank, which were a factor in the campaign.

Hubbard, who had \$335,000 in his campaign treasury as the 1991-92 election cycle began, faced Tom Barlow, who only raised \$5,000 in campaign funds, to which he added \$35,000 of his own money.

Also suffering defeat on May 26 were Rep. Bill Alexander (D-Ark.) and Rep. Beryl Anthony (D-Ark.). Alexander was a 12-term incumbent. Alexander had 487 bank overdrafts and Anthony had 109.

Aspin seeks halt in nuclear testing

House Armed Services Committee Chairman Rep. Les Aspin (D-Wisc.) said that the United States should stop testing nuclear weapons in order to set an international example, in a speech on June 1 at the Massachusetts Institute of Technology.

"International cooperation is at the core of non-proliferation efforts and that cooperation is going to be difficult to achieve if the United States insists on continuing with nuclear testing," said Aspin.

Aspin predicted that the House would vote shortly to mandate a one-year moratorium on nuclear testing when it considers the committee's fiscal year 1993 defense authorization bill in the second week of June.

House votes to cut U.S. forces abroad

The House voted on June 3 to reduce the number of troops stationed abroad and to pressure U.S. allies to shoulder a greater share of their defense. The vote on cutting funds for stationing U.S. troops in Europe, Japan, and South Korea was 220-185. Overall, it would impose a 40% cut in the 350,000-man troop strength overseas,

and would bring troops to a level of 100,000 by 1995.

The legislation also cut \$1.1 billion from the administration request of \$5.4 billion for the Strategic Defense Initiative. The bill is \$7 billion less than President Bush proposed for the fiscal year beginning Oct. 1.

The House also approved, in an overwhelming 396-9 vote, an amendment which would increase the stationing costs paid by South Korea and NATO allies by about \$6 billion.

Iraq probe targets government's stonewall

The House Banking Committee's hearings on U.S. policy toward Iraq prior to the Persian Gulf war continued on May 29, focusing on the Bush administration's refusal to turn over documents to the committee. Committee Chairman Henry Gonzalez (D-Tex.) has put the Atlanta branch of the Banca Nazionale del Lavoro bank and Kissinger Associates under scrutiny for their involvement in loans to Iraq (see article, page 61).

Gonzalez has pinpointed White House Counsel C. Boyden Gray and a group around C. Nicholas Rostow, special assistant to the President for national security affairs, as those who worked out a series of hurdles designed to prevent the committee from obtaining documents from Executive branch agencies. The White House has so far refused to allow Gray or Rostow to testify.

Rostenkowski targeted in federal probe

A supervisor at the House Post Office has told federal prosecutors that he improperly exchanged postage vouchers

from Rep. Dan Rostenkowski (D-Ill.), chairman of the House Ways and Means Committee, for cash. The supervisor, according to a report in the May 28 *Washington Post*, alleged that the cash transactions totaled \$18-20,000 over the last five years.

The supervisor has been granted immunity from prosecution by the District of Columbia's U.S. Attorney Jay B. Stephens. Converting the vouchers to money would be at most a technical infraction, if the purchases were for official goods and services, and not for private expenses.

Rostenkowski says that he had not received any cash in return for postage vouchers and that the whole affair will be cleared up as the investigation proceeds.

'Get Saddam' war chest boosted in committee

According to a report leaked to the June 2 *New York Times*, the House Select Committee on Intelligence has approved \$40 million in covert aid in 1993 to help overthrow President Saddam Hussein of Iraq, more than double the current \$15 million budget.

The report says that the United States will continue to finance opposition groups outside the country and to increase an anti-Saddam propaganda program that is carried out through clandestine radio stations, the publication of leaflets and other literature, and by spreading disinformation inside the Iraq. One senior administration official confirmed to the *New York Times* that the covert program had been expanded.

The Senate Select Committee on Intelligence has, however, not yet approved the aid and there is a good possibility that it won't.

National News

Virginia's Terry seeks new blood victim

Virginia Attorney General Mary Sue Terry has asked the courts to set a July 23, 1992 execution date for death row inmate Edward Fitzgerald. Terry, who is running for governor, is also planning a Sept. 15, 1992 execution for Willie Jones, a black death row inmate.

The execution of Virginian Roger Coleman on May 20 drew international expressions of outrage, the more so as Coleman was not allowed to present overwhelming new evidence of his innocence of the crime of which he was convicted.

The Legal Defense Fund of the National Association for the Advancement of Colored People (NAACP) has estimated that by mid-July, the United States will be carrying out multiple executions on most weekdays. Terry wishes to greatly increase the pace of executions in Virginia. The state, which has executed 10 people since Terry took office in 1985, will execute three in four months, if Terry has her way.

Edward Fitzgerald currently has no lawyer, a situation which is not unusual for death row defendants, who must depend upon volunteer counsel for *habeas corpus* proceedings, because in the United States there is no right to representation after the initial appeal is exhausted.

Florida commissioner seeks NAFTA exemption

Florida Commissioner of Agriculture Bob Crawford and leaders of the Florida citrus industry demanded that Florida produce be exempt from the North American Free Trade Agreement (NAFTA) agreement, at a press conference in Washington on May 27. Crawford said that he expected an announcement of an agreement between the United States and Mexico within two weeks.

Crawford said that thousands of jobs in the vegetable, sugar, and citrus industry are

threatened. "It is hard to imagine, but just look to the north: Canada lost 435,000 manufacturing jobs to the United States in the first year after entering its free trade agreement with this country.

"Florida's fresh tomato industry, the nation's leader, will be slashed by 20%. Our entire nation will pay a price for free trade," Crawford said, in outlining potential revenue losses. "Florida farmers produce half of the fresh fruits and vegetables and 20% of all sugarcane consumed in the United States." During the winter, Florida produces over 50% of the fresh fruits and vegetables for the entire nation. "For six months of the year, Florida feeds the nation." He said that today may mark the end of America's agricultural self-sufficiency. "For the first time in our nation's history, we will be dependent upon a foreign country for a vital portion of our food supply."

'Sole superpower' role downplayed

The Department of Defense has dropped the assertion in its "Defense Planning Guidance" for 1994-99 that the principal goal of U.S. national security policy should be to thwart the emergence of a new rival to American military supremacy, the *Washington Post* and the *New York Times* reported on May 24. A Pentagon report which advocated a one-superpower world dominated by the United States, prepared by Defense Undersecretary for Policy Paul Wolfowitz and circulated on Feb. 18, was leaked by the *New York Times* in March and provoked worldwide consternation.

The strategic outlook propounded in the official guidance, which was signed on May 22 by Secretary of Defense Richard Cheney, is for the preservation of the system of alliances that has built "sustained cooperation among major democratic powers" since World War II.

The new document places emphasis on NATO, and supposedly softens the opposition to emerging security alliances in Europe, such as the French-German Eurocorps.

The first goal of the new guidance, also

drafted under the supervision of Wolfowitz, is to prevent an attack on the United States. The second goal is to "strengthen and extend the system of defense arrangements that binds democratic and like-minded nations together in common defense against aggression. . . . The third goal is to preclude any hostile power from dominating a region critical to our interests."

IRS wielded against political enemies list?

The Internal Revenue Service (IRS) audited many of the political opponents of Sen. Chuck Robb (D-Va.), head of the Democratic Senatorial Campaign Committee, in the last two years, who suspect that Robb was behind the audits, the May 23 *Richmond Times-Dispatch* reported.

The revelation came as Virginia Gov. L. Douglas Wilder released a letter of complaint to Senate Majority Leader George Mitchell (D-Me.), aimed at having Robb removed from the Senate Democratic Campaign Committee, at the National Press Club in Washington on May 22. The letter charged that Robb had "denigrated" Wilder's reputation and poisoned his presidential campaign.

The evidence of political use of the IRS included a tape recording made by Tai Collins of David McCloud, Robb's former chief of staff who pleaded guilty in May to charges arising from the illegal taping of a Wilder phone call. In the tape, McCloud warns Collins that Billy Franklin, a private detective hired to investigate Robb, will "pay an extraordinary high price. If he wants to take on a U.S. senator, I am going to show him what that's all about. . . . I think you know that he's going to have problems with the IRS all the way through the Justice Department and everything else."

Wilder said that an IRS audit of him "started in 1990 and went on through 1991," lasting over one year. J.T. Shropshire, Wilder's chief of staff, was audited in early 1991. Rose Ellen O'Connor, a producer of the NBC News "Exposé" program that broke the story of Collins's tape of McCloud's threat, was assessed for back taxes in 1991.

O'Connor had written a story in 1988 for the *Virginia Pilot* that linked Robb to several people charged with cocaine use at Virginia Beach. Larry Sabato, author of the book *Feeding Frenzy*, which had a chapter about Robb's personal life, was audited in 1990. Billy Franklin, the investigator hired to find dirt on Robb, was audited in 1988.

David Burnham, author of a book on the IRS, said that an IRS investigation is easy to arrange because "the IRS is driven by quotas, and they are always looking for nice, easy cases" already researched by others.

D.C. death penalty referendum stalled

Superior Court Judge Rufus King III has struck down a capital punishment referendum that would have appeared on the November ballot in the District of Columbia. Judge King ruled that the referendum's wording improperly failed to tell voters about the electric chair and other details of the old death penalty law they could have voted to reinstate.

Sen. Richard Shelby (D-Ala.) plans to push his own bill for a death penalty statute in the District through the U.S. Senate, an aide to the senator told the May 30 *Washington Times*.

Government photos of JFK are fakes, say experts

The photos and X-rays recently released by the government of the autopsy of President John F. Kennedy are fakes, two Navy medical technicians who participated in the autopsy charged at a New York press conference on May 28, Reuters reported. The charges were blacked out by the *New York Times*, *Washington Post*, and other U.S. news media.

X-ray technician Jerrold Custer and photographer Floyd Riebe said the pictures have been tampered with and falsified to support the "lone assassin" findings of the Warren Commission.

Custer, who took X-rays of Kennedy's

body at Bethesda Naval Hospital following the assassination, said the government has released "fake X-rays" showing a black hole on the right side of Kennedy's face. "There was no damage to his face, and no part of his skull was missing on the forward part of his head." Riebe, who took photographs of the body during the autopsy, said the ones released by the government are "phony and not the photographs we took."

Custer also reported that following the autopsy he was sent to a Navy admiral's office at Bethesda where he was warned to "keep my mouth shut. Nothing was to be said of what I saw, what I did, and that if I were to open my mouth, I would wind up in prison." Custer and Riebe called the press conference to rebut claims by two Navy pathologists, published in the *Journal of the American Medical Association* in May, that the autopsy fully confirmed the subsequent conclusions of the Warren Commission.

Perot-approved work rule said to be illegal

"Ross Perot required employees to promise to pay back any training costs up to \$9,000 if they resigned or were fired, a practice Michigan officials say was illegal in that state," the May 25 *Roanoke Times & World News* reported, based on a story that first appeared in the May 24 *Detroit News*.

"They used this as a sword of Damocles hanging over these very young kids in their twenties who couldn't easily come up with \$9,000," Robert Janover, a lawyer who represented one fired employee, told the *Detroit News*, the *Roanoke*, *Virginia* paper reported. "Morton Meyerson, former EDS president and now Perot campaign adviser, claims the whole thing is legal. The practice was and, as far as this writer can tell, is worldwide. If this story gets out in a big way, it would damage . . . Perot's political reputation."

This looting policy began in the late 1960s at Electronic Data Systems under Perot's approval and continued long after EDS was absorbed by the General Motors Corp. into the late 1980s. Perot was on GM's board of directors from 1984 to 1986.

Briefly

● **AN INQUIRY** into alleged destruction of evidence and witness tampering by police in the murder of Robert F. Kennedy has been declined by a Los Angeles grand jury. The request had been made by Oliver Stone, director of "JFK," and Paul Schrade, who was wounded in the June 1968 shooting. Schrade believes another gunman accompanied Sirhan Sirhan, the May 30 *Washington Times* reported.

● **KATHARINE GRAHAM**, the publisher of the *Washington Post*, encouraged Ross Perot to run for the presidency in 1988, *Texas Monthly* magazine reported.

● **THE VIRGINIA** Supreme Court has refused to allow Rochelle Ascher, an associate of Lyndon LaRouche convicted on concocted "securities fraud" charges, to remain free on bond while she appeals her conviction to the U.S. Supreme Court.

● **PRESIDENT BUSH** promised in hand-written note to Abraham Foxman, the head of the Anti-Defamation League, that he will "set things right" for Israel after the June 23 Israeli elections, the May 29 *Wall Street Journal* reported.

● **N.Y. SUPREME COURT** Judge Stephen Crane ordered a hearing in a case involving charges against associates of Lyndon LaRouche, into the relationship between New York and federal prosecutors. State prosecutors claimed that FBI reports could not be turned over to defendants because the Feds would not turn them over to them. But the same reports were found to have been provided to authorities in California.

● **A TENT CITY** is being sought in Central Park in New York City for protesters at the July 12-16 Democratic National Convention, the May 30 *New York Post* reported. The American Civil Liberties Union is negotiating with the city and the party on behalf of a coalition of groups who estimate that up to 100,000 homeless, AIDS activists, environmentalists, and others might come.

Editorial

The institutions are cracking

Perhaps the best news in this sad, wartorn world of ours, is that the institutions which brought about this disaster are cracking up. That opens up the situation for new alternative institutions, which are so desperately needed.

Those international financial elites, who consider it their prerogative to rule the world, have taken notice of this crisis in their recent series of meetings. One attendee at the Bilderberg meeting recently held in France reported that "America is coming into a very difficult moment. From the discussions I've been having, the view is that even if Europe is undergoing problems, Europe is, relatively speaking, demonstrating a surprising degree of stability. The gravest problems are now coming from the side of the U.S. What if there is an eruption like Los Angeles again? This would be a great shock, especially as the American election process means that there is no effective government for the next six to nine months."

Did this European know that within days of his prognostication about the U.S., the nation of Denmark would blow up the process of European monetary unification, with its defeat of the Maastricht Treaty? Perhaps he would now be less smug about the situation in Europe—but his point is well taken, nonetheless.

The fundamental source of this institutional unraveling is the collapse of the Anglo-American financial system that has ruled the world since the end of World War II. Despite all the patchwork that has kept the U.S. stock market in the stratosphere and prevented wholesale bankruptcies of the international banking giants, everybody knows that the world's financial institutions are in crisis. The Olympia & York bankruptcy, for example, has shaken the entire system, and no one can predict how far the financial house of cards will collapse.

But there is no doubt that the most dramatic institutional collapse so far is in the two-party system in the United States. The world is now observing a spectacle of the disintegration of traditional party politics, around

the phenomenon of the self-proclaimed outsider and imminent presidential candidate, H. Ross Perot.

One does not have to believe the polls to know that more than 50% of the U.S. electorate utterly rejects the persons of Bill Clinton and George Bush. The evidence is cumulative, but decisive.

First, there is the massive abstention from voting altogether, worse than in other years in almost all states of the country.

Second, there is the continued large vote for "uncommitted," and for candidates who have already dropped out of the race—as signs of protest against Clinton and Bush.

Third, there are the uncounted totals, and exit poll totals, for Ross Perot—which amount in some cases to up to 50% of the vote.

One can say for sure that Perot, regardless of who encouraged him to get into the race and what policies he will ultimately adopt, has opened the situation up.

One can not rule out even the wildest of scenarios, under this circumstance. Some Democrats have actually mooted dumping Clinton and nominating Perot. But that would lose Perot his "outsider" image. For the first time since 1948, it looks like a third candidate will be a major factor in the presidential race.

The catch is that none of the three on top has the slightest idea of how to deal with the massive institutional crisis at hand. That would require some basic understanding of political and physical economy, and a commitment to ending the regime of usury which has brought the world economy to its knees.

This institutional crisis can only be addressed by replacing the current financial institutions with sound national banking and treaty organizations based on national banks, and by adopting a perspective of massive infrastructure construction based on low-interest government credits. Either we replace the rotten institutional structures with an American System policy, or what emerges from the ashes will be fascism, in one form or another.

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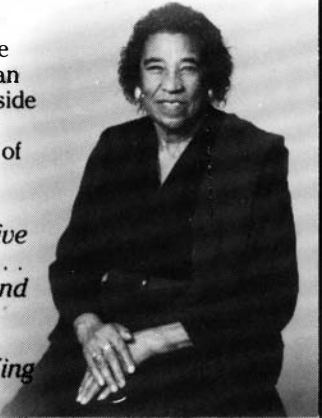
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