

# EIR

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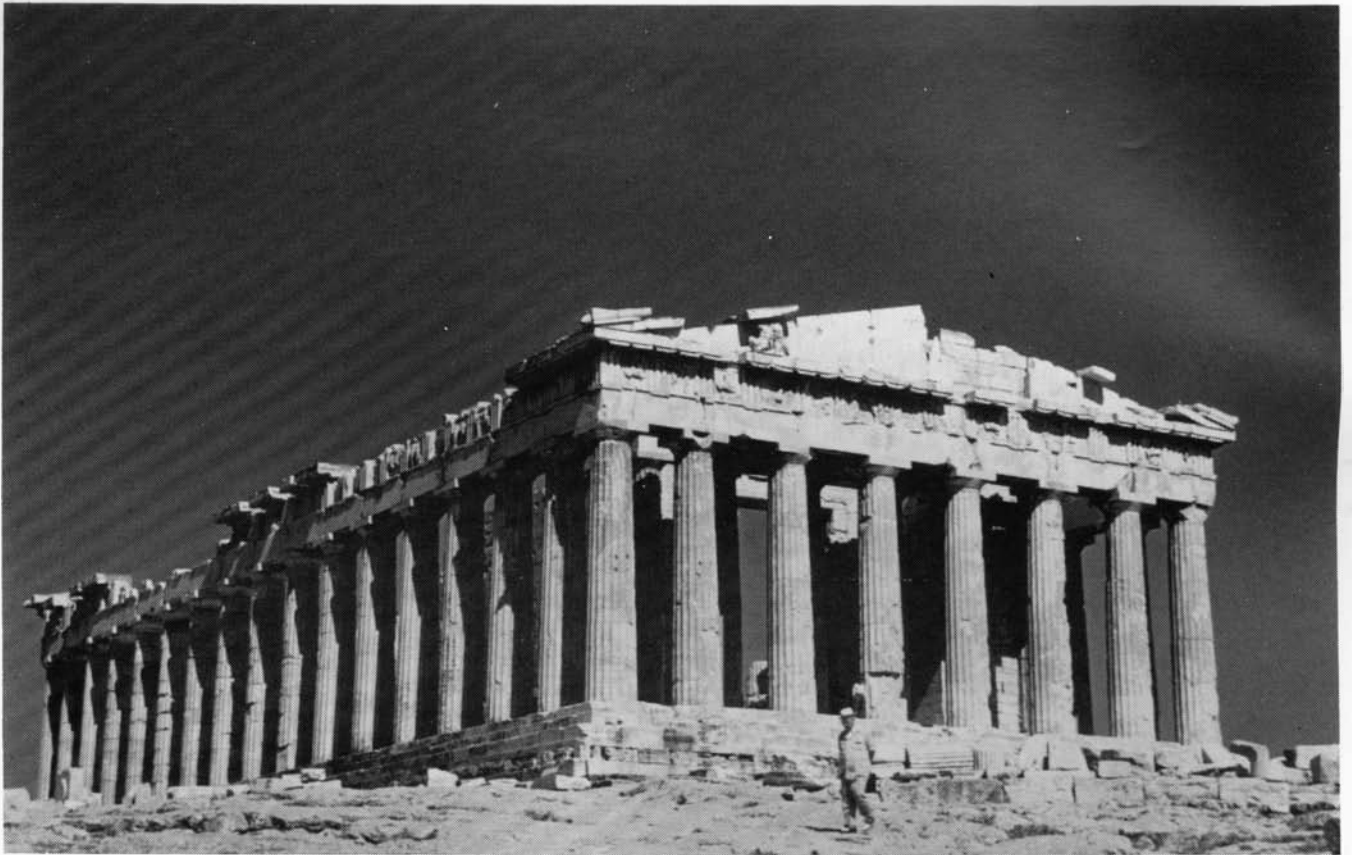
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**In Denmark:** EIR, Post Box 2613, 2100 Copenhagen ØE, Tel. 35-43 60 40

**In Mexico:** EIR, Francisco Díaz Covarrubias 54 A-3 Colonia San Rafael, Mexico DF. Tel: 705-1295.

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## From the Editor

This commemorative edition of *EIR* is devoted to presenting, alongside regular news coverage, three topics which are closely interlocked and which we hope will make it a political organizing tool of enduring value.

First, the *Strategic Studies* section includes an overview, with many details never before made public, of the role of Lyndon H. LaRouche, Jr. during the first Reagan administration through the presidential campaign of 1984, in shaping the historic shift in U.S. policy that became known as the Strategic Defense Initiative; and in negotiating with the Russians, at the Reagan administration's request, for its acceptance as a joint strategy for peace. Moscow's rejection of those overtures set the Soviet bloc fatally on the course of military buildup and eventual collapse as seen in the late 1980s.

Second, the *Feature* offers a strategic overview of the present Eurasian crisis, as laid out recently in the United States by former German military intelligence chief General Scherer. The point is, as Scherer underlines here, that President William Clinton *must* be induced to act to save western civilization by taking sharp, well-defined military action against the Serbian aggression. If Clinton does not, then the moral authority of Europe is a farce, and the current disintegrating situation in Russia will turn into a holocaust that replicates the tragedy of Bosnia and Croatia throughout the former Soviet Empire.

Scherer's analysis, delivered in a briefing on March 17, is backed up by articles revealing how economic breakdown threatens the sovereignty of nations in western Europe (see *Economics*); and in the reports on Russia, Tajikistan, Bosnia, Kashmir, and Afghanistan in *International*.

The third topic, addressed in the *National* lead and elsewhere, follows from the other two: the urgency of freeing Lyndon LaRouche from his long, unjust imprisonment. Who else has the proven experience to deal with Russia? Who else has the authority to rescue West and East from the debacle into which the free-trade satanists have steered the economy? We second General Scherer's warning: Dear readers, the responsibility to make President Clinton act as he must in this historic juncture, lies most emphatically with you.

Nora Hamerman

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## Honecker's debt legacy set to blow up German economy

by William Engdahl

A hidden debt bomb inherited from a dead communist regime is about to explode over Germany.

For the past half-year, huge amounts of political energy have been expended in the Bundestag, Germany's parliament, to securing a broad all-party and state austerity deal, called a Solidarity Pact. The mystery in this hubbub is that the pact, which has just been signed, is slated to take effect only in 1995, after national elections in 1994. Why the unusual delay?

The argument that it would depress a weak German economy to impose new tax burdens now, is political subterfuge. The new austerity package takes effect in 1995 because that is the year when the debt bomb of the old East German economy, the "hereditary burden" as it is called, must, by law, come into the daylight, and the German government—i.e., the taxpayers—must begin servicing this debt.

Much is bizarre about this so-called debt which German citizens must begin to repay in January 1995. First, no one has revealed precisely how large the debt from the old East German collective farms, state corporations, and other entities of the communist regime actually is. If Finance Minister Theodore Waigel knows, the ruling coalition presided by Chancellor Helmut Kohl refuses to reveal it. Opposition Social Democratic Party (SPD) members have chosen to accede to the Solidarity Pact without uttering a dissenting word about the legitimacy of the old East German debts.

Best estimates from sources in the thrift institutions put the total debt at 400-600 billion deutschemarks (\$250-375 billion). Of this sum, the German taxpayer, starting in 1995, must pay annual debt service of an estimated DM 40 billion, perhaps even DM 60 billion if the DM 600 billion figure is accurate. For what?

### The strange dealings in July 1990

It is important to recall the fast pace of events during the dramatic weeks after the November 1989 opening of the

Berlin Wall. Already in March 1990, the Bonn government was close to agreeing on a parity of 1 ostmark (the East German currency) to 1 deutschemark (the West Germany currency), after the proposed monetary union the coming July. On Feb. 6, Karl-Otto Poehl, the president of the Bundesbank, West Germany's central bank, was in East Berlin meeting the president of the East German Staatsbank and the East German economics minister to discuss terms of monetary union. The same day, in the same city, and reportedly without prior warning to Poehl, Chancellor Kohl made a surprise public announcement that Bonn was offering full economic and political union to East Germany—not merely a step to currency convertibility.

Perhaps under pressures of large street demonstrations in Leipzig, Dresden, and other cities of East Germany, perhaps alarmed by the growing stream of East Germans moving west, the Bonn government reacted politically, without consulting its colleagues in the Bundesbank. This, in the crucible of a unique historic moment, is understandable. What is not understandable, are the terms on which Bonn agreed to incorporate the entire monetary and economic system of East Germany—debts and all—that July.

A situation has been set up by the Kohl coalition, with the tacit acquiescence of the SPD opposition, which, if not corrected now, threatens to bring down not merely the present German government, but, Italian-style, all the political institutions of the postwar Federal Republic. The issue of the East German "hereditary debt" is programmed to become the dominating issue of European financial politics at least for the rest of this decade.

There are as yet many unanswered questions surrounding the dramatic events leading to the July 1, 1990 Monetary Economic and Social Union Treaty. Was the chancellor blackmailed by Soviet party boss Gorbachov and the Stasi (the dreaded East German secret police) with the threat of

losing the historic chance to reunite Germany, were he not to agree to their draconian financial terms? Was the attempted assassination of the government's top negotiator in the Union talks, Wolfgang Schaeuble, meant to deliver Bonn a message? Was the chancellor euphorically over-confident of the power of the mighty West German economy to solve all problems, once pressures of national elections were past in December 1990?

According to informed accounts in Bonn, the elite of the old regime in East Berlin, already by the mid-1980s or thereabouts, realized that it was a matter of months before the Warsaw Pact and their regime would crumble. Much like the Nazi elite after the defeat at Stalingrad, these Stasi and SED (the Socialist Unity Party or communist party) circles began quietly preparing for the good life after communism. Alexander Schalck-Golodkowski, a major-general in the Stasi, was responsible for all "hard currency" affairs of the Erich Honecker regime from his commissariat in the Foreign Trade Ministry. SED party boss Honecker, Stasi chief Markus Wolf, Schalck, and the other communist bigwigs began an elaborate process of looting the East German economy in the several years before the Berlin Wall cracked open in late 1989. Secret bank havens were set up in Switzerland, Gibraltar, Luxembourg, and elsewhere by Schalck and the Stasi-SED elite. Schalck alone had a network of 148 firms worldwide. A Jan. 30, 1990 report in the daily *Bild Zeitung* revealed that the SED was secretly selling its gold reserves to get hard currency in value of DM 2.1 billion.

### The 'hereditary debts'

What Honecker and his accomplices left behind in East Germany was a rotted infrastructure, outmoded industry, polluted streams, broken machinery—and one of the most precious reserves of skilled labor in the world today. Plus the "hereditary burden." What constitutes this huge new debt burden?

We are not disputing the legitimacy of the DM 30 billion in foreign debt of the East German government. This was, for the most part, contracted to western banks and should be paid. We ignore here approximately DM 10 billion in costs agreed to cover East German obligations after July 1, 1990 denominated in transfer rubles, though much could be said about it. We also do not take up the issue of the approximately DM 90 billion in debts for so-called settlement compensations for the currency conversion.

Rather we focus on what the Bonn Finance Ministry as of October 1992 calculated to be around DM 250 billion in inherited debts from the companies and collective farms now under the Treuhand, the economic agency which united Germany inherited from the communist German Democratic Republic. If we take the higher figure for total inherited debts of DM 600 billion as closer to the truth, then the Treuhand component of this debt by January 1995, when by law the remaining debts of the Treuhand are directly assumed as part of the federal budget and no longer "off-balance sheet," will

total not DM 250 billion, but closer to DM 450 billion. This is the albatross which threatens to sink the fiscal integrity and solvency of the Federal Republic.

In the final terms agreed between Bonn and East Berlin for the July 1990 union, Bonn assumed the book debts of East German industry and agriculture at a parity of 2 ostmarks = 1 deutschemark. Private household savings, after much political agitation, were finally accepted by Bonn at 1:1. The private savings sums involved are not burdensome. The 2:1 conversion, however, is.

The problem lies with the old industry debt owed by the state-controlled factories and collective farms to the Staatsbank in East Berlin. By assuming a 2:1 ratio of valuation, the Federal Republic assumed responsibility on July 1, 1990 for some DM 130 billion of "old debts." But, as the Treuhand was the umbrella set up some weeks before unification by the still-communist Modrow government of East Germany, to control all state-owned industry and agro-enterprises, this DM 130 billion was then legally assumed by the Treuhand.

### Cancerous growth of the debt

In a little-noted last act of the communist People's Chamber in East Berlin, a law was passed which allowed East German banking institutions (in reality the Staatsbank and subsidiaries) the option of charging "western" market interest rates, rather than the typical extremely low 0.5% rate charged by East Germany to its own state-owned farm cooperatives and collective farms for their "debts." Hours before the July 1, 1990 monetary union took effect, interest rates on the "debts" of state firms in the East Germany increased by 8 to 20 fold!

At the same time, the relative burden to the old East German collectivized farms of their East German "debt" carryover, besides bearing as much as a 20-fold higher interest burden, was now payable in West German currency at a ratio of 2:1, while the structure of East German industry and agriculture depended on export to the ruble-zone economies of the Warsaw Pact region, which had no hard currency reserves with which to pay. Exports from the vertically integrated agricultural collectives, the *Kombinate*, during the course of 1990, collapsed almost totally as a consequence.

But not the debt on the books of the East German farm combines, which, after July 1, 1990 were now a part of the Treuhandanstalt—itsself placed under the German Finance Ministry of Theo Waigel. This debt began to grow cancerously, hidden from public view.

On what basis were the "debts" of these old firms pegged at 2:1? Then-Bundesbank president Poehl rightly protested, insofar as his public role permitted, when the parity of 1:1 for the collective farms' debt was being mooted. But even were one to assume legitimate nominal debt, which was not the case as we shall see, a value of 2:1 was absurd. The Berlin black market some months before July 1990 sold ostmarks for deutschemarks at 10:1. If we take the per-man output of average East German industry *in toto*, the comparison with

West German economic productivity would have suggested a ratio closer to 13:1—in any case, not 2:1. Were a more realistic ratio for debt of firms used, the total state-controlled factory debts at union would have been on the order of DM 20 billion, rather than DM 130 billion—though even this would be bogus, as we shall see.

One case to illustrate: An agriculture collective in former East Germany had 150 members, and, prior to unification, had annual sales of about 15 million ostmarks, as well as a so-called state debt obligation on which they paid an average of 1% annually, or a yearly debt cost of 28,000 ostmarks, or some 0.2% of total sales. After unification, now with 30% fewer people, and an annual sales of DM 5 million, the collective must pay annual interest costs of 10%, or DM 140,000!

If west German modern industry and agribusiness firms were forced to operate under such financial pressures as were imposed on the east German firms under the conditions after July 1, 1990, it can safely be said that no concern would survive. That is precisely what has happened to east German industry and agribusinesses since July 1990. Real unemployment levels, among those wanting to work full time across the five new states of the east, today exceed 40%. Most state-controlled factories have been “privatized” in a manner which has amounted to a deindustrialization of eastern Germany.

But Honecker’s stand-in Comrade Modrow and friends succeeded in pressing Bonn for 2:1. With a stroke of the pen on July 1, 1990, Bonn took over the Treuhand, and with it a combined old debt of farm collectives and state-controlled factories valued at DM 130 billion, and for the most part now payable at western interest rates of some 9-10% annually. But how do we arrive at a figure of DM 450 billion in 1995 for the combined debts, including interest, of the Treuhand?

### Reorganization of the Treuhand

Helmut Kohl’s choice as first Treuhand chief, Carsten Detlev Rohwedder, was a manager with deep experience in transforming the steel industry at Hoesch, as well as years in Bonn under former Economics Minister Karl Schiller and others. Shortly before his assassination in April 1991, Rohwedder had realized that the policy of Treuhand had to change. He met with Kohl shortly before the German elections in 1990 and Kohl agreed to a policy of “modernization rather than privatization,” as priority for Treuhand. This meant that Treuhand would serve as ultimate guardian overseeing investment into east German industry, its effective reorganization, but above all, its modernization, even were this to mean that many east German companies must remain state-owned for ten or even more years before they were ready for the pressures of western markets. Under Rohwedder’s concept, east German steel should be used to rebuild collapsing east German railways, or to build new ports, for example.

But after Rohwedder’s murder, this mandate was re-

versed. An Anglophile Hamburg banker’s daughter with decades-long intimate ties to leading circles of City of London and Wall Street finance, Birgit Breuel, was named to the most demanding and difficult job in the entire German economy. Breuel proceeded to reverse the firmly established policy almost from her first day. Treuhand, according to numerous first-hand accounts of businessmen who have dealt with it, operates under the worst Anglo-Saxon “free market” ideology. The investment bank of her family, Schroeder, Munchmeyer, Hengst, now owned by Lloyd’s Bank (of London), was even hired as one adviser in the Treuhand privatization under Breuel.

Beginning in the summer of 1991, with Breuel at the helm, American and British management consultants were brought in to advise Treuhand, company by company, on privatization. According to a study by the Düsseldorf Institute for Economics of the DGB, the German trade union confederation, made public in October 1992, the Treuhand has deliberately hidden this policy shift by accounting tricks. Money, not preservation of valuable industry groups, rules Treuhand under Breuel.

In their official report for 1991, under the heading, “Outlays for Modernization, Privatization, and Shutdowns,” Treuhand claims an impressive expenditure of DM 77.5 billion. But according to the DGB examination of the fine print, Treuhand only spent DM 5 billion for what rigorously must be called “modernization” or rebuilding of the productive plant equipment and management structure of former East German firms! The remainder mostly was spent to keep companies operating with the same decrepit equipment, losing billions of deutschemarks monthly, while Berlin refused to pay out a pfennig for new investment in those firms. As a result, the total Treuhand debt is ballooning month by month. This is believed to be the real basis of the estimated growth from an original DM 130 billion in Treuhand “debt” in July 1990 to an estimated DM 450 billion by 1995.

The Treuhand does not list “modernization,” except in combination, “Modernization *and* Loss Settlements,” or “Loans for Investments *and* for Loss Settlements.” Through such tricks, Breuel’s Treuhand is apparently fulfilling the policy of Rohwedder’s Treuhand, but in reality building the biggest fiscal crisis in modern German history, set to erupt in public in 1995. No one knows, outside perhaps an inner circle of people advising Breuel, how much this Treuhand debt is mushrooming, because of the false policy since April 1991.

### The phony debt

But the most absurd of all in this tale of folly and fraud, is the fact that the entire debt is illegitimate.

How can a state which, under the East German system owned all means of production, owe itself? The so-called debts of the East German firms and agriculture complexes were, pure and simple, political fiction. The “creditor” and the “debtor” under the East German law were one and the same legal personage, the five SED states. Under the old



East German system, state-owned manufacturing company "debts" were carried as loans on the balance sheet of the state-owned Deutsche Kreditbank, which in turn was wholly owned by the East Berlin Staatsbank. After July 1, 1990, Treuhandanstalt in Berlin became the legal successor to the Staatsbank.

There was no credit system in the communist regime. Rather, the bookkeeping entries termed "debts" were a political planning and control mechanism of a communist state over state-owned industry. Because the SED Central Committee arbitrarily determined the prices the farm collectives could ask, firms were deliberately loaded down with "debts" from the Credit Bank, the difference between artificially low state prices for products and state plan demands for company "tax" revenue to the state. As the Warsaw Pact economies fell deeper into economic chaos in the late 1980s, these fictive accounting devices termed company "debts" mounted rapidly. But they were not "credit" in the West German legal sense of loans to buy real equipment or improve facilities. There was virtually no net new investment as we today know. Nor were they credits in the sense that the "loans" were drawn from national savings. They were merely arbitrary sums used to cover the collapse of the central planning process, or to allocate resources inside the planned economy. There existed

no legal form of debt. It was "debt" of the people—to communist Honecker.

Since July 1990, however, the Federal Republic of Germany has implicitly recognized this fiction as legitimate and given the "full faith and credit" of Germany as guarantee for its repayment. This error, while understandable under the extraordinary political pressures of 1989-90, will bring Germany and its entire economy to ruin as sure as night follows day, if it is not judiciously corrected—whether by determination of the proper legal courts as to the juridical legality of the inherited debts, particularly that of Treuhand.

Solutions are certainly possible if the problem is squarely faced. Replacement of the present debt entry in the books of creditor banks with new state bonds, call them, say, "reconstruction bonds," in some agreed ratio, but earmarked for direct investment in east German states for infrastructure rebuilding and industry reinvestment, would turn every billion deutschemarks now being lost in a bottomless barrel of debt payment and unemployment costs, into a genuine "eastern economic miracle." To regain the trust of the disillusioned citizens of the east, a truly impartial German national commission, named by all parliamentary parties, must conduct a full audit of the Treuhand under Birgit Breuel's tenure as well.

## E. German housing firms need a debt moratorium

The much-propagandized "Bonn Solidarity Pact" is worthless, as it leaves the old debt untouched. The swindle behind the German government's alleged success story of having found "a sound way of keeping financial flows under control" is most obvious in the case of the heavily indebted east German housing sector.

The eastern municipalities are expected to shoulder an old debt ratio of DM 150 per each square meter of inhabitable space—which means that the total old debt of DM 36 billion (in late 1990) is not reduced much, as this square meter trick adds up to a sum of DM 31 billion. The accumulated interest on the old debt, another DM 18 billion by the end of 1993, remains unchanged as well.

The only "concession" of the government now is to grant a two-year grace period to the east German municipalities, and to pay their due interests during this period. They are obliged to begin paying their share from July 1995 on, however.

The slightly reduced principal of DM 31 billion is meanwhile "parked" in the special government fund of "debt inherited" (from former East Germany), but it is to

be paid back in installments by the eastern municipalities through, among other measures, the sale of at least 15% of their property (land, buildings, etc.) to private owners starting in 1995.

The municipal housing agencies will have to invest in the restoration of an estimated 2.3 million apartments, however, which, as an average ratio of DM 60,000 is needed per apartment according to Bonn government calculations, will require a total of DM 138 billion over the next ten years. Hence, the eastern housing sector will not be in a much-improved position to pay the old debt which it cannot pay now, in 1995 either.

Rostock, the eastern German port which was targeted for neo-Nazi riots a few months ago, announced in February that it could not pay its 6,100 employees their monthly wages, due to a budget shortfall of DM 78 million. Only a special mobilization of funds allowed the city to scrape together enough money to cover February and March expenses. The official jobless rate in Rostock is 11.8%, but the real figure is more like 25-30%. Due to tax breaks granted to new businesses under the federal "Upswing East" program, there is no relief in sight for municipal revenues. The debt-burdened municipalities in the five eastern states have no options except to raise parking fees or to drastically cut the city payroll, as in Rostock, where 1,700 employees will be laid off, but even that measure won't close the budget gap.—*Rainer Apel*

# EIR shapes probe of Italy privatization

by Claudio Celani

*EIR's* special dossier, "The Anglo-American Strategy Behind Italian Privatizations," is forcing the Italian government to clarify whether some of its ministers have cut a deal with foreign interests which want to take over valuable sectors of Italian public industry at wholesale prices. One cabinet member especially, Budget Minister Beniamino Andreatta, may be forced to resign, and the government itself may be forced to face a confidence vote on industrial policy.

*EIR's* dossier, released in Italy on Jan. 14, published in part in *EIR* (Feb. 12, pp. 11-12), and prominently covered by the national weekly *L'Italia* in its Feb. 3 issue, provoked little reaction until March 2, when former Socialist Party Secretary General Bettino Craxi, who is defending himself from a political plot steered by the circles exposed in *EIR's* dossier, delivered it to the press and to members of Parliament. The day after, Deputy Antonio Parlato raised a parliamentary inquiry, quoting from *EIR's* dossier as published in *L'Italia*. Parlato asked the government to clarify whether it was true that on June 2, 1992, a secretive meeting took place

aboard the British Royal Yacht *Britannia* between British financiers and Italian public officials, to discuss how to privatize Italian public industry. Parlato met Treasury Undersecretary Mario Draghi, who had participated in that meeting, after which he raised a second inquiry. He said that, "basing myself on the interpretation of that unique meeting given by the *EIR* and *L'Italia*," he was asking the government to "ask opportune, immediate, and exhaustive explanations from the ambassador of the United Kingdom."

The thrust of Craxi's move and Parlato's inquiry have been echoed in the national press, resulting in the crediting of *EIR* and Lyndon LaRouche for the exposé. Senior economic columnist Giano Accame, writing in the Catholic weekly *Il Sabato*, after identifying *EIR* and LaRouche as the source of Parlato's inquiries, said that LaRouche's supporters "describe him as a victim of the American system of power, against which he stubbornly fights, but his misadventures strengthen his victimization. Yet, this time the rumors from Wiesbaden were right. . . . Who now talks about conspiracies, maybe uses big words. But that procedure was all but elegant. . . . Do you handle like that, out of the offices, the state businesses? Beside being a bit 'exotic,' was it not too confidential an atmosphere? Draghi, feeling uncomfortable, left. Those who stayed were much less serious and now should respond about it: privatize to denationalize?"

The Rome financial daily *Il Globo-12 Ore* published front-page articles for two days in a row reporting on *EIR's* dossier. One of them was entitled "Wall Street and the City Push Bossi to Sink Italy." "Northern League," it wrote quot-

## Italian weekly: Financial lobbies jailed LaRouche

The March 31 issue of the weekly *L'Italia* carries a major article about Lyndon H. LaRouche, Jr., entitled, "And the Dissident Ended Up in the American Gulag." Written by Marco Torre, the lead two-page story in the magazine's International section reads in part: "In Italy the reorganization of the debt will never occur because it is a colony of the International Monetary Fund. Its political and financial sovereignty has long since evaporated, it no longer exists. And in this regard, the masonry is greatly to blame. The masonry in Italy is in fact an institutional element. In the 1970s, in order to prevent a government of national recovery, it went so far as to manipulate the Red Brigades. The author of this detailed denunciation is not a conspiracy theorist or an international spy, but Lyndon H. LaRouche, a 70 year old, a refined and appreciated scholar, proponent

of an economics subordinated to the laws of ethics and the higher interests of nations.

"Taking advantage of a minor tax evasion (a pecuniary distraction), the U.S. authorities sentenced him to the maximum penalty. . . . For two [sic] years he has been in prison, treated like a common criminal.

"Lyndon H. LaRouche . . . allegedly committed the 'grave error' of pointing out, to Americans and non-Americans, the necessity and importance of a 'national' road to economic development, counterposed to the 'multinational' route to development pursued by the mightiest financial and banking lobbies which, LaRouche says, have looted, sacked, and impoverished nations and peoples.

"Here are, in summary, a few points of his thinking with respect to the reform of the monetary system: A) nationalization of the central banks and consequent creation of national banks. B) In the U.S.A., nationalization of the Federal Reserve (the U.S. central bank), currently the property of a dozen private banks (Citibank, Chase Manhattan Bank) who sit down at a table and decide the economy of the country. . . ."

ing *EIR*, "is the ideal instrument to implement the Anglo-American objectives. Here is why the Northern League is supported by the City of London and Wall Street-controlled media (*Economist*, *Financial Times*, and *New York Times*). Connections have been discovered, according to the report, between some foundations owned by certain Italian industrial groups and such centers, through Lazard [Frères].

"Bossi would be moving exactly toward the destruction of the national state, a very clear target for his international sponsors. Mafia witness Leonardo Messina would know the CIA project, coherent with the Northern League project, to 'divide Italy,' and has spoken about it in front of the parliament's anti-mafia commission."

After reporting on the strategy to devalue the lira and buy up Italian industries cheap, the daily wrote: "The Amato government could still save the ship by reintroducing exchange controls, freezing a part of the public debt (sparing the small savers), and launching an aggressive investment policy."

### Agnelli group getting hit

But maybe the most important, politically and in terms of readership, is a prominent article run in the Milan daily *Corriere della Sera* on March 10, in which economic editor Danilo Taino reports *EIR*'s analysis of the international attack against the lira and integrates this with the "conspiracy theories" of German Chancellor Helmut Kohl and former French Premier Raymond Barre. *Corriere della Sera* is not only the most influential Italian daily, but it is owned by the Agnelli family, whose power in Italian politics has historically been unchallenged except only by the Catholic Church.

Observers see in this a reaction to the fact that the "anti-corruption" investigation, which a group of Milanese judges are leading on a national scale, has hit the Agnelli group, with the arrest of Fiat financial manager Paolo Mattioli. Maybe Agnelli, like Craxi, has understood that the "anti-corruption" investigation is promoted by the same international forces that are leading the economic assault against Italy.

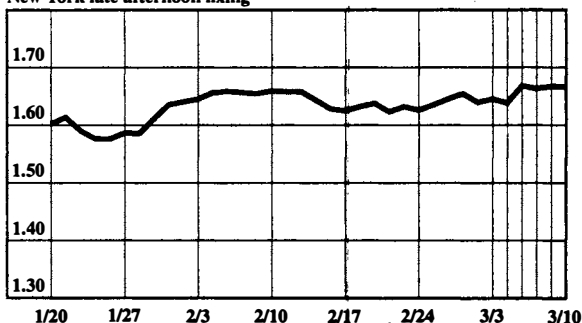
While we are writing, Parlato is raising a third parliamentary inquiry, which more deputies from different parties are expected to join. Thanks to information provided by *EIR*, the new question raises the name of Andreatta, a radical free-marketeer who was on the queen's ship on June 2 and who today, together with Treasury Minister Barucci, is pushing for "shock therapy" in the privatization issue.

Andreatta is opposed by Industry Minister Giuseppe Guarino, author of an industrial policy plan where, instead of selling state companies piecemeal to foreign interests, they would be first integrated into a modernization plan, and then gradually sold to Italian purchasers. Guarino insists that the "traumatic social effects" (i.e., unemployment) of industrial modernization have to be avoided. Guarino's supporters, who have the majority in Parliament, want to force a vote on this policy, and eventually bring down the Amato government over the economic issue.

## Currency Rates

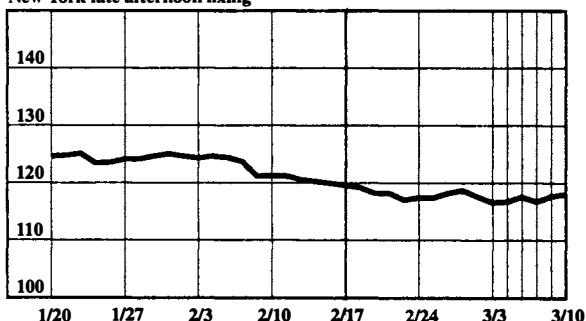
### The dollar in deutschemarks

New York late afternoon fixing



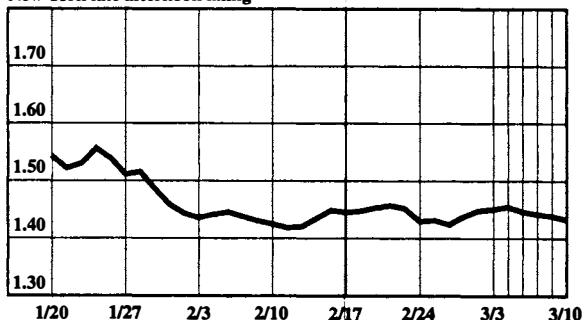
### The dollar in yen

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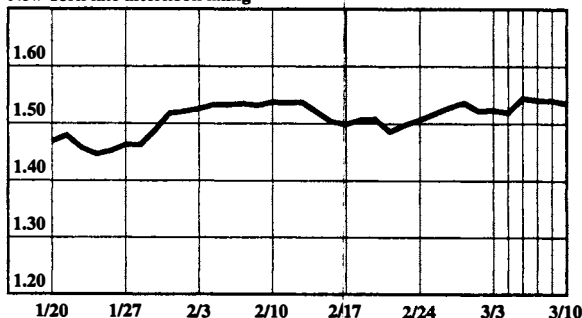
### The British pound in dollars

New York late afternoon fixing



### The dollar in Swiss francs

New York late afternoon fixing



# LaRouche 'Productive Triangle' plan is expounded by Moscow scholar

*Lyndon LaRouche's proposal for a Paris-Berlin-Vienna "Productive Triangle" was the subject of a letter to the editor printed by the leading German daily Frankfurter Allgemeine Zeitung on March 16. The author of the letter, Prof. Taras Muranivsky, is rector of the Ukrainian University in Moscow and is the scientific editor of the Russian edition of LaRouche's textbook So, You Wish to Learn All About Economics? Professor Muranivsky linked the current crisis of west European steel industries to the dumping policies of east European steel producers, which is being carried out under pressure from the International Monetary Fund.*

*In the following excerpt from his weekly radio interview of March 16, "EIR Talks With Lyndon LaRouche," LaRouche took up this issue further. He was interviewed by Melvin Klenetsky.*

**LaRouche:** Poland has collapsed to a worse condition than it ever suffered under communism after the first reorganization of Poland under communism. The former Soviet economy is in the worst condition it has been in since the war—total collapse. For example, there is a letter in the German press by Professor Muranivsky from a leading university in Moscow, who details some of this, and points out my alternative to this mess, which I had proposed as early as 1988-89, and he shows the collapse of the Russian economy and the effects of this upon the western European economy, as a result of failing to carry out the kind of proposal which I presented back in 1989 in particular, the so-called Triangle proposal. That was in the *Frankfurter Allgemeine Zeitung*, the leading financial market press of Germany, of March 16.

They have simply wrecked the economies, and it is the wrecking of the economy of Russia, as well as eastern Europe, which has driven the Russians to the point that Yeltsin has to change horses and go over to the hardline side, as a price for not being lynched. . . .

**EIR:** Today we are looking at a 2,000% rate of inflation in the Soviet Union, a 50% collapse in production, a 33% collapse in agriculture. What are your policies, which Professor Muranivsky is talking about, which would reverse this total disaster?

**LaRouche:** There are two things required. Professor Muranivsky does not mention one of them, although he is aware of it, as I know personally—I know him indirectly, personally.

First of all, on the economic side. The greatest concentration of infrastructure and of productive potential, labor force, education, everything else; the greatest center of power on this planet, is not Japan, it is not the United States, but it is this so-called Triangle area.

This is the result of an historical process which dates back to the Emperor Charlemagne, who set into motion, with a number of plans, canal-building and road-building and other policies, which, as a heritage, have shaped the progressive development of European civilization up to the point before there was any civilization in North America.

So we have about a thousand years or more, of accumulated development of land, of canal systems, river systems, road systems, locations of cities, all this sort of thing, which is concentrated largely in a triangular area, or you might say a spherical triangle, which includes Paris as a corner, Vienna as a corner, and Berlin as a corner.

There are about 110 million people living in this area, as compared with 130-odd million people living in Japan in an area of comparable size. This area has much greater productive power, than does Japan as a whole.

If we want to get new technologies developed cheaply for distribution, that is, spreading them around the world, this is the area in which to invest, where all the conditions of infrastructure, of skilled labor, and cheap cost of transportation—all these sorts of things—prevail. Therefore, we can produce this at the greatest economic advantage there. If we connect this part of the world through rail line systems, high-speed rails, magnetic levitation, 300-mile-an-hour rails, that sort of thing, to places like St. Petersburg, Moscow, Kiev, and so forth, and on the way to Vladivostok and into China, we integrate Eurasia for what most people would consider an absolutely miraculous rate of growth and productivity per capita and per square kilometer.

This is what Professor Muranivsky is talking about. As he also knows, to do this, we must eliminate the kind of intrinsically inflationary financial system which we associate today with a Federal Reserve System operating in a deregulated

lated so-called free-market system. State governments must organize the credit at low-interest rates and give the credit (as primary credit) *selectively* in those areas which will cause the fostering of these kinds of development.

In that case, we can have a recovery immediately; if we do not take exactly those measures, we will have a worsening, spiralling depression, which will continue beyond the end of this century.

Professor Muranivsky also points out, in his letter (and he demonstrates with facts in terms of prices of iron and steel), that if the Russian collapse continues, this collapse will drag the entire world down *deeper* into a worldwide depression; and he is absolutely correct.

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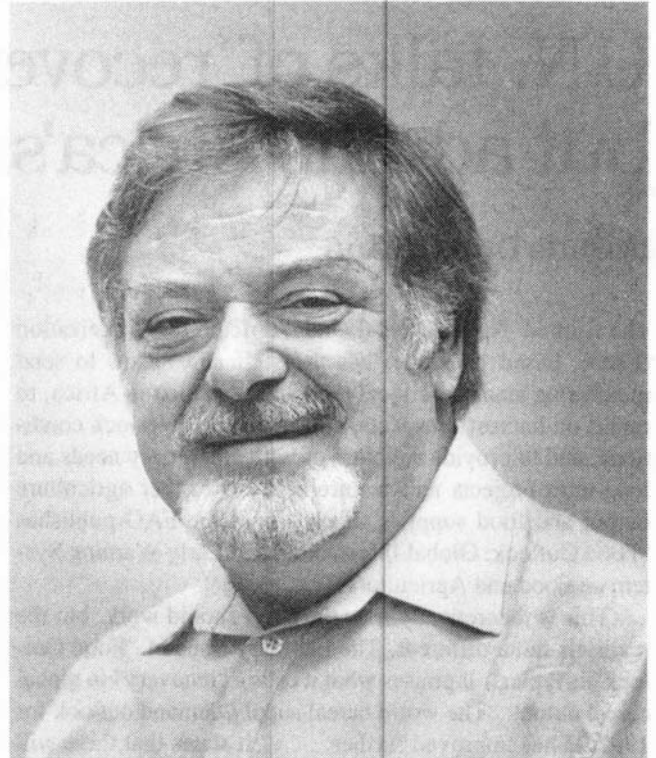
## Documentation

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*Professor Muranivsky's letter to the editor of the Frankfurter Allgemeine Zeitung was published on March 16 under the headline "Steel Crisis and International Monetary Fund":*

The problems of coal and steel production and sales in such industrial regions as the Ruhr can be shown to depend directly on decisions made in Poland, Russia, Ukraine, Belorussia, and other eastern European countries. Whereas in Germany one ton of coal costs about DM 250 to produce, in Poland it costs DM 80. The same goes for steel; in Germany it costs DM 650 and in eastern Europe DM 65. The reason why the prices are so low is very simple. It is well known that most eastern European countries have implemented so-called shock therapy, which the International Monetary Fund (IMF) forced on them. Although this medicine, which kills the patient, has led to drastic reductions in industrial production, eastern European countries are exporting, at dumping prices, goods which they actually would need for their own consumption. But the IMF conditions have ruined our currencies to such an extent, that only in order to acquire hard currency, coal, steel and other goods are dumped on the West, without the employees ever getting anything out of it. The hard currency earned thereby is then transferred to the IMF as debt repayment.

But it is also known that this immoral and discriminatory policy strikes back like a boomerang against the states that follow it. In my view, and that of my German friends, Germany has serious interest in supporting eastern European countries and will distance itself from discriminatory treatment. Despite the variety of problems, all European countries will have to seek common decisions. One of the most constructive means for the solution to the European and world economic problems of today has been elaborated by the Schiller Institute (Wiesbaden, Düsseldorf). I myself took part, together with colleagues of mine from Russia and Ukraine, in a semi-



*Professor Taras Muranivsky: He prefers LaRouche's proposal "to the IMF conditionalities approach, which represents the attempt to loot and destroy eastern Europe and the former Soviet Union, as a component of the strategic efforts to build a new world order."*

nar on this theme, held on Feb. 27-28 of this year.

The ideas and conceptions of the American economic scientist and politician Lyndon LaRouche provided the foundations for the elaboration and practical proposals regarding this theme. At the end of 1989 and the beginning of 1990, LaRouche and his friends from the Schiller Institute circulated a proposal which was called the "Productive Triangle." It contains the idea of using the historically defined concentration of productive capacities in the geographical triangle Paris-Berlin-Vienna as the motor force for new technologies, linking up this area with the rest of Eurasia and other parts of the world. With the help of so-called galactic spiral arms, that is, logistical corridors, other parts of Eurasia would be linked to this technological-economic locomotive, in order to build up satellite centers of development along the route, which would be determined, to a large extent, by the development of improved rail systems, especially high speed and magnetic levitation systems.

I prefer this way of economic development to the IMF conditionalities approach, which represents the attempt to loot and destroy eastern Europe and the former Soviet Union, as a component of the strategic efforts to build a new world order.

# U.N. talks of 'recovery' in grain output, but admits Africa's dire food needs

by Jutta Dinkermann

The United Nations Food and Agriculture Organization (FAO), based in Rome, has the staff and means to send monitoring teams to critical crop areas, such as in Africa, to report on harvest prospects, soil moisture, livestock conditions, and to provide a picture of both emergency needs and long-term projects and requirements to further agriculture output and food supplies. Each month the FAO publishes "Food Outlook: Global Information and Early Warning System on Food and Agriculture."

This is theoretically how the FAO should work, but the reality is quite different. The February issue of "Food Outlook" is typical. It praises what it calls a "recovery" in global cereal output: "The world cereal supply/demand outlook for 1992/93 has improved further. . . ." It states that there will likely be a replenishment of global cereal stocks, "above the range considered by FAO as the minimum necessary to safeguard world food security." Yet a feature titled "Food Situation in Africa" paints a detailed picture of the precarious state of agriculture across the entire continent, and food *insecurity* on the scale of genocide. The facts are especially dramatic, because 1992 was the year of the "drought of the century" in southern Africa.

What does the FAO report say about food aid? Their statistical table notes, without accompanying comment, that food aid in cereals is likely to drop this year down to 12.8 million tons worldwide, down from 13.5 million tons last year, and in the mid-1980s. This tonnage is inclusive of cereals aid to Africa, and also for Bosnia and all other points of need.

We here summarize, region by region, the update on the agriculture and food situation in Africa, to make the point, from the U.N.'s own figures, that a world mobilization is required for emergency food assistance, and also for infrastructure development—water, power, transport, and public health measures.

## A few good harvests don't make a recovery

According to the FAO, in recent months there have been promising developments in a number of countries of sub-Saharan Africa. These include above-average to record harvests in Ethiopia, Eritrea, Sudan, and most of the Sahelian countries. But yet, sub-Saharan Africa will require extensive emergency assistance throughout 1993 to cover the needs of

large numbers of refugees, displaced and drought-affected people, and demobilized soldiers. A crucial factor in the coming months will be the development of the 1992-93 coarse grains crop in southern Africa; prospects are unfavorable in Angola, Lesotho, and Mozambique, and shortage of seeds has reduced planted area in several countries.

Aggregate cereal production in 1992, for the 26 African countries that are in their 1992-93 marketing year, is estimated at 37.4 million tons, some 12% lower than in 1991. The food aid requirement for these countries in 1992-93, estimated at 5.2 million tons, is substantially higher than in 1991-92, mainly reflecting the sharp increase in the needs of the drought-affected countries in southern Africa. Food aid pledges for 1992-93 cover some 80% of the estimated requirements, but less than half of the pledges have actually been delivered. There is an urgent need for donors to expedite shipments, particularly to Kenya, Malawi, Mozambique, and Somalia.

Initial indications of the needs of the 20 countries, which have just entered their 1993 marketing year, are that food aid requirements, while remaining high, will fall from the 1992 levels, mainly on account of increased cereal production in Ethiopia and Eritrea.

## Eastern Africa

In **Somalia**, some 1 million people remain at risk of starvation. Security conditions remain precarious in many locations, several of which can so far only be supplied through airlifts. As a result of the collapse of the agricultural infrastructure and a livestock-population sharply reduced by drought and war, only a slow recovery of the agricultural sector can be expected.

In **Ethiopia**, food assistance will be required by some 1.1 million returnees from settlement areas and persons displaced by ethnic conflict, and a total of 840,000 demobilized soldiers and their dependents. A further 2.4 million persons are estimated to have been affected by crop and livestock losses.

In **Eritrea**, the much improved security condition is expected to lead to an increase in the numbers of returnees requiring assistance in 1993 to a total of 200,000 persons. Despite the good rainy season, livestock numbers will take at least another year to recover.

In **Sudan**, an estimated 2.78 million displaced and

drought-affected people will require 324,000 tons of food assistance in 1993. Some 1.7 million displaced persons require an estimated 184,000 tons of food. About 14,000 tons of food are needed for 395,000 displaced people in vulnerable groups, mostly children under five. An estimated 1.08 million persons living in food deficit areas will require 126,000 tons of food assistance.

In **Kenya**, widespread malnutrition is reported and livestock losses have been severe. An estimated 1.7 drought-affected people will be reliant on relief assistance at least until the next main harvest in August 1993, and there are some 400,000 refugees in the country.

In **Tanzania**, acute local food shortages persist, notably in the drought-affected central and lake areas. Relief operations are targeting some 600,000 persons, but efforts to transport grain from surplus areas continue to be hampered by financial constraints.

In **Uganda**, drought affected 1992 crops in Masaka, Mpigi, and Rakai district, while a combination of drought and civil disturbances led to food problems in Saroti.

In **Rwanda**, some 350,000 displaced persons will continue to require food assistance well into 1993.

## Southern Africa

The food supply situation across much of southern Africa has improved somewhat, following substantial commercial and food aid imports.

The signing of the **Mozambique** peace treaty has allowed relief assistance to be delivered to areas which, until recently, have been inaccessible to agencies. Emergency food aid needs for 1992-93 have been increased by large numbers of returnees and demobilized soldiers and their dependents. A catastrophe has been temporarily averted in **Malawi**, but food stocks are at critically low levels. Livestock and crop losses from the 1991-92 drought have necessitated large-scale emergency programs in all the countries of the sub-region. However, in **Angola**, the recent renewal of hostilities has hampered relief distribution efforts to drought-affected rural populations in the south and has led to acute shortages.

Although land preparation and planting of the 1992-93 coarse grain crop is complete in southern Africa, rains were generally late and have been below normal in several areas. Shortages of seeds are reported, particularly in **Angola, Mozambique, and Zimbabwe**. In all the developing countries of the sub-region, the number and quality of livestock was reduced by the 1991-92 drought. Reductions in planted area are reported from **Lesotho** and are anticipated in several other countries. Prospects are bleak for cereal production in Mozambique and Angola. In the former, the peace treaty will allow a gradual return to the land, but labor supplies will remain inadequate. Seed distribution has fallen well short of requirements and the rains were late in southern and central areas. The recent renewal of hostilities has led to further population displacement and has disrupted seed supplies.

Despite good rains, cereal production is expected to be below the 1991-92 level.

Growing conditions in **South Africa** have been generally satisfactory following ample rains in the main maize areas in November and early December, but recent dry conditions have seriously affected crops in several areas, and a below-average harvest is now in prospect.

## Sahelian countries

Following generally good harvests, the food supply situation in most of the Sahelian countries is expected to remain satisfactory in the 1992-93 marketing year, except in north-west parts of the Sahel. In **Mauritania**, following successive poor harvests, the situation will be tight for drought-affected populations. Tuareg refugees in the eastern region are putting pressure on the available supplies. In the cities, the food supply situation is better, following substantial commercial cereal imports in 1992, but the recent devaluation of the national currency resulted in price increases of food items and will severely affect the poorest segments of the population.

In northern **Senegal**, the situation is also difficult, following another poor harvest and the transfer of cereals from surplus areas in the south are required. In **Cape Verde**, a below-average harvest is anticipated, but the country has already planned substantial commercial imports of food in 1993.

## West Africa

Following unfavorable growing conditions, below-average harvests have been gathered in several countries along the Gulf of Guinea. As a result, aggregate cereal production is likely to decline and import requirements, mostly wheat and rice, will increase.

In **Ivory Coast**, an exceptionally long dry spell between mid-June and early September seriously affected staple food crops.

In **Nigeria**, most areas had poor rains and the production of cereals in 1992 is estimated at 3% less than last year and below average.

In **Liberia**, the harvesting of the paddy crop has been hampered by heavy fighting. Following massive displacements of people from rural areas, and shortages of seeds and farming implements, plantings were below normal. As a result, the 1992 cereal harvest is estimated at 100,000 tons. With this poor cereal harvest, the food supply situation in 1993 will remain serious.

In **Sierra Leone**, weather conditions were generally favorable for the 1992 cereal crops. However, plantings were again below normal due to the displacement of a large number of people following civil strife, shortages of seeds and farming implements, and flood damage to swamp rice in some areas. Consequently, production of cereals in 1992 is estimated to be below average. By contrast, above-average crops have been gathered in **Benin and Togo**, while a record harvest is in prospect in **Guinea**.

## Keating reelected to finish off economy

*The good news is that opposition candidate Dr. John Hewson was destroyed; but Labor's Paul Keating is no better.*

**T**he March 13 federal election in Australia was a surprise victory for the Australian Labor Party government of Paul Keating. Despite the fact that nearly every major newspaper in the country urged its readers to vote against him, the man whose free trade and deregulation policies have created the worst economic conditions since the depression of the 1930s managed not only to win, but to extend Labor's majority in the 147-seat House of Representatives from 9 to at least 15 (the vote count is continuing).

The only difference between Keating and former International Monetary Fund (IMF) economist Dr. John Hewson, the leader of the federal opposition Liberal-National Party coalition, is that Hewson's "alternative program" would have brought the economy careening downward even faster. It is generally agreed that the election was won because of fear of this alternative, which included plans to introduce a 15% goods and services tax (GST), radically deregulate wages, and privatize large chunks of health, welfare, and education.

Keating will likely continue to serve the interests of the banking sector and tax evaders. Throughout the 1980s, the Liberals promised radical deregulation of banks and "market solutions" for exchange dealings, but it was then-Treasurer Keating who implemented these policies. Indeed, Liberal Party leaders have often praised Keating for implementing Liberal policies.

Keating also presided over growing unemployment, and throughout the 1980s forced wages down using a

social contract device known as "the Accord." Throughout the 1980s, real wages fell significantly.

Massive tax scams also were allowed while Keating was Treasurer. During the election, the Australian Federal Police Association claimed that \$13 billion was lost to revenue each year by organized crime and tax cheats. The Australian Federal Police claimed that police had been prevented from investigating tax scams by senior politicians. This in itself could have been used as an issue by the Liberals to attack Labor (and Keating's) record, but it was ignored.

Keating will now promote himself as the defender against the radical right wing of the Liberal Party, but this is black humor, considering Keating's track record in the 1980s.

The fact that Australia's voters largely did little better than to choose the "lesser of two evils" was attacked by the relatively new party, the Citizen's Electoral Councils. Maurice Hetherington, CEC candidate for the federal seat of Hinkler (Queensland), told the press that he was "appalled with the level of political intelligence of the electorate," and that Australians were going to continue to suffer greatly as a result of this mentality. The election, Hetherington insisted, "was a referendum on the IMF's goods and services tax. . . . What the people haven't yet realized is that the IMF just doesn't give up so easily."

Hetherington predicts that the IMF will force Keating to introduce a value-added tax, that is, "a copy of Hewson's GST," and that Keating will accede. Hetherington, the most

important alternative candidate in the race, won slightly less than 4% in an eight-way race for the federal House of Representatives.

The fact that the opposition coalition should have walked away with this election, but did not, is having heavy fallout, and the coalition is expected to fracture. National Party Members of Parliament immediately began attacking the Liberal-dominated economic policy line, as did two prominent Liberal Party backbenchers, Ken Aldred and Steele Hall. Aldred and Hall have fought a battle within the Liberal Party against the worst excesses of Hewson's free trade insanity for some time.

Former Australian Prime Minister Malcom Fraser (Liberal Party) also joined the fray, insisting that the Liberals must break the economic rationalists' stranglehold on policy.

The other half of the federal opposition, the rural-based National Party, did better than the Liberals in races where they ran their own candidates. Two National Party members, Bob Katter in Kennedy and Ray Braithwaite in Dawson, who had both campaigned against the cut in tariffs to the sugar industry, and free market policies in general, were returned with a substantially higher vote. This is a signal to the National Party to return to protecting the interests of farmers. The success of the National Party in Queensland, picking up a possible four seats, is contrasted with the dismal failure of the Liberal Party section advocating market remedies.

The independent and small party vote, almost without exception, fell through the floor. Only two independents, Ted Mack and Phil Cleary, were returned. Cleary had just recently been elected to fill the seat vacated by former Labor Party Prime Minister Bob Hawke, a campaign that he won by opposing liberal free trade policies.



## Iowa confab pushes contract farming

*Senator Dole, the Farm Bureau, and the "experts" argue for replacing family farms with "industrial" farming.*

On March 1 and 2, influentials in agricultural policy gathered in Des Moines, Iowa for the stated purpose of discussing the industrialization of agriculture. Sponsored by the National Forum for Agriculture, the conference, called "The Challenge of Industrialization," focused on promoting contract farming—a fancy name for neo-serfdom.

Under this system, the farmer agrees to provide the monopoly processing company with a specified volume of livestock, under terms usually involving such things as contracting for a certain feed mix. The farmer has no control over price or other conditions.

Already, over 90% of U.S. poultry is raised by a combination of contract farming and vertical integration. Four large companies (Tyson, ConAgra, Goldkist, and Perdue) control over half of all poultry production. Hundreds of thousands of family poultry farms have been lost. The push is on to take over all beef and pork output by the same process. If this succeeds, the contracting monopolies will decide how much and at what price their slaves will produce, and who will eat meat and who will not.

Some influential leaders in agriculture spoke at the Des Moines event, including American Farm Bureau Federation President Dean Kleckner, European Community agricultural counselor K.F. Mortensen, Sen. Robert Dole (R-Kan.), Cooper Evans (the former agriculture adviser to President Bush), Lynn Horak from Norwest Bank, James Kirk from Omaha Farm Credit Bank, and ag-

ricultural economist D. Gale Johnson.

Farm organization representatives also participated in the proceedings, which were slanted to promote the idea that contract farming is a growing and irreversible trend. According to the *Des Moines Register*, "They said farm organizations, cooperatives, and federal programs will have to adjust to contract agriculture or find themselves irrelevant in a food system that is tightly linked from the farm to supermarket."

All kinds of bogus arguments were advanced to rationalize how farmers should acquiesce to the trend. Neil Hamilton, head of the Drake University Agricultural Law Center and president of the American Agricultural Law Association, argued that farm organizations should evolve into labor unions, which would work to make sure farmers received the best deal possible on their contracts.

According to Hamilton, as contracting grows and farmers become more like wage-earning workers, they will face issues similar to their urban counterparts. Instead of farmers being concerned with proper management practices which would be focused on producing food for a hungry world, he said they would then worry about working conditions, the fairness of the contracts, and access to information to be certain they are getting a square deal.

It was also argued that farm cooperatives, which were formed to help farmers band together to negotiate lower rail rates and lower prices for fuel and other supplies, are projected to become vehicles to help farmers ob-

tain technology, through contracting, which would be unaffordable and unavailable to them otherwise.

Wayne Synder of Farmland Industries (which contracts with farmers to produce hogs) said that contracting was the best way to help livestock producers get the financing necessary for introducing new technologies.

A recent report from the Iowa Business Council touts contracting as the only way to expand livestock production in the state because new technologies will not be available to producers otherwise. The report says that most of the money available for research and development of new technologies will be through companies offering the contracts.

The sales pitch stresses regional competition. Supposedly, in order for Iowa to remain number one in the production of pork and regain its number-one position in beef production, new technologies are essential to compete against the large livestock confinement units in southern states. What is not mentioned is who is financing these ventures.

In fact, the systematic failure to enforce antitrust laws has led to four companies (IBP, ConAGra, Cargill, and Tyson) accounting for close to half of all U.S. poultry, beef, and pork production as of 1990. Other entities are also involved in large-scale confinement operations, such as National Farms, Farmland Industries, and Murphy Farms.

On the financial side, the giant Holland-based Rabobank counts as its customers: Farmland Industries, Cargill, Continental Grain, IBP, ADM, seven of the largest feedlots in the country, Tyson Foods, other poultry farms, National Farms, and Murphy Farms (in the pork industry), regional grocery chains, and country elevators. Rabobank is also a lender to entities supplying credit to farm borrowers.

# Business Briefs

## Health

### 'Mad cow' disease haunts Great Britain

Fear of humans catching "mad cow" disease is growing in Britain following the death from a brain disorder of a dairy farmer whose herd was infected with the animal virus, Reuters reported on March 13.

Scientists writing in the British medical journal the *Lancet* said that the case was the first fatality involving direct occupational contact with mad cow disease. His death "raised the possibility of a causal link," they said.

Many British health authorities are strongly recommending that the policy of "benign neglect," advocated by Prince Philip, which has been taken toward the AIDS virus, not be repeated in this instance.

## Finance

### IMF tries to shed 'satanic' image

Complaining that "manipulations of information" have "satanized" the International Monetary Fund as responsible for failed economic policies, Miguel Bonangelino, adviser to IMF Managing Director Michel Camdessus, announced on March 11 at an international seminar in Cartagena, Colombia that the IMF has decided to launch a public relations campaign to clean up its "black image," which on several occasions "has endangered the success of reform policies."

As an example of this satanization, Bonangelino told of how, when he had visited Bogotá during Belisario Betancur's administration, the walls of the city were painted with the slogan, "Long Live the Christ Child; Down with the IMF," *El Nuevo Siglo* reported.

The actual slogans painted on the wall read: "The IMF Stabbed the Christ Child: Andean Labor Party." The Andean Labor Party is part of the international political movement associated with U.S. statesman and economist Lyndon LaRouche.

Roberto Brauning, head of the IMF's In-

formation Office, also told the seminar on "The Current National and International Economic Situation" that very soon "the epoch in which the Fund is considered as Satan and the officials of the institution as his bailiffs will be overcome." Why? Because Camdessus has given orders that national governments must take responsibility for the failure or success of their economic policies "and not simply blame the international organizations," which only "recommends" or "persuades" on policies, Brauning whined.

## Brazil

### Health conditions rival last century

"In all of Brazil, we have the epidemiological profile of the last century," Roberto Chabo, Brazil's Public Vigilance Secretary, told *O Globo* on March 8 in discussing the alarming spread of cholera in the country, and particularly in the state of Rio de Janeiro. Chabo emphasized that the country's precarious health infrastructure will cause the disease to become endemic. In poor areas of Rio state, such as Baixada Fluminense and São Gonçalo, only 30% of the population has access to health infrastructure. In metropolitan Rio, 40% of the population (4 million people) has no potable water.

In April 1991, the Health Ministry allocated 400 million cruzeiros for the anti-cholera campaign, but those funds only began to be released sometime in 1992. During the eight months he occupied the post, the ministry's former superintendent of collective health, Luciano Toledo, was not able to spend 1¢ of the anti-cholera budget, apparently because it was invested in financial markets. This prevented the creation of a strategic reserve of equipment, medicine, and chlorine pills available for municipalities.

Today, Toledo, a professor at the National Endemic Center, warns that "cholera is not a passing thing. It won't go away with the March rains." He calculates that 400,000 residents of Rio could be infected, 10,000 seriously, and 100 could die.

Chabo said that "we can't blame people's

habits for the spread of cholera." He said that an investment of \$20 billion could provide the country with efficient sanitation infrastructure, but "that money doesn't exist." He added that "the [cholera] epidemic is a strong denunciation of the authorities' historic omission at all levels, in terms of implementing basic health programs. Is there a solution? Yes. Is it expensive? Yes." Chabo noted that the \$100 million spent on building a road which links southern Rio with the island on which the international airport is located, could have been better spent on improving Rio's health infrastructure. "It's just a question of political will," he said.

## Asia

### Taiwan, India business leaders to expand trade

Business leaders from Taiwan and India meeting at a conference in Taipei, Taiwan on March 9, expressed interest in expanding trade, investments and technical cooperation between their two nations, UPI reported. The conference was the first of its kind since India severed diplomatic relations with Taiwan's Nationalist government in 1949.

Some 60 business leaders, members of the Chinese National Association of Industry and India-Taiwan Economic Cooperation Committee, explained current trade policies and discussed ways of boosting bilateral commercial ties. "There's not much two-way commerce at present," said Yang Shih-chien, Taiwan's vice economics minister, during an address to the group, "but if we cooperate in areas like technology and investment, it will increase very quickly.

"India is very strong in high-tech fields like aerospace, petrochemicals, and defense," he added, "and we are very competitive in basic commodities and construction material."

R.P. Goenka, leader of the Indian delegation, said economic reforms recently adopted by New Delhi offer improved opportunities for Taiwanese investors. Plans to set up an Indian tourism office in Taipei in April will simplify visa procedures for Taiwanese, he added.

Taiwan's desire for investment guarantees

from India and plans to establish a trade office in Bombay were also discussed at the conference. Two-way trade between India and Taiwan totaled \$392 million in 1992, according to official statistics.

### **Disease**

## **Unknown germ causing cholera-like epidemic**

An unknown germ is causing a cholera-like epidemic in Bangladesh. Doctors have been unable to identify the germ which has caused 3,000 deaths in March in Bangladesh, due to diarrhoeal infection.

"An unknown germ as deadly as cholera is causing the epidemic, but this is certainly not cholera," said Mohammad Abdus Salam, chief physician at Dhaka's International Center for Diarrhoeal Disease and Research. "We are trying to find out what the new germ is and why it is so deadly."

The phenomenon of new killer diseases is further evidence of the veracity of the 1975 report commissioned by Lyndon LaRouche which predicted epidemics of new, unknown diseases because of the collapse in levels of physical output of the world economy, caused in large part by the austerity "conditionalities" policy of international financial institutions such as the International Monetary Fund.

### **Medicine**

## **New York revives quarantine for TB**

New York City has revived its 19th-century quarantine laws for tuberculosis patients, following similar moves in Boston and Denver, because of the spread of drug-resistant strains of TB, especially among the homeless population, the London *Guardian* reported on March 11.

The decision is the result of an emergency meeting on public health last year by the federal Centers for Disease Control in Atlanta, Georgia, which declared that detention and mandatory treatment, at least for TB, are "ethi-

cally and legally justified."

There are some 3,700 cases of TB in New York, and at least one-third are resistant to at least one drug, an alarming situation in a city crowded with homeless people. Some 79% of the TB patients are drug abusers, and 52% are homeless. Last year, because many of these patients do not willingly continue their course of treatment until they are no longer infectious, 50 patients were detained at New York public hospitals until they were considered no longer infectious. The revived laws mean that patients could be detained for over a year until they are cured.

### **Agriculture**

## **Farmers in Spain demand debt cancellation**

Tens of thousands of Spanish farmers called for debt cancellation and a new agricultural credit policy, including a significant lowering of the banking sector's interest rates, in a national protest rally in Madrid on March 5. The European Commission agricultural policy, the Maastricht Treaty for European union, and the General Agreement on Tariffs and Trade (GATT) also came under harsh attacks.

The rally, described as the biggest in Spain's history of farmers' protests, had been built by a mobilization over the previous two weeks, featuring tractorcades from all parts of the country coming into the capital.

Measured against the background of the mostly unprogrammatic and radicalized protests of farmers in other European states, the demands of Spain's farmers are much more politically and economically precise, in terms of getting at the root of the collapse of agricultural production.

In Germany, meanwhile, leaders of the young farmers associations in Bavaria and Baden-Württemberg called in early March for a boycott of U.S. feed grains, in retaliation against American trade sanctions and the "injustice of the GATT agreements." The initiative criticized the European Commission in Brussels for its willingness to give concessions on European exports into the states, but not touch U.S. exports of feed grains to the European Community.

## **Briefly**

● **POLISH** unemployed in Slupsk in northern Poland are on a hunger strike to protest the dramatic loss of jobs in the region. The protest started about a month ago with the occupation of the State Council, when protestors were removed by police.

● **SWITZERLAND'S** voters on March 7 rejected a proposal by an animal rights group that would have banned all medical experiments on animals, Reuters reported. The proposal was rejected by some 72%.

● **THE AGE OF SUPERSONIC** astronomy was launched on March 9 when an SR-71 Blackbird reconnaissance aircraft lifted off from Edwards Air Force Base in California equipped with an ultra-violet camera to study stars and comets, Reuters reported. At 85,000 feet, near the upper limits of the Earth's atmosphere, the mission gave scientists a view of space denied to ground-based astronomers.

● **THE SWEDISH** government has announced plans to spend \$1.3 billion a year over the next 10 years to develop transport infrastructure, but it intends to pay the full debt service for old debt, which implies annual expenses 10 times as high. The severe economic crisis has already led to threats by Prime Minister Carl Bildt to call early elections.

● **FINLAND** is being forced into virtual bankruptcy by the foreign debt, Tauno Matomeaki, the president of the Finnish Industrialist Association, said in Helsinki on March 10. Foreign debt has reached 46% of the nation's gross domestic product, and a credit cutoff for Finland is imminent, he warned.

● **THE FOREIGN DEBT** of eastern Europe and Russia increased by 43% in only three years, a new report of the Vienna-based Austrian Institute for Economic Research has revealed. The net foreign debt which was at \$120 billion at the end of 1989, reached \$172 billion at the end of 1992.

## LaRouche tells why Moscow declared him a 'casus belli'

*The following is an edited transcript of a presentation by Lyndon H. LaRouche, Jr., delivered by audiotape to a private seminar in Wiesbaden, Germany on Feb. 24, 1993.*

The subject is the reflections of my personal role, and the bearing of the circumstances and causes of my imprisonment, upon the current strategic situation among the superpowers and other states.

The key to the present situation in Moscow and the strategic situation generally is bound up intimately with the circumstances under which the U.S. government adopted a commitment to my imprisonment, at the urging of the Soviet government of Gorbachov in 1986. Let me just state the facts, because it's at least necessary that you have these facts clearly, and thus we can then situate, in respect to those facts, the relevant point which I have to make today.

If one goes back to an array of the Moscow press, which was circulated widely, including internationally, between the months of July and October 1986, one will come across a collection of prominent articles clamoring for my incarceration by the Reagan-Bush administration. If one looks at the sum total of these articles, one finds that they demand my incarceration, or a visible commitment to my incarceration, by the U.S. government, as a condition of good relations for such events as the October summit between Gorbachov and Reagan. And it is notable that the 400-man-plus raid on the Leesburg headquarters of several organizations associated with me, and the intent by some participating in that raid to kill me during Oct. 6-7, was a manifest demonstration, a self-commitment by the U.S. government, to my impending imprisonment.

This was not the beginning of the process. The commitment obviously goes back even earlier in 1986.

The Warsaw Pact intelligence services were involved, in complicity with the U.S. Anti-Defamation League and others. There's a fellow called Iona Andronov who has something to say about this, in connection with trying to implicate me in the authorship of the assassination of Sweden's Prime

Minister Olof Palme. That was part of the process. One would go back also in this process, properly, to the spring of 1983, and various events and developments that occurred over the period between the spring of 1983 and 1986. There is a pattern of Soviet collaboration with the Democratic Party and others at the highest level inside the United States, as well as other countries, all to the purpose of, first, forcing the Reagan administration to distance itself from me, and then, demanding my imprisonment as a condition of good summit relations with the Gorbachov faction in 1986.

The history behind that is as follows.

### **LaRouche's back-channel discussions**

A member of the Soviet intelligence services stationed then at the United Nations, in the fall of 1981, approached a representative of the *Executive Intelligence Review* at the United Nations premises, and made a series of questions and suggestions which was clearly a signal of a desire to obtain, through us, a new back channel to the recently installed Reagan administration. I was in Europe at the time, and I caused a report to be written, at my instruction, under my cover, including the facts of the encounter, to relevant circles within the U.S. government.

In December 1981, the U.S. government responded to this, asking me to open the back channel, or to seek to open this new back channel to Moscow, for strategic and related questions. I said I would do so, conditionally. The condition included the proposal that I present what later became known as the Strategic Defense Initiative, which was my work, and present that as an option under consideration by the Reagan administration, though not yet adopted, and explore Moscow's willingness to consider my proposal, if Mr. Reagan were to offer it. That resulted in a discussion, chiefly with a Soviet official at the Soviet embassy in Washington, [Yevgeni] Shershnev, between February 1982 and March 1983.

The discussion was amplified by a number of public documents which were circulated by me personally, and by my associates, and also was emphasized during mid-February



*A rally of the National Democratic Policy Committee in Washington, D.C., Sept. 15, 1983. The NDPC, representing the LaRouche wing of the Democratic Party, collected 50,000 signatures of people favoring LaRouche's beam-weapon defense program, and presented them to the White House.*

1992 at a two-day conference in Washington, D.C., at which representatives of the relevant U.S. and non-U.S. agencies, governments, and other agencies, were present. About 400 people were present during the conference's two days, in which I outlined some of the considerations involved in my proposal for what became known as the Strategic Defense Initiative.

### **Momentum toward a first-strike policy**

I indicated throughout this period that it was obvious, to all parties who were clear-headed, that the increase of precision, combined with forward-basing, of strategic nuclear weapons, land-based and submarine-based, had created a situation in which the head of government of either superpower, on seeing a flight of missiles aimed at his own country's territory, had implicitly about two minutes in which to push the button or not. This was a highly dangerous situation which was leading the world toward a first-strike policy, whether everybody liked the idea or implications of a first strike or not.

My argument was that this condition had been created by the Pugwash negotiations and the acceptance of the Pugwash negotiations by governments, beginning certainly no later than 1958, with the Quebec Pugwash Conference of that year. The idea of prohibiting effective ballistic-missile defense, or restricting it greatly to below truly strategic implica-

tions, had ultimately led, inevitably, to the Mutually Assured Destruction doctrine of McNamara, Kissinger, et al. (the Pugwash doctrine), and also led, by the middle of the 1970s, into a phase in which the combination of Soviet submarine launch off the U.S. coast and the electromagnetic pulse effects of detonation of such warheads, and similar conditions of land-based and other basing in the Soviet Union, had brought us into the vicinity of a first-strike threat.

I added the observation that so-called kinetic energy systems, of the type of high-speed rockets, which were the option obvious to most nations at the end of the 1950s and early 1960s, were not really a solution to ballistic-missile defense. A significant ration of attacking missiles would not be eliminated by such a strategic defense, in addition to the fact that the high-speed rocket would cost more to develop and deploy than the attacking missile. Therefore, from an economic logistical standpoint, the idea of using a so-called kinetic energy system as an antiballistic defense of strategic significance, is obviously an absurdity.

However, buried within the protocols of the 1972 Anti-ballistic-Missile Treaty, was the provision for "new physical principles," as was developed in a Soviet document from earlier in the 1960s on the question of other means of strategic defense, which were then classified as "new physical principles." I proposed, from my knowledge, that the new physical principles were feasible: that with a crash program we could



Lyndon LaRouche addresses a conference on ballistic missile defense in Washington, D.C. on April 13, 1983. During that month, Moscow shut down the back-channel discussions on SDI cooperation.

begin to deploy such ballistic-missile defense systems, and thus avoid, from the military domain, the military danger of a first strike lock-in.

I should note that a document from East Germany, dating to 1989, indicated that Marshal Nikolai Ogarkov's plans were generally in the qualified first-strike posture area into as late as 1989, as at least an active training and development option.

I proposed, therefore, that both superpowers had to accept the idea of a crash program for the development of effective strategic missile defense based on new physical principles, principally, as an agreed option to replace the Mutually Assured Destruction pattern of treaties.

### The impending economic breakdown crisis

What I proposed further, which is the most significant, was that the world economy was collapsing. The U.S. economy was collapsing as well as the British, and dragging down their European partners. The Soviet economy was collapsing, especially since the onset of the 1970s, when certain changes in the East bloc and so forth were occurring. The Soviet economy as a whole had a dependence upon the eastern European economies, especially in terms of the military and high-tech, upon the weakened East German economy

and the Bohemian, the Czechoslovak economy. These economies were coming to the limit of exhaustion, and the Soviet economy itself was coming to the limit of exhaustion, because of errors in policy or implementation of policy, particularly within the economic domain.

It was my estimate by 1982, that there were about five years or so—essentially the half-life of one average capital investment cycle—before a breakdown would occur in the ability of the economies of eastern Europe and therefore also of the Soviet economy, to continue to function at what were the current apparent rates of production, and that this would lead to some kind of historical consequences if this were not remedied. Therefore, I pointed out that the use of ballistic-missile defense, based on new physical principles, should be seen not only as a way of getting out of the first-strike risk, which was growing rapidly with the new offensive weapons deployment, but that we should use these principles, through the machine tool sector, to generate the obvious technological revolution in the civilian economies, not only of the two superpowers, but of other nations around the world—to generate, in short, a global economic boom based on increases of productivity accomplished through increases in investment in technology.

### Moscow replies: 'Nyet!'

The response was made to me from Moscow, via Shershnev in Washington, in February 1983. First, the feasibility of strategic ballistic-missile defense based on new physical principles was accepted. Second, the economic effect of new physical principles on the civilian economies was accepted. Third, the proposed policy, if enunciated by Reagan, would be *rejected*, because the western nations, under conditions of a crash program using such technologies, would rapidly outpace the Soviet Union and its allies. It was further added that the top levels of the Democratic Party had assured the Soviet government that my proposals to this effect would be prevented from coming off the desk, or even reaching the desk, of President Ronald Reagan, and therefore the Soviet government had nothing to worry about in this connection.

Not long thereafter, a number of gentlemen met to prepare a section of a speech for President Reagan, consistent exactly with what I had presented to the Soviet government, through representative Shershnev and others, and that was presented on March 23, 1983, as the concluding portion of Reagan's televised address to the United States.

This produced, naturally, the relevant shock effects, first in Moscow, because Moscow believed that the Democratic Party leadership had successfully prevented this from occurring, and yet it *had* occurred, which indicated that I seemed to have much more influence and much more power than Moscow had thought earlier. This was seen as a threat to the entire strategic plan of Andropov and of Nikolai Ogarkov. Mr. Shershnev broke off the discussions in early April, stating that he had been ordered to do so at the highest level.

## Rising chorus of Soviet attacks

Promptly thereafter, there began to come attacks, first implicitly and then by name, from Fyodor Burlatsky through *Literaturnaya Gazeta*. We are also aware of attacks of the same nature, very strong, very violent, very typically Soviet, coming from many channels in many parts of the world.

By no later than May 1983, the Andropov regime had taken a very strongly adversarial position against me, to the point that in the fall of 1983 I was designated personally, by name, by Mr. Burlatsky, as a potential *casus belli* in relations between the two superpowers. Then, of course, following that, a demand directed specifically to the Reagan administration, publicly, that the Reagan administration demonstratively distance itself from me, as well as breaking off relations with me, for the sake of good relations between the two superpowers. There was a certain quietness in these matters during the period of General Secretary Chernenko, but shortly after Gorbachov's installation, the matter heated up, to the point we saw in February-March 1986, and then with the press *éclat* against me in the referenced set of articles over

the period July through October of 1986.

The implication here is, from the response both from Andropov and Gorbachov—especially Gorbachov—and from circles in the United States, that I was an individual, agreed leader or *primus inter pares* of a movement, who, as a personality, had been designated as a probable *casus belli* or potential *casus belli* in the relations between the two superpowers. And that had been emphasized in 1986: that my elimination as a personality was necessary for good thermo-nuclear relations between the two superpowers, or at least the heads of the two superpower states.

This buildup included some other things of interest and relevance here. First of all, as Iona Andronov could qualify, the Anti-Defamation League was an asset of the Soviet intelligence services in operations against me (in a sense, a mutual asset—I guess they were assets of each other), including, visibly, in the case of the attacks on me orchestrated by Warsaw Pact intelligence services in connection with the allegations about the assassination of Olof Palme.

But going back to the spring of 1983, Mr. Burlatsky

## The LaRouche movement's mobilization for the SDI

The LaRouche movement's mobilization for an antiballistic-missile defense policy, based on new physical principles, had been under way for six years before President Reagan made his historic announcement of the Strategic Defense Initiative (SDI) in 1983. In mid-1977, the movement published the pamphlet "Sputnik of the '70s," the first mass-circulation document in the United States calling for crash programs to develop energy-beam anti-missile defenses.

Nearly two years before President Reagan's offer of the SDI, Lyndon LaRouche had given a full report of the new strategic doctrine he was formulating to the National Democratic Policy Committee, the political action committee of the LaRouche wing of the Democratic Party. The NDPC published it in June 1981 as a pamphlet entitled "A Democratic U. S. Defense Policy." "The development of the arms of defense," and "relativistic beam weapons" (e.g., lasers, energy and particle beams) were the key section headings of LaRouche's new doctrine. Eighteen months before that, LaRouche had discussed the subject with fellow candidate Ronald Reagan at a New Hampshire presidential primary debate.

Throughout 1981 and 1982—the period in which the

Reagan administration turned to LaRouche to explore this proposal with the Soviets—LaRouche's political movement, together with the Fusion Energy Foundation, was conducting an international campaign for "a higher peace movement," based not on chatter about "freezing nuclear weapons," but on scientific breakthroughs to render nuclear attack obsolete. In the course of that mobilization, LaRouche attacked the political and financial circles of Averell Harriman (including the family interests of George Bush), who were dominating negotiations with the Soviets. Harriman's faction, warned LaRouche, wanted to retool NATO for "population wars" against Third World countries, and wanted agreements with the Soviets to allow the NATO countries to turn their might against the South.

Broad circles of officers in the militaries of Europe and Japan learned of the prospects and technologies of what was to become the SDI from LaRouche's representatives, both before Reagan announced the policy, and for some time afterward. The Fusion Energy Foundation published detailed white papers in 1982 on "How Beam Weapons Work" and "Beam Weapons and Economic Recovery: The Economic Impact of Directed Energy Beam Weapons." This forecast of the "economic spinoffs" of an SDI crash program was essential to LaRouche's efforts on behalf of the United States to convince the Soviets to accept the SDI, and to retool the wrecked economies of the Soviet Union and the East bloc. As the accompanying articles document, this offer was refused by the Andropov grouping in Moscow.—*Paul Gallagher*

## Russian officials: We couldn't keep up with SDI

On Feb. 26, as the tenth anniversary approached of President Ronald Reagan's announcement of the Strategic Defense Initiative on March, 23, 1983, officials of the former Soviet Union came to a Princeton, New Jersey conference and admitted that the Soviet Union's attempt to match the SDI was the primary cause of collapse of the Soviet Union.

Former Foreign Minister Aleksandr Bessmertnykh told the gathering: "We were told, even before SDI, the U.S. had suddenly changed course and begun an enormous buildup. SDI made us realize we were in a very dangerous spot."

According to the *Washington Post* of Feb. 27, "The officials said Gorbachov was convinced any attempt to match Reagan's Strategic Defense Initiative, launched in 1983 to build a space-based defense against missiles, would do irreparable harm to the Soviet economy."

Also featured at the Princeton conference was the release, after a decade of being classified "top secret," of American intelligence agencies' August 1982 report on "Soviet Capabilities for Strategic Nuclear Conflict, 1982-1992." This assessment, used by President Reagan in preparing his SDI announcement, documents the fact that Soviet military training exercises and buildup were shifting toward a nuclear first-strike capability, as the "warning times" got shorter and shorter for one superpower to fire back after nuclear bombardment, especially in the European military theater.

The study, however, never mentioned the possibility of a new American strategic defense doctrine, which was to be announced by Reagan only months later. Indeed, the SDI did not originate with the Pentagon. As late as one week before President Reagan's televised bombshell, representatives of Lyndon LaRouche met at the Pentagon with 10 officers of the Air Force and Defense Advanced Research Projects Agency, and were told point blank that no such new strategy was being contemplated. Former Secretary of State George Shultz, speaking at the Princeton conference, said the Joint Chiefs of Staff "were floored" by the President's speech on March 23, 1983.

himself sent a KGB delegation, partly dressed in Russian Orthodox attire, to Minneapolis, Minnesota, to the University of Minnesota campus there, and to the Hubert Humphrey Institute. They were hosted by [Donald] Fraser, then the mayor of Minneapolis and the key machine man on locale for presidential candidate Walter Mondale. Walter Mondale did not visibly participate in the floor session there, but was on the premises, and later adopted what Burlatsky et al. proposed as the form of rejection of my proposals to the Reagan administration as reflected by the Reagan speech of March 23, 1983. This became, then, the official policy of the leadership of the Democratic Party, through Charles Mannatt, the chairman of the Democratic Party, in August 1983.

Through the "Bush-league" part of the Republican Party and the Democratic Party, the issue of the SDI was kept out of the 1984 primary and general election campaigns, except for my televised and other addresses as a candidate during that period, until the second so-called debate between Reagan and Mondale in 1984. And after that, generally, after 1984, though Reagan remained committed to some version or approximation of the SDI, the creature was essentially dead as an active option thereafter, even though some development was going on.

But the Soviet government, which had already been assured by the Democrats and others that there was no chance of my proposal being adopted by the Reagan administration in the first place, was convinced that there was a large-scale

secret program for the SDI's development and progress, and that I was the evil genius behind this. To judge from the Soviet press accounts, they refused to believe any disclaimers from the U.S. State Department and others to the effect that I was *not* on the inside, somehow, of the U.S. intelligence or military or whatever circles.

That is the sum and the substance of the matter. That is how I came to jail. There were many other factors involved, many other issues, but they all cohere with this one, and this was the reason why I went to prison.

Certain things ought to be learned about the present circumstances from this particular bit of history. First of all, we are dealing with a situation where, according to the Soviet press and others, my imprisonment represented a situation in which one person, as the representative of a movement, but one person otherwise, had become virtually classified as a potential *casus belli* in the relationship between two thermo-nuclear superpowers. That in itself says something about the nature of the history of the 1980s, and also history today. This tells us, implicitly, that we must search for an explanation and a complete re-thinking of recent politics, of recent relations among states, to reflect this fact.

In what kind of a universe could this occur? What is the nature of the universe? What is *so significant* in my personal functioning as the *primus inter pares* of a small movement, that could give me such global importance as this? What was really going on, globally, behind the scenes (or should I say,



underneath the events on the surface) to cause this kind of phenomenon to present itself?

### **A second chance for war-avoidance**

In the end of 1989 and the beginning of 1990, there was an action initiated by me and my friends, especially in Europe, to launch a proposed response to the collapse of Mr. Churchill's Iron Curtain, a response which we called the "Productive Triangle." The idea was to use the historically determined concentration of productive power in the Paris-Vienna-Berlin spherical triangle area as the generator of new technologies to be linked to other parts of Eurasia and other parts of the globe, by means of the development of what they call "galactic spiral arms," logistical arms, which would integrate other parts of Eurasia with this "generator," this economic-technological locomotive, to develop satellite centers of development in other places along routes which would be defined, to a very large degree, by new developments in improved rail, especially toward high-speed rail and magnetic levitation rail.

This was a continuation, of course, of the same thinking which had underlain the specific features which I had successfully induced the President of the United States to adopt, as in his television address of March 23, 1983, in connection with the SDI proposal. This was also a continuation of a policy which I had presented and highlighted in an address given in Berlin on Oct. 12, 1988 (Columbus Day, in point of fact), indicating the early collapse of eastern Europe and the crisis in the Soviet Union based on economic issues, the reunification of Germany, the emergence of Berlin as the future capital again of unified Germany, and the crucial role of the economic development of Poland in determining the course of history in eastern Europe and in the economy of the Soviet Union over that period.

We see that all that, has been the history of the period. Instead of economic development, instead of the triangle approach, we have had the Jeffrey Sachs/International Monetary Fund conditionalities approach, the attempt to loot and destroy eastern Europe and the former Soviet Union, in a strategic move to set up a "new world order." This is bringing us into the greatest calamity of this planet in all known history, unless we reverse it.

### **The key to developments today**

It is my view, that despite a certain concern on my part about putting myself personally forward in this way, that history in a sense has put me forward in this way, and it is necessary to deal with the matters we are considering, about the future of the nations and the future of strategic developments on this planet, from this highly personalized standpoint. Because when we exclude these factors, we have misrepresented the reality, and therefore, any proposal or analysis we make fails to comprehend the reality with which we're presently dealing.

This is not simply past history; this is the key to understanding present developments. Had the Soviet government, in 1983, after Mr. Reagan's announcement, accepted discussion on the basis of the speech—not necessarily accepted the proposal raw, but accepted discussion on the basis of the speech—this would have changed, profoundly and radically, the internal politics of the United States, would have assured that the kind of axiomatic thinking which I represented would have become prominent in shaping the policy of the United States, and we would have a world *free* of the specific kinds of disaster which are seeing today.

If, also, the Triangle program had been accepted in 1990, instead of this insane, lunatic attack on Iraq, which was diversionary in the short term, then the Anglo-Americans would not have launched the Serbs in this Balkan war aimed against Germany and aimed to destroy Eurasia geopolitically—in which you get all the local fools involved in "taking sides" in a Balkan war, destroying Eurasia, while the "rim powers," as they call themselves, laugh their rear-ends off at the spectacle of everyone from Moscow to Paris making fools of themselves. This would not have occurred.

Only if we focus on the mistakes of the past which have created the present, will we remove the continuing causes of the disasters which pile up upon us now.

This disaster, of course, goes back many years, to many things. It can be traced back to the period immediately following the Civil War in the United States, at a point at which Russia and the United States were allies, or at least the Lincoln administration and those forces in Russia around Alexander II were allies. Trace the history of the two countries and their relations from that time to the present, to see how the two world wars developed out of a geopolitical thrust by the advocates of a geopolitical rim policy, as it later came to be called; how the worst horrors of war in Eurasia of this century were unleashed as a result of geopolitics; how the present concerns resulted in the desire to set up a new world order under Anglo-American freemasonic domination; how this is itself a reflection of geopolitics and is the potential cause for any war or similar horror which might beset this planet in the years immediately ahead, perhaps before the end of the century.

It is also relevant to consider the introduction of the Georg Lukacs-influenced policies, their applications from 1963 on, as a "cultural paradigm shift," or a "New Age shift" which has led into much of this horror we face today.

In that context, perhaps the most crucial thing that has occurred in the deliberations and decisions of the various governments, is the matters in which I was involved from 1982, and continue to be implicitly involved up to the present. If that is clearly seen, then the discussion on the table of policy-shaping means something. If those considerations, the list that I have just given, are brushed to one side, then we can expect nothing from governments but folly, and nothing for nations but ruin.

# Soviets demanded LaRouche's jailing, wrecking chance to avoid world war

by Paul Gallagher

*The following chronology shows how the Soviets demanded, and the United States agreed to the imprisonment of Lyndon LaRouche as the author of the Strategic Defense Initiative.*

**August 1979.** Lyndon LaRouche and representatives engage in first discussions with Ronald Reagan campaign personnel concerning "relativistic beam weapons" systems of antiballistic-missile defense, which LaRouche had advanced politically since 1976-77.

**January-February 1981.** LaRouche and his representatives discuss the policy to end the doctrine of Mutually Assured Destruction (MAD) with "new scientific principles," in Reagan transition period meetings with Energy Secretary Donald Hodel, Interior Secretary James Watt, Science Adviser Dr. George Keyworth, and State Department official Richard Morris. Later that year Lyndon and Helga Zepp-LaRouche meet with CIA Deputy Director Robert Inman.

**April 1981.** Soviet representatives at the U.N. approach representatives of LaRouche several times, seeking discussion of his assessment of the incoming Reagan administration, and on strategic questions.

**Fall 1981.** LaRouche and representatives regularly meet with U.S. intelligence representatives to discuss LaRouche's "beam weapons" military strategy and five other policy areas, according to later court testimony by one of those officials.

**December 1981.** The Reagan administration through intelligence agencies, requests that LaRouche attempt "back-channel" discussions with Soviet representatives, about the science/military strategy policy represented by LaRouche, and how the Soviets would react if this policy were adopted.

**February 1982.** Public *EIR* conference on anti-missile defense policy is attended by 300 in Washington, D.C., including Soviet and East bloc representatives; LaRouche gives keynote on "relativistic beam weapons."

**February 1982.** In private meetings around this public conference, LaRouche opens the desired back-channel discussions through Soviet Washington embassy official Yevgeny Shershnev. The subject: possible adoption by Reagan administration of LaRouche's proposed new "beam weapons" military doctrine. Over the ensuing months, continuing

back-channel meetings take place in the Soviet embassy in Washington.

**October-November 1982.** Henry Kissinger and others in his circle, on the President's Foreign Intelligence Advisory Board (PFIAB), send letters and memos to FBI Director William Webster asking for investigation and prosecution of LaRouche. The PFIAB and other intelligence agencies adopt a secret intelligence assessment (declassified in February 1993) which acknowledges Soviet buildup of nuclear war capabilities, but does not acknowledge any possibility that the United States might abandon the MAD doctrine.

**Dec. 22, 1982.** *EIR* publishes LaRouche's "Reply to Soviet Critics," a detailed warning to the Soviet leadership not to reject the new doctrine and not to refuse cooperative development of new energy and particle beam military technologies.

**Jan. 1, 1983.** Following months of LaRouche back-channel meetings with the Soviet designate and U.S. officials, LaRouche tells a national political conference in New York City, that the Reagan administration *must* scrap MAD doctrine "within 90 days" or the world is on a course toward war.

**January-February 1983.** LaRouche meets with European military officials and scientists about "relativistic beam weapons" and possible new U.S. military doctrine.

**February 1983.** Shershnev details to LaRouche the Soviet objection to his doctrine: It would work, but would be to the advantage of the West's superior scientific-productivity capabilities; therefore, the Soviets would reject such a new doctrine by Reagan.

**February 1983.** LaRouche, just returned from Europe, shuttles between U.S. officials and Soviet representative in intensive phase of back-channel negotiations. He warns the Soviets that a military buildup will destroy their economy and break up their empire within five years (i.e., by 1988), unless they accept the new "science driver" represented by relativistic beam technologies.

**February 1983.** Soviet representative tells LaRouche the Soviet leadership has been assured and is confident, that the Democratic Party leadership and co-thinking "moderate" Republican forces will block any intention by Reagan, to

adopt a new military doctrine abandoning MAD and developing beam-weapons defenses.

**March 1983.** LaRouche scientific representative Uwe Parpart meets with National Security Council scientists and consultants on possible Reagan announcement of new military doctrine.

**March 16, 1983.** LaRouche representatives meet with representatives of Air Force and Defense Advanced Research Projects Agency; they are told the Pentagon is unaware of any prospect of a new strategic policy.

**March 23, 1983.** Ronald Reagan concludes a nationally televised address on the Soviet military buildup, by announcing the new doctrine known as the Strategic Defense Initiative. The form of anti-missile defense doctrine Reagan announces is uniquely that of LaRouche, calling for fundamentally new beam technologies rather than the old interceptor missiles. He offers to share these technologies with the Soviets, in a cooperative effort to end MAD and make the new defensive technologies available to all countries: distinctly LaRouche's policy of anti-missile defense. Yuri Andropov's Soviet leadership is shocked and attributes vastly greater influence to LaRouche; the American Joint Chiefs of Staff are "floored" (according to public admission 10 years later by former Secretary of State George Shultz).

**April 8, 1983.** LaRouche keynotes a Fusion Energy Foundation conference in Washington, D.C. on the Strategic Defense Initiative, attended by 800 representatives of administration, Congress, business, and the diplomatic community, including 16 East bloc representatives. Representatives from the Soviet embassy and press attend, but then stage a walkout. (Soviet representatives in Japan repeat this tactic in April 1986, at a Fusion Energy Foundation conference in Tokyo to stimulate U.S.-Japan cooperation on the SDI.)

**April 1983.** Soviet designate Shershnev informs LaRouche that he has been ordered from the highest level to terminate the discussions with him. Shershnev had reacted to the Reagan announcement by seeking to have senior Soviet KGB "America expert" Georgi Arbatov meet with LaRouche; this was rejected and Shershnev was ordered back to Russia.

**April 1983.** Soviet leader Yuri Andropov, in an interview with *Der Spiegel* magazine, rejects Reagan's offer and instead suggests that the U.S. and U.S.S.R. agree to divide the world into spheres of influence, and that each allow the other free rein with the countries in its sphere.

**May 24-28, 1983.** A high-powered KGB delegation of 25, including some Russian Orthodox Church prelates since acknowledged to be KGB agents, comes to Minneapolis, Minnesota to hold a "peace conference" with leading Democratic associates of Walter Mondale. The purpose of this "U.S.-U.S.S.R. Bilateral Exchange Conference" is to declare war on the SDI. Soviet delegation is sponsored by Georgi Arbatov, head of the U.S.A. and Canada Institute of the U.S.S.R., and is headed by KGB publisher and journalist



*Soviet President Mikhail Gorbachov at the United Nations. In 1986, Gorbachov demanded LaRouche's imprisonment as a condition of good superpower relations, at the Reykjavik summit with President Ronald Reagan.*

Fyodor Burlatsky, a confidant of future President Mikhail Gorbachov.

**Aug. 10, 1983.** Burlatsky, in the weekly *Literaturnaya Gazeta*, attacks the SDI, and by implication LaRouche, as a *casus belli*: "In other words, space weapons are provocative weapons; they are, absolutely, a *casus belli* for nuclear war."

**August 1983.** Democratic Party National Chairman Charles Manatt publicly declares war on Reagan's SDI policy, and says "all" Democratic candidates for President in 1984 will totally oppose SDI, despite its broad popular support.

**September 1983.** LaRouche announces his candidacy for the Democratic nomination for President, to back the SDI and rally Democratic voter support for it.

**Oct. 26, 1983.** Burlatsky, in *Literaturnaya Gazeta*, reiterates his *casus belli* statement on the SDI and attacks "the American LaRouche" in this connection.

**Nov. 14, 1983.** Soviet government newspaper *Izvestia* attacks LaRouche for his speeches in Europe, "by which Ronald Reagan is trying to tie Europe tightly to his criminal doctrine."

**March 1984.** NBC's prime-time half-hour program "First Camera" attacks "the LaRouche factor in the Reagan administration." Later the *New Republic* magazine repeats the same attack in a cover story.

**March 8, 1984.** Democratic Party Chairman Manatt holds a Chicago press conference to demand that Reagan immediately break all administration contact with La-



Soviet press spokesman Aleksandr Bovin (right, with EIR in hand) at the Reykjavik summit, October 1986. Bovin calls EIR "a dirty, dirty magazine." On the left is EIR correspondent Poul Rasmussen.

Rouche or his associates.

**March 12, 1984.** *Izvestia* demands that Reagan break all administration contact with LaRouche, which *Izvestia* calls "a scandal" which "the White House does not even try to deny." Implies that this is the condition for Soviet leadership talks with the Reagan administration.

**April 2, 1984.** Soviet Communist Party newspaper *Pravda* attacks a Paris meeting of LaRouche associates on the SDI, as "a colloquium of murderers."

**April 1984.** The author of one of the printed Soviet attacks on LaRouche (in *Literaturnaya Gazeta*) meets with LaRouche representatives in Paris, demanding to know whether LaRouche intends to continue his presidential campaign after the Democratic primaries, and what LaRouche's chances in the election are.

**September 1984.** LaRouche, in a national TV broadcast, denounces Walter Mondale as "an agent of KGB influence" for his campaign against the SDI.

**October 1984.** The Department of Justice begins its first attempt to prosecute LaRouche and his associates, just before the presidential election.

**November 1984.** Mondale is overwhelmingly defeated by Reagan.

**July 1985.** *EIR* publishes *Global Showdown*, a Special Report on the Soviet military buildup, by which Moscow is trying to defeat the SDI policy. LaRouche's 1983 warning to the Soviet leadership is repeated in much greater detail: East bloc economies will break down under this military buildup by 1988, unless the Soviets accept the new scientific and technological "driver" offered by development of SDI against MAD.

**February 1986.** The Department of Justice launches a new campaign to suppress LaRouche's movement, holding a nationwide meeting of law enforcement officials in Boston to solicit prosecutions. Circulation of anti-LaRouche slanders becomes a "Project Democracy" policy of elements of the U.S. government and private intelligence networks under Executive Order 12333.

**March 1986.** After a relative interlude during the "caretaker" regime of Soviet figurehead Konstantin Chernenko has ended, and Gorbachov has taken over, attacks resume on LaRouche. The KGB conducts an international "dirty trick," attempting to blame LaRouche for the Feb. 28, 1986 assassination of Swedish Prime Minister Olof Palme. The campaign features two Soviet TV broadcasts in 1986, and an international KGB disinformation campaign about LaRouche and

the murder of Palme, as is later admitted in a 1992 book by two former top East German communist intelligence officials. The U.S. Department of Justice, the Anti-Defamation League, and NBC all collaborate in this slander campaign.

**March 1986:** LaRouche candidates win second and third positions in the Illinois Democratic Party primary on March 18. The *Washington Post* and NBC conduit Soviet KGB lies against LaRouche on Palme case.

**May 1986.** Ronald Reagan repeats in writing to Mikhail Gorbachov the original SDI offer that the new technologies essential to anti-missile defenses can be shared with the Soviets and offered to other countries; Reagan reiterates this in a speech at the United Nations.

**July-October 1986.** Soviet press repeatedly calls for investigation and prosecution of LaRouche.

**Fall 1986.** Gorbachov and Soviet military leadership plan and debate how to use upcoming Reykjavik summit with Reagan to force abandonment of the SDI (as detailed in admissions by former Soviet officials at a conference at Princeton University in February 1993).

**Sept. 24, 1986.** Georgi Arbatov, in a pre-summit press briefing in Reykjavik, according to the Danish press, "maintained his friendly facade only until Mr. Rasmussen of *EIR* asked a question." Arbatov then denounces *EIR* as "LaRouche fascists," and closes down his "friendly" press conference.

**Sept. 30, 1986.** *Sovetskaya Kultura* magazine denounces LaRouche's policy inputs to the Reagan administration, accuses him of tax fraud, and demands, "Why isn't the Internal Revenue Service interested" in prosecuting LaRouche?

**Oct. 3, 1986.** Gorbachov, speaking in East Berlin, denounces "hidden Nazis without swastikas," the phrase used by Soviet publications to describe LaRouche, and "the hidden viruses of militarist, aggressive fascism."

**Oct. 6, 1986.** A massive raid on LaRouche publications' headquarters is conducted by 400 armed agents of the FBI, IRS, Virginia State Police, and other agencies. LaRouche's residence is completely surrounded by armed agents, armored cars, personnel carriers, and helicopters; a shootout and killing of LaRouche remains possible throughout the day. Leaders of LaRouche's movement are indicted, and U.S. Attorney in Boston William Weld attempts to get indictments of LaRouche himself.

**Oct. 8, 1986.** Secretary of State Shultz emerges from all-day summit sessions in Reykjavik, Iceland, to say that broad arms control agreements could be had, but are being blocked only by Soviet insistence that the United States give up the SDI. Until that moment, all international press except *EIR* had insisted that SDI was *not* an issue at this summit.

**Oct. 7, 1986.** In Reykjavik, Georgi Arbatov again shouts "fascists, LaRouche fascists" at *EIR* correspondents in front of hundreds of international journalists. Soviet Academy of Sciences official Yevgeni Velikhov tells the press that the Soviets cannot accept the American SDI. Soviet press

spokesman Aleksandr Bovin calls *EIR* "a dirty, dirty magazine."

**Oct. 7, 1986.** While 1,000 journalists wait outside the summit meetings in Reykjavik, Cable News Network entertains them by replaying films of the massive anti-LaRouche raids in Leesburg, Virginia the previous day.

### 'Lost second chance' to avoid war: LaRouche's proposals of 1988-89

**Oct. 12, 1988.** LaRouche, in a Berlin press conference, forecasts the breakup of Soviet control of eastern Europe and the reunification of Germany. For the third time, he details that the Soviet bloc cannot go beyond 1988 in its military buildup; a deepening food crisis and strikes would bring down the Iron Curtain. LaRouche says this is the West's opportunity to rebuild the East starting with "Food for Peace" in Poland.

**Oct. 14, 1988.** LaRouche is indicted for the second time.

**Oct. 31, 1988.** LaRouche's Berlin proposal is broadcast in the United States as part of a national prime-time campaign broadcast; LaRouche adds that if the West lets the Soviet empire collapse and tries to loot it economically, the result will be general war spreading from the cockpit of the Balkans.

**Jan. 27, 1989.** LaRouche is imprisoned with a 15-year sentence.

**October-November 1989.** Massive demonstrations in Poland, East Germany, and Czechoslovakia lead to the opening of the Berlin Wall and eventually the unification of Germany, as LaRouche had forecast.

**November 1989.** Soviet General Staff documents (made public in 1992) show that active attempts to train for a first strike and nuclear blitzkrieg against Europe are still continuing as Soviet military doctrine.

**November 1989.** LaRouche from prison begins to elaborate his Paris-Vienna-Berlin "Productive Triangle" proposal for rapid, high-technology rebuilding of economic infrastructure across Europe.

**1990-91.** LaRouche's Productive Triangle proposal is discussed at conferences across Europe, with scores of parliamentarians, hundreds of economists, labor leaders, and former East European resistance fighters. But because of U.S. and British campaigns against any German leadership role in Europe, governments do not adopt the "Productive Triangle" or any large-scale, high-technology infrastructure program for the East.

**December 1990-January 1991.** U.S. President George Bush and British Prime Minister Margaret Thatcher pull Europe and Japan into support and extensive payment for Operation Desert Storm attack on Iraq.

**April 1991.** Serbian attacks on Slovenia and Croatia start a spreading Balkan war, after public encouragement of Serbian aims by Secretary of State James Baker in a visit to Belgrade.

## Give Clinton the backbone to stop Serbia now

by Gen. Paul Albert Scherer (ret.)

*General Scherer is one of the world's leading experts on the former Soviet Union. He was, during the 1970s, the director of the Militrische Abschirmdienst (MAD), the military intelligence and counterintelligence agency of the Federal Republic of Germany. During several visits to the United States since the fall of the Berlin Wall in 1989, he forecast accurately the fall of Gorbachov and the probability that war would erupt among the nations of the former Soviet Union.*

*In a recent visit to Washington as a guest of the Schiller Institute, he gave a press conference at the National Press Club on March 9, focusing on the need to stop the war in the Balkans (see last week's EIR). He also discussed the explosive situation in Russia, warning that President Boris Yeltsin will soon be out of power.*

*On March 10, General Scherer addressed the Schiller Institute in Leesburg, Virginia. The body of his remarks, which we print here, has been translated from the German by EIR; his responses during the question-and-answer period are taken from the simultaneous translation by his interpreter, Webster Tarpley.*

The real reason why I have come back to the United States after one year, is because I believe we are entering an extremely dangerous course of development. You will recall that the last time we were here together was in April of last year. In the meantime, the situation has developed along extraordinarily disquieting lines. Allow me first to briefly describe the Russian situation, and then the Ukrainian, and then we will go into the Balkans.

Among Russians generally, in the underground, in the middle class, and reaching into the government itself, extremely bitter disappointment has been spreading about the United States—a disappointment engendered by the Middle East war in Iraq, and by the very one-sided, unpleasant forms which President Bush had worked out.

But you must know the following: The Russians, of course, with their general staff, fully recognized, first of all, that the French would only have been able to



*U.N. Secretary General Boutros Boutros-Ghali walking with Egyptian battalion commander Huessein Ali Abdel-Razek (left) and Egyptian soldiers in Sarajevo on Dec. 31, 1992. Boutros-Ghali's proposal to deploy ground troops is "unthinkable. We simply cannot allow people to make a new Vietnam."*

deploy at most one division into Iraq—and half of those were from the Foreign Legion. The Russians were aware that the British could have deployed no more than two divisions. And the Russians knew that what was presented on television by CNN and so forth, was a lie.

From this vantage-point, they were fully informed about the capabilities of western civilization. They had recognized clearly, that in no case would the Germans be willing to deploy their own forces, even though they had 12 divisions at their disposal. I.e., the Russians, as the successors to the Soviets, felt themselves vindicated, because their policy of calling for disarmament as part of their psychological warfare against the Germans, had been completely successful.

Strategic and global political judgment in the East went in the direction of concluding that the West had in fact assumed the attitude of a paper tiger. And thus, only *one month* later [after the Gulf war], on April 4, 1991, there came the [Russian] permission and support for the Serbian forces, to destabilize Europe in order for the Balkan war to begin, and to establish a Greater Serbia.

This timing was a signal to the western intelligence services, that the Russians knew exactly what they were doing. The West had precise knowledge that Marshal [Dmitri] Yazov had been in Belgrade four times, bringing with him the relevant already-drawn-up plans showing how the wedges were to be driven [through Croatia], how the cities were to be encircled, and how supply lines were to be maintained.

During this transitional period, we had, as we all remem-

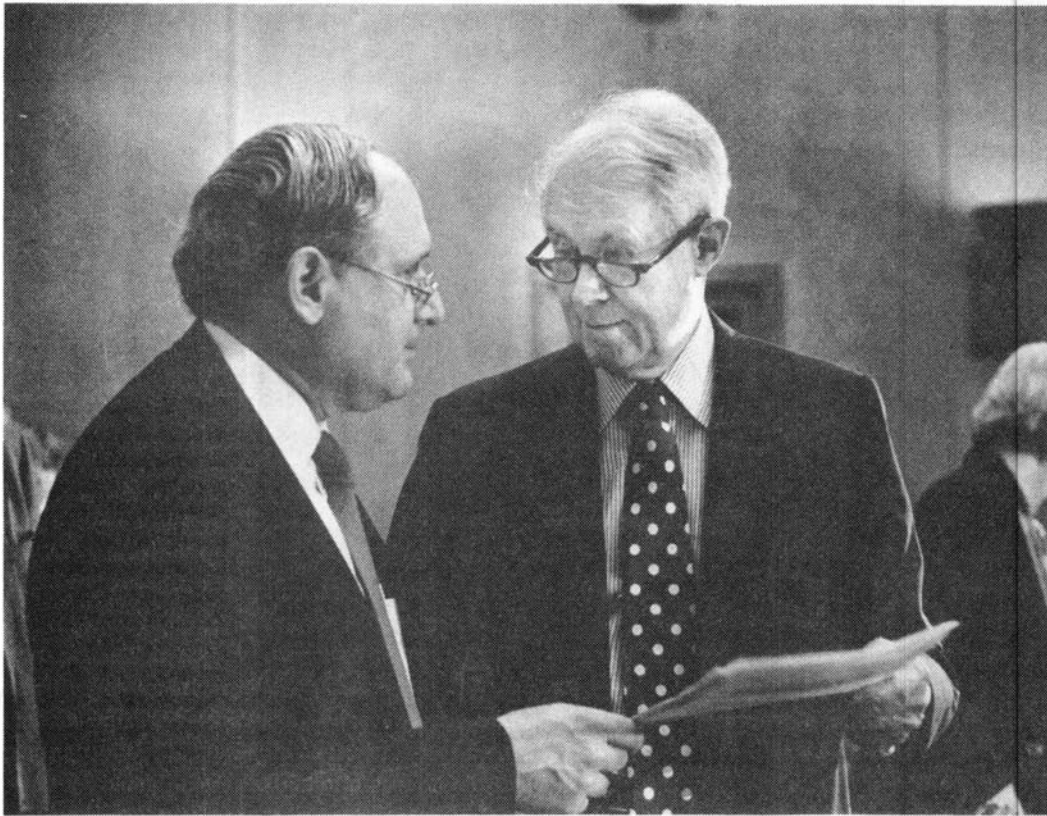
ber, the conspiracy and failed coup in August 1991. The *nomenklatura* was driven underground, and they were simply denied their various privileges. And now, coming out of these conditions—and thanks to the weaknesses of the West, and the deliberate soft spots of the British, the French, and of the Americans—things have developed such that for the past 24 months, filled as they have been with negotiations—[Cyrus] Vance, [Lord David] Owen, and earlier, [Lord Peter] Carrington—and with warm embraces for the Serbs, we have still not been brought a single step forward.

### **War against western civilization**

If, in the wake of this, there were an immediate softening of the conditions being demanded by the Serbs, then good things would indeed begin to happen in the world. But the exact opposite is the case. It must be clearly stated that from the strategic standpoint, this is no civil war, this is an aggressive war; and it is being waged against the values of western civilization, whose validity people are allegedly so convinced of.

These past 24 months have shown that among circles in Central Asia, in Great Russia, in Ukraine, tremendous disappointment has set in over the weakness of western civilization.

That means that you people here, who constantly think and operate from a political standpoint, and who attempt to bring the American population into a direction such that they do some serious thinking—you *must* understand that from



*U.N. special envoy Cyrus Vance is shown with Sen. Carl Levin testifying on U.N. peacekeeping efforts at the U.S. Senate in June 1992. The negotiations of the past 24 months have been "filled with warm embraces for the Serbs" and not brought us a single step forward.*

my experience as a German, as a European, and as an Atlanticist, we have reached the point where it is no longer permissible to merely conduct negotiations; we must now put an immediate end [to the war].

I have also emphasized that if I came here, I would, no matter what happened, demand action to immediately seek a halt to the fighting in the Balkans. And for this reason, I first flew to meet Lyndon LaRouche, and I held two days of discussions with him. I didn't need to convince him at all, since our views completely coincided.

We have to start from the following premises. The western world has shown that it was of a good will to maintain peace. Under unfavorable conditions, it conducted negotiations, and on 14 separate occasions saw the negotiated cease-fire conditions violated. The leading power of NATO, the United States, went through new elections, and regardless of the outcome, the former Soviet (now Russian) side has perceived the signs of weakness, and can now say: "Tomorrow, if we wanted to, we could resolve the situation in the Balkans to our liking."

### **Russian forces poised against Baltics**

Another reason why I came, is because I just recently received inside intelligence information that in the meantime a Russian "special forces" division has taken up a position in the area lying between St. Petersburg and Narva. This means that in the springtime, that is, as soon as the frost and snow

have begun to break up, we must expect an invasion and re-occupation of the Baltic states.

Western civilization, arrayed around the Atlantic as a kind of internal sea, cannot permit the right of peoples to self-determination to be undermined in any further way. Therefore they *must* demonstrate, *in the Balkans*, that this simply will not be tolerated in the Baltics. They must demonstrate in the Balkans, that there is not going to be a war with the Russians in Ukraine.

You have to proceed from the following inside background information: The Yeltsin crew has reached the end of their rope. There no longer exist the ties between the mass of the Russian people and the seats of the various autonomous republics with their different languages, such that the latter can continue to go along with the government under Yeltsin's group.

You have to consciously grasp what it means for former Soviet officers and soldiers, or for party functionaries: Before this, they were the second world power—they were in Berlin, they were on the shores of the Elbe; they were a great nation. But now they are nothing, absolutely nothing! For them, taken as a whole, the key question is, first, that of sheer survival. They are living under conditions which we can describe as follows: First, it takes 460 rubles to equal one U.S. dollar. Second, out of the many thousands of tons of gold formerly in their reserves, a mere 210 tons remain. The diamond and the fur export industries, which used to bring



in so much hard currency, don't bring in anything anymore. They have no capital left, despite the fact that they are the biggest single oil producer in the world. Two weeks ago, they were forced to turn off the oil and natural gas to the Ukrainians in an attempt to collect an outstanding debt of 165 billion rubles; but they haven't collected it so far.

Try to imagine yourselves inside the hearts and minds of Russians who are, for example, officers in the Black Sea fleet. They were forced to take an oath of allegiance to Ukraine, even though they remain Russians. Imagine yourselves inside the mind of Russians who know that it was Peter the Great who liberated the Crimean coast from the Ottomans, but that now the Black Sea is no longer Russian. Imagine yourselves in the minds of people among whom 70% are living below *their* poverty line. It should be obvious to you, that they basically no longer have any connection to their own elites, to their government, to their parliamentarians—all of that has been cut off. I do not believe they will go so far as to follow the communists; but the Great Russian nationalists, i.e., those who would resurrect the empire under Russian conditions, these they will follow.

### **A completely new situation**

Tying this into the situation in the Balkans and the experiences there, this means that if tomorrow, or in a month, or perhaps in two months, the question of power is posed, namely, when entirely new forces push themselves to the fore, as in a revolution, and a change of power occurs—a junta—replacing the Yeltsin group, what do you have? It is certain that under those circumstances there would exist an inclination in the Great Russian mentality to resume a position of opposition to the West. That is new. That means that it would be impossible to maintain the illusion, widely shared in the West, that the Cold War has somehow ended; and with that, we would be running into a completely new situation.

Let me now also show you the strategic conceptual background. Let's briefly think back to the years 1981-82. In December 1979, the Soviets began their invasion of Afghanistan. They had produced approximately 10,000 SS-20 missiles—a tremendous success for them. Perhaps you have seen one of these huge SS-20 machines on exhibit at the Smithsonian Museum [of Science and Technology in Washington, D.C.]. And from this, I can only say that these two conditions, when viewed in the correct light, forced the inner circle of the Politburo leadership to say, "If things don't go right on the Afghanistan question, and since we are basically not capable of arming ourselves any more than we are at present, we therefore need to have a new strategic conception; otherwise, we will not make it."

### **LaRouche led negotiations**

Brezhnev was still alive at this time; he only died in November 1982. And what Brezhnev was trying to do, with



*Russian President Boris Yeltsin. "The Yeltsin crew has reached the end of their rope."*

his apparatus, was to find new means of approaching the West. It was during this time, in February 1982, significantly *before* Brezhnev's death, that the secret negotiations commenced between the Americans and the Russians in the Soviet Embassy in Washington. And the conceptual leader of the U.S. side in these secret negotiations was Lyndon LaRouche.

By August, however, the detailed plans that had been discussed were a dead duck. What had happened?

The Politburo had made the extremely brutal decision, that if we seek out cooperation with our major adversary in this bipolar world, namely, with the Americans, if we seek this, and then have to answer for this before our own people, then we will lose our enemy image. And so, during that autumn of 1982, Brezhnev was becoming ever more seriously ill, and it was recognized that his conception was going to die along with him. Marshal Ustinov insisted that the troops be withdrawn from Afghanistan. And in this regard there were considerable conflicts among the different factions within the Politburo. The boss of the KGB at that time [Yuri Andropov], who succeeded Brezhnev after his death, in effect was able to push through his recommendation to adopt



*Soviet officers on a visit to Washington in 1988. For former Soviet officers and soldiers, the question now is sheer survival.*

a new strategic conception.

In the spring of 1983, Andropov personally made the unprecedented gesture of giving a signal to the entire world, in the form of an off-the-cuff interview to the German news weekly *Der Spiegel*. In it, he insisted that he could only cooperate with the United States under the precondition that the world be divided, meaning, in turn, that the Soviet zone be recognized. And it was at that precise moment, in March, that Reagan made his own corresponding announcement [of the Strategic Defense Initiative]. Without mentioning LaRouche, he said we intend to do this and this, and *if need be we will do it alone*.

This is the departure point for making it comprehensible to you, that a new strategic conception had been born. The [Soviet] top leaders had recognized, "We don't have any capital, we no longer have the wherewithal to keep up with the West; and so therefore we must turn ourselves entirely around."

### **The new Soviet gameplan**

The recommendations went in the direction, and were in fact carried out, first of all, of remaining *below* the nuclear threshold; second, of renouncing proxy warfare, because they could no longer finance it in the long term. However, this renunciation was only to be a temporary one; after they had been relieved of some of their immediate burdens, and had healed somewhat financially, they would once again get involved in carrying out the idea of world revolution. The

third demand in this new concept was the abandonment of any classical idea of conventional warfare, simply because this was too expensive.

The result of all the many consultations throughout the apparatus, among scientists and in the general staff, and among the relevant functionaries was: "We are going to initiate a psychological war of appearing to make a great change, from armament to psychological warfare and disarmament; and we will announce our alleged intention to renounce all of our weapons by the year 2000."

You know just as well as I do, that the practical implementation of this policy led to "Gorbys magic" and to "Gorbys mania"—and with success. Part of the western elite was completely blinded. For example, the German Social Democrats raised the demand that Germany should proceed to disarm even before the Soviets did, as a reward for this wonderful Soviet achievement. But up to this very day, out of 30,000 [Soviet] nuclear weapons, only 1,500 have been disarmed each year. And only under the conditions laid forth in the INF [Intermediate Nuclear Forces] treaty, namely, [western] renunciation of the most modern weapons in NATO's arsenal, were the Russians prepared to get rid of their SS-20s. This means that, despite their unfavorable overall situation, they have been able to obtain a long, drawn-out victory over the West, stretching over a period of five years.

The significant part of the old *nomenklatura* was not satisfied with this result, because eastern Germany had been handed over to NATO. For them, Gorbachov was Traitor

Number One. And now, they are on the way to saying that Yeltsin is Traitor Number Two. You will recall that he announced plans to fly to Japan. The agenda had already been agreed upon: He wanted to renounce all claim to the Kurile Islands. But he was prevented from doing so; he was unable to do it. The result: Rich, prosperous Japan does not spend a single ruble or a single dollar for the [former] Soviets, which means that this internal political development in Russia is now preventing any economic modernization of Siberia.

At the same time, the developments in the Balkans occurred as I already described, along with a complete destabilization of the western world. For, this Balkan war has been a proxy war, at a short range and on a short fuse, coming during the weakest period right after the Gulf war.

### Conflicts will result from weakness

So, if I now summarize the description of the situation and these estimates which I have now given you, I arrive at the following picture: In the entire world outside the sphere of our own European-American civilization, with its Judeo-Christian cultural background, people see quite clearly that the West no longer has any morality; the West's talk about "value systems" is not defended in reality. The attempt to worship the Golden Calf and nothing else is leading the Islamic fundamentalists to say, in effect, "These devils must be wiped out once and for all."

That means that during this spring, during this year, we will have conflicts which will be the direct result of this weakness. We are on the threshold of an internal shift of power [in Moscow], which cannot fail to be accompanied by a correspondingly hostile attitude toward the West. The illusions of a long period of peace, the illusions of no more nuclear war, the illusions of a pleasantly disposed East which will come over to our ways, all these illusions have now blown up in our faces. And there is absolutely no time left to do anything about it.

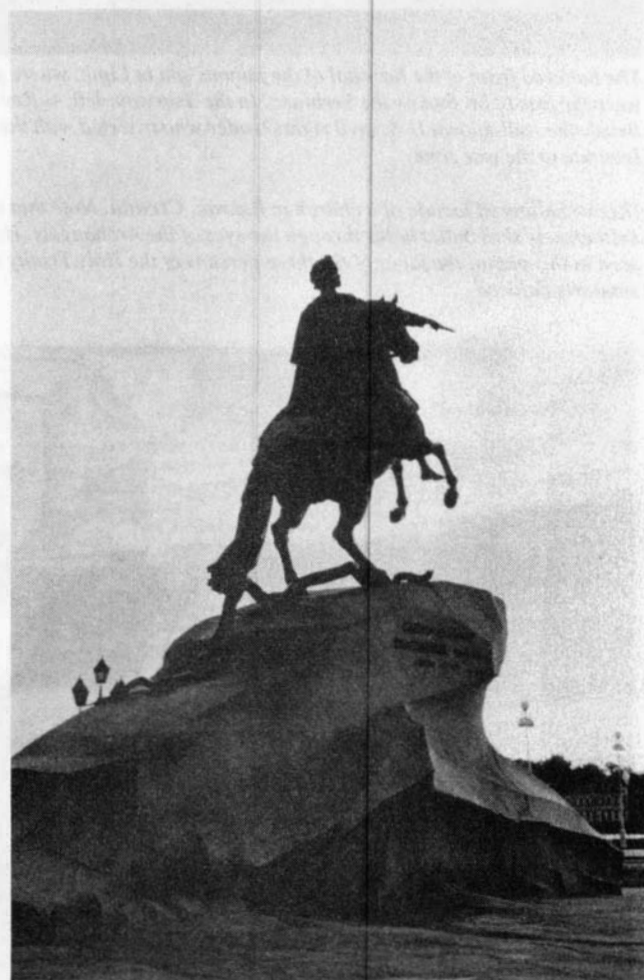
The leading western power, in its above-described state of weakness, *must* either announce its surrender, or else it must fight. There are no intermediate solutions, no alternatives, if you want to prevent the so-called causal chains, i.e., the strategic operations which necessarily follow. Only an overt, demonstrative proof that we in the West are prepared to fight on behalf of our morality, for the right of small countries to self-determination—only that is acceptable, and only that can engender certain feelings of caution on the other side, so that they do not move back into the Baltics.

I assume that I do not need to go further into the demands which I have developed and presented in writing. [See *EIR*, March 19, pp. 44-45.] But let me say the following by way of a brief summary. What is important, is that we have written letters, under my signature, addressed directly to President Clinton, to Vice President Gore, and to a whole series of other important people such as the secretary of defense [Les Aspin], this strange leader of the opposition [Sen. Robert

Dole (R-Kan.)]—yes, he has to *read* this!—and beyond this, the well-known billionaire from Texas [Ross Perot]. Yes! If he wants to be the opposition, he had better oppose Clinton's weakness!

I, as a private individual, only want to help. It is not just out of vanity. I have been doing this for 40 years, and have personal access to the relevant information; and so, should I simply just sit by and watch, while over here, inexperienced incompetents, lacking any adequate background information, and failed politicians go out and wreck our world? No, that I will not do.

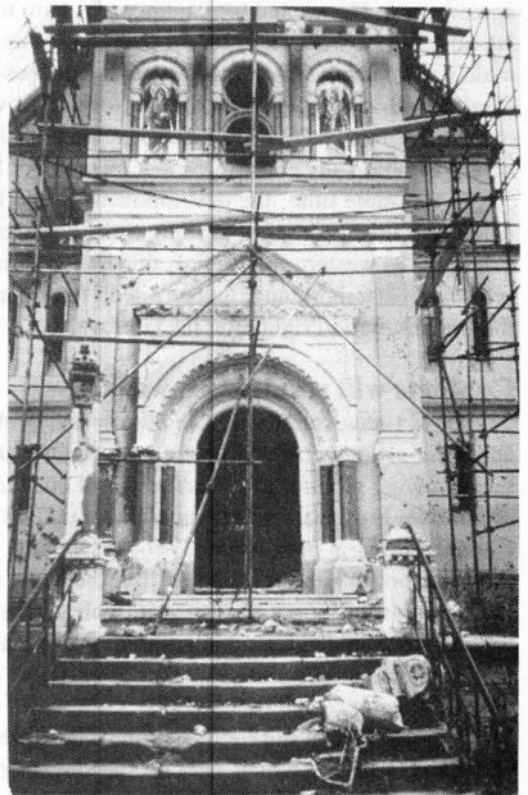
I assume you have read that last November I was at the fronts in former Yugoslavia. There I was able to gather fresh, first-hand impressions, since I did not want to talk about things which I only knew about from the television and from newspapers. And I have taken back with me impressions of utmost horror. You must never forget that 2.5 million people



*The statue of Peter the Great in St. Petersburg. "Imagine yourselves in the minds of Russians who know that it was Peter the Great who liberated the Crimean coast from the Ottomans, but that now the Black Sea is no longer Russian."*



*The battered front of the hospital of the famous spa in Lipik, where patients were the first to be shot by the Serbians. In the doorway, left, is Rev. James Bevel, the well-known U.S. civil rights leader who traveled with the Schiller Institute to the war zone.*



*(Right) Shattered facade of a church in Pakrac, Croatia. Note that the Serbians deliberately shot bullet holes through the eyes of the Archangels. Higher up, not seen in this photo, the faces of the three persons of the Holy Trinity were similarly defaced.*



*Displaced persons in front of their destroyed houses in Lipik, West Slavonia (Croatia), in a United Nations photo of 1992.*



*A roadside shrine in Croatia in territory which the Serbians occupied. Wanton destruction of religious sites like this one, together with the leveling of houses (in the background), was carried out after these areas had already been taken militarily—for purposes of sheer terror. This and most other photos on this page were taken by a Schiller Institute delegation which visited Croatia in early 1993.*



*A destroyed bridge at Osijek, a Croatian city near the border which put up a long and heroic resistance to Serbian aggression, and is now under U.N. "peacekeeping rule."*

*(Below) A United Nations tank near Lipik in Croatia sits at the boundary of a U.N.-patrolled zone, yet rapes and other crimes by Serbian Chetniks continue in these zones.*





Leonid Brezhnev. "It was in February 1982, significantly before Brezhnev's death, that the secret negotiations commenced between the Americans and Russians in the Soviet Embassy in Washington. The conceptual leader of the U.S. side was Lyndon LaRouche."

there have already become refugees. Some 20,000-plus women have been raped; about 300,000 people are dead, and the entire country has been wrecked for the next 20 years. I saw the houses. I'll give you an example which won't compromise me: I was in Lipik—this is the name for the so-called Lipizaner horses; they had shot up every single stall, and 600 horses had been shot dead. The first people to be shot were those in the spa houses and the hospitals. Without any exaggeration, *every single house*—because the residents were to be driven out forever—*every house* had been shot with artillery. And that is why I decided to put forward these demands:

### **An action plan for the Balkans**

First, I cannot countenance the idea that [U.N. Secretary General Boutros] Boutros-Ghali proposes, where ground troops are to be deployed there; that is unthinkable. We simply cannot allow people to make a new Vietnam.

What I presented at my press conference in the form of an executive summary: First, we want to establish our air superiority, both from an operations and a strategic standpoint. The tanks are sitting up on the hilltops [above Sara-

jevo] and shooting right down into there. So if tomorrow you deploy aircraft, you can put a stop to this immediately.

This means that the entire cell structure [of the Serbian Army] can be broken with a single decisive blow; and I am firmly convinced, from my own personal experience, that after three weeks, this war would be over.

Of course, the war could be ended; but what would *not* be ended with that, would be, first, the blood vendetta on all sides; second, the hatred inside everyone's heads; and third, the temptation which each ethnic group would feel to cross the borders again and grab the other guy by the throat. The bestiality, the Stone Age mentality which has now spread throughout the Balkans, can only be broken if, first, national borders of the three states as of Dec. 16, 1991 are fully accepted by all; this must be *enforced*.

Proceeding from this, all of the ethnic components, not just the Serbs, must be forced to recognize the right to self-determination of *all* minorities; everyone moves back into their own houses. And anybody who is not willing to accept that minimum elementary precondition of humanity *must* emigrate, and indeed must be *forced* to do so; there is no other way.

How can we put these conditions into effect? The next demand is completely essential: If we don't intend to deploy western ground troops—and they *must* not be deployed, they couldn't handle it—we must see to it that the Croats, the Bosnians, the Slovenians, if they want it, along with the other affected areas belonging within the framework of the recognized states, *are allowed to arm themselves*. Lift the arms embargo!

From this vantage-point, I believe that with these few points—there are a number of other demands which I also raised, but they are less important. The important thing is that you have a basic knowledge of how—as I believe, at any rate—we are going to get out of this filthy mess.

### **Let Balkan states join NATO**

My proposals actually go even further: Should the argument be raised against so-called out-of-area operations, then *the three states should be brought into NATO*, and that's that. Yes, it would not work any other way. That's your only possibility to get around that objection.

But now comes the biggest difficulty: The Russians will not wish to play along with all this. They have a seat on the [U.N.] Security Council, and they have the right and claim to enjoy all the powers of the former Soviet Union. A new American President, if he wants to stop this circus sometime this spring, will be forced to tell the Russians, "Either you cooperate, or we'll do it alone." I.e., he will get into a situation similar to that of President Kennedy, when Khrushchov shipped his nuclear missiles to Cuba; only now, Serbia is much closer to Russia than Cuba was. This means that the new President, and western civilization as a whole, is playing a game which could end in our own destruction; that is clear.

## Landsbergis sees Russian designs on Lithuania

Vytautas Landsbergis, former President and now head of the parliamentary opposition in Lithuania, warned against Russian imperial designs, in an open letter to Russian President Boris Yeltsin, the Baltic news agency Baltfax reported on March 3. Days later, Gen. Paul Albert Scherer (ret.), former head of Germany's military intelligence and counterintelligence, independently warned in a press conference at the National Press Club in Washington, D.C. that "a Russian 'special forces' division has taken up a position in the area lying between St. Petersburg and Narva. This means that in the springtime, that is, as soon as the frost and snow have begun to break up, we must expect an invasion and re-occupation of the Baltic states."

In his letter, headlined "On Russia's Bid to Become International Policeman," Landsbergis referred to Yeltsin's suggestion that Russia be granted a U.N. mandate to "secure peace and stability in the former Soviet Union," as revealing Russia's design to interfere with its neighbors' affairs. "Mr. Landsbergis also expressed concern over the unstable political situation in Russia and the imperial tenor of Yeltsin's opponents," added Baltfax.

Landsbergis emphasized that Lithuania, which finally won recognition of its independence from Russia in 1991, has "never been and we will never become a CIS [Community of Independent States] country," and criticized Yeltsin's bent to control "near foreign states." Landsbergis said that "near foreign states" was not a "geographical term," but a "political term."

For over a half-century the Baltic nations of Lithuania, Latvia, and Estonia were illegally annexed to the Soviet Union under the secret clauses of the 1939 Hitler-Stalin Pact.

But if it *does not* do that, then the entire world will be assured that the West is but a paper tiger. Nobody will be able to talk about morality anymore.

Now for you here as a group, as a movement, from my point of view, and I also discussed this with Lyndon LaRouche, what is necessary is to go out to the public and help *force* this government to take this path, i.e., to be *courageous!* There is no other way. I can discuss it with you afterwards. You can propose things to me, and I will definitely accept them, if they are better than my own.

I know that you were opposed to the war against Iraq. I can well understand that; but now we have a completely new situation. We have a strategic emergency situation, with our backs up against the wall. Modern pacifism right now only guarantees catastrophe.

That means we must now provide those people who want to lead today and tomorrow, with a corset to keep them standing up straight. You know that earlier, at the beginning of the 20th century, women still had these whalebone corsets. We have to put the Clinton administration into something like that.

But all joking aside, this is a damned horrible, bloody situation. And I want to ask quite bluntly: Are the Balkans part of Europe? Is Europe part of your own civilization, or not?

This is the life-or-death question. There's no more skirting around it. There can no longer be any cowardice; 24 months of cowardice was enough! Or do you think that there is any way the Vance-Owen program is going to get the Serbians to see reason? I don't.

### Blindness must not have the last word

And to that extent, the question of life or death is being posed for the first time. For 40 years, we have been living peacefully under the atomic umbrella; today that has to be said. Two superpowers have mutually balanced each other out: One set off into space, then the other one got to the Moon; then one power waged proxy wars, and the other one had to intervene against that. And then came the great illusion that now we have peace, that now we have quiet, and that the Russians have stopped making any trouble. And as I have just shown, these illusions have vanished, they've been burned off. All that remains is bitter disillusionment. Blindness must not continue to have the last word.

I hope that in this short presentation, I have conveyed the essential things on how I see the situation at the moment, without making it look pretty, and without over-dramatizing it.

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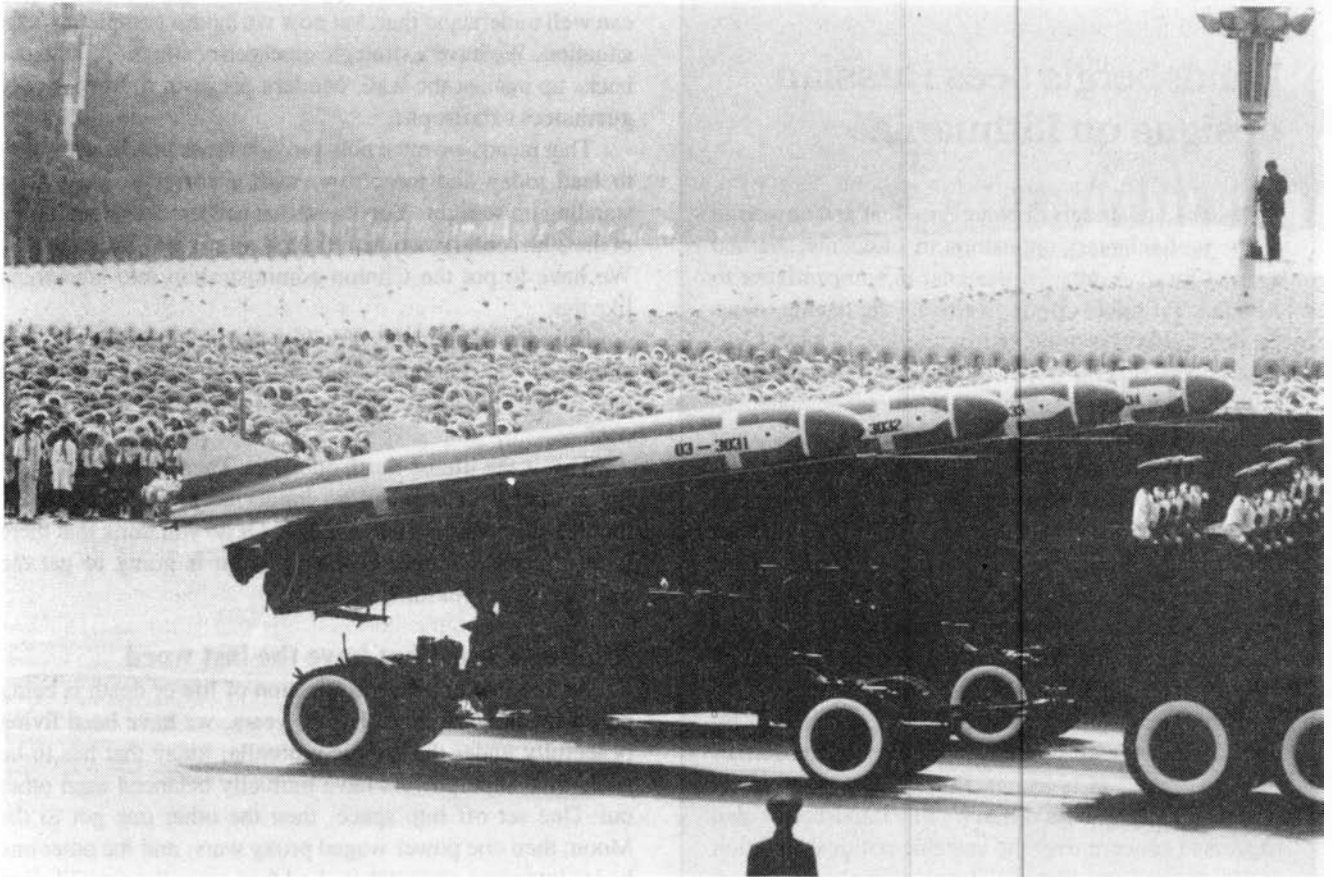
## Questions and Answers

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**Q:** The last time you were here, you put great emphasis on China, but you did not mention it tonight. How do you see China as part of this strategic equation?

**Scherer:** I would first of all hope that you would understand that it was really for time reasons that I did not go into this.

First of all, China, with 1.3 billion people, is in an extraordinarily difficult domestic political situation. One of the things that is perfectly plausible, is that by about 1994-95, Siberia will separate itself from Russia, and the Chinese may find some kind of a common ground with that, and may try to undertake these investments into Siberia instead of the



Chinese silkworm missiles on parade. "The Chinese have mightily developed their arms export industries, and in particular have been sending all kinds of military equipment to Syria and Iran."

Japanese.

But it is also possible that things will look very differently in China, because there is this very real possibility of an *interior* or *internal* revolution in China. According to my information, there are *over 100 million unemployed* in China, and there is a tremendous division and tension between North and South.

The Beijing elite is not able to stay together, so there is a big divergence. I am not able to judge this myself, but this information comes from Taiwan. But what you do see, is that the Chinese have mightily developed their arms export industries, and in particular have been sending all kinds of military equipment to Syria and Iran. They are negotiating with the Russians to buy the most modern military aircraft, and they would like to buy battleships and submarines. The Chinese are capable of making tanks and munitions for themselves.

So you have two scenarios. First, is that China could fall apart and divide, up until about 1997, before Hong Kong and Macao and so forth are given back.

Another scenario is that the Chinese make an approach to

the Siberian leaders. In Western Siberia there is big industry which is practically only military. And if the Chinese make that kind of a deal with Siberia, the Chinese path to superpower status would be 10-20 years shorter. I have always thought that by about the year 2020 the Chinese would have a worldwide superpower role. But it could come much quicker.

**Q:** Who is trying to convince the United States not to take action to stop the Balkan war and why?

**Scherer:** The British, and the French also.

Look at this big anti-German position—anti-Teutonic, you might say, not really anti-German. It is an attempt to take these old, obviously very nasty, historical experiences and to radically upvalue them. This is what the Serbian propaganda works with.

Look at what the British have to look at: that the Germans first of all, apart from *everything else*, have much more capital. Right now in Europe, the number of people who speak German is much greater than the number of people who speak English or French. If you want to deal with the Russians, then the *lingua franca* is German.



You have to figure that the German-speaking population is *above* 130 million, and that is very disturbing for some countries who said first of all, "We have the universal language," or "We have the highest culture, and everybody else is in the shit."

The Serbians and the Russians, of course, wish to exploit this extremely short-sighted, narrow-minded interpretation of history. If you look at [Radovan] Karadzic's speeches, you will see that he talks all the time about how Germany is winning the Second World War after the fact, that they are riling up the Russians, and that the Serbs are the main leadership against that. Many people accept this. Karadzic is, of course, a trained psychiatrist. He knows what he is talking about. He got his training here in the United States; Milosevic also.

The fronts are hardening also in a psychological sense, and the big issue is who will have the say in Europe for the period ahead.

You know that it is not allowed in NATO to speak German. You can't! At the United Nations, it is not an official language. The Japanese cannot speak Japanese at the U.N.,

the Germans cannot speak German—all the old Yalta mentality.

It is a kind of poison in people's heads which hasn't been removed. Remember what Einstein said: "It is easier to smash an atom than to get rid of an old prejudice." That is true.

**Q:** Could you say something about what the thinking is inside the German government?

**Scherer:** The first thing you have to say about Germany, is that it is in political chaos. It is the slide, first of all, into an economic depression of a certain kind. I have said often how much money Germany has put out for east Germany. For the former G.D.R., the Bonn government has spent about \$400 billion so far. And now it is about \$160 billion a year for the former G.D.R. alone. So you can see what socialism actually wrecked.

German politics is basically *kaputt*. What does this mean?

Remember that there is, according to the German constitution, the upper house, the Bundesrat, composed of the representatives of the federal states. The SPD [Social Demo-



*A town along the Trans-Siberian railroad. Because of Russian internal politics, Yeltsin could not obtain Japanese funding needed to modernize Siberia. But China would be highly motivated to make a deal with Siberia.*



*President François Mitterrand of France and Chancellor Helmut Kohl of Germany. What if armed hostilities begin in eastern Europe in 1993? This means that the common society of western civilization cannot defend itself.*

cratic Party] has a majority of these civil states, and a policy which is sharply opposed to that of the Bonn government.

For the past one and a half years it has been impossible to change the law governing the granting of political asylum. There are plenty of people who come from India, from the Near East, who are *not* politically persecuted, and what they get is a pension of about 3,000 deutschemarks per month. The simple workers say, "We can't do this. We can only do it for people who are actually politically persecuted. Otherwise, they should leave again." The FDP [Free Democratic Party] and the SPD will not let this law be changed, and that costs the German state about DM 100 billion per year.

In the course of the "2 plus 4" talks [on the reunification of Germany], it was especially the British who demanded that the German Bundeswehr be reduced from 500,000 men under arms, to currently 370,000. That meant, for example, that on Oct. 1, 1992, one-third of all combat units of the Army, Navy, and Air Force were dissolved; they ceased to exist. That is, of course, under conditions where Germany could be called upon to do something tomorrow.

The resentment is so tremendous among the soldiers, citizens, taxpayers, and politicians, that people do not really want to give the politicians any status or recognize them in any way. People are just fed up with politics, fed up with politicians. The estimate is that, in the coming nationwide

federal elections in 1994, about one-third of the population will not vote, which is a tremendous decline. This postwar German republic, as of the year 1993, is a kind of fairweather consensus democracy which is going into a big crisis.

Then we have criminalization and criminality that are growing in an unbelievable way; and you have mafiosi from Russia, Poland, and Italy, in particular, who have taken up extremely strong positions in Central Europe. Remember that since the police organizations are primarily based on the individual federal states, and the governments of these are so overwhelmingly Social Democratic, they have been cut down in numbers and efficacy.

The Germany of today is no longer the Germany of the '60s, '70s, or '80s. The Russians know this very well; they still have about 180,000 troops in east Germany. The Russian commitment, or their pledge, which was obtained, of course, by money, is that they would all depart by Aug. 1, 1994.

Let us look at the scenario, that tomorrow, maybe in the course of summer 1993, armed hostilities were to begin in eastern Europe. What happens?

It means that this common society of western civilization cannot defend itself. If you are a specialist, you have to grab yourself by the head and say, "Why are they doing this?" It is populism; the politicians listen to what the people say, and then they say, "Yes, you are right, and that is what we are

going to do.” Remember that over 40% of the German intellectuals are extreme leftists. We have a very nasty mediocracy and tele-crazy, meaning that television determines our political life with these leftist—not even centrist—but leftist tendencies. We are all very concerned about what is going to happen in the period ahead. Let us look at Europe for a minute.

First, Italy is in the process of dissolution. There is an intention on the part of the political elite which is still there, to partition Italy into three states. The North, with its developed industry, is no longer willing to subsidize central and southern Italy, so they want to get out. Suppose you have three Italian states.

Second, Belgium is also splitting up. The Flemish, who speak Dutch, no longer wish to remain together with the French-speaking Walloons.

The British are getting rid of their monarchy, in my view, in the period ahead. I would almost bet that this will be the last queen of England. At the same time, they have the biggest unemployment and the worst economic situation of any European country.

In France, elections will be held next month, and the entire Mitterrand apparatus will completely fall on its face, it will be finished, although [President François] Mitterrand will remain because of the Constitution.

In Sweden, the entire banking system has been bankrupt since spring of last year. The entire social order has to be shifted around. This social system, this socialism that they have, is completely impossible to finance.

The Poles have been able to develop their own domestic hyperinflation, with the help of the American economist Jeffrey Sachs, and they are also in big trouble. Polish Prime Minister Hanna Suchocka has been talking about the danger that Poland will be overwhelmed by about 35 million refugees crossing their eastern border.

This means that western civilization is tremendously threatened by collapse. Up until now, North America was relatively untouched by terrorism. But that is changing now, because this whole strategic idea has been kept at least on the back burner by the *nomenklatura*, and that is now going to make a comeback. The Russians of today, just like the old Soviets, did not necessarily invent the railroad, but they like to jump on trains that are leaving the station.

This means that if Islamic fundamentalism persists in identifying the West as this tremendous devil, then the Russians will support that under the table and finance it. This means that we are facing extremely difficult times, and we must hang on.

My estimate would be as follows. We may indeed have the worst period of the crisis during 1993. We will have the sequelae of that in 1994-95. By 1996, things will begin to quiet down, but in an atmosphere of complete destruction, primarily in eastern Europe and Russia; and by 1997, we may begin to see the beginnings of an exit out of this valley

of crisis.

If that can be attained by 1997, it may be that western civilization can survive. But any wrong answer to this challenge in the Balkans and so forth in 1993, will be paid for in blood at a later point in this crisis.

**Q:** In case we succeed in recruiting the Clinton administration and the United States decides to go ahead and do what you're suggesting, you said that in three weeks, the Balkan war would be over. What kind of reaction would you expect from the British and the French?

**Scherer:** I would assume that the American political apparatus must simply coerce, force, the western European NATO partners to do all this. You have plenty of arguments in hand. You have, after all, tried for 24 months to negotiate with the best knowledge, the best intentions, and in the best conscience; what more can they ask? *Clinton has to show a hard line; he must lead!*

The training in the Bundeswehr [German Army] for leadership, is that to lead is to set priorities. That is the most important thing. If I have no ability to set priorities, then I cannot make decisions, and I am unsuited to be a leader. Things are really that simple. But it is a hard school.

**Q:** Besides the British and the French, one of the biggest constraints on Clinton right now appears to be the U.S. military, which, some people say, is almost in a state of revolt against Clinton and is putting up enormous resistance to any idea of intervention. Have you been able to have any discussions with military people here?

**Scherer:** No, not yet. I have also heard this on the side from people in the intelligence agencies. . . . I would say that these problems make the whole process more difficult—much more. But we have to have a change in society. I would say that, provided that the entire ground war be ruled out, the military people would be willing to wage the air war. I really believe that. And from that point of view, I would say that the military is actually more reasonable than the politicians, without trying to protect them too much. Not all military people, but many.

I can't really completely remove the kind of concern that you bring up. I understand that you have to estimate this as quite important, because it really is a big problem. But we have to cut through this. You have to get this American population to the point where they can somehow see over the edge of their plate.

**Q:** My sense is that the World Trade Center bombing has everything to do with trying to prevent the Clinton administration from involving itself in the Balkans. LaRouche has said that he suspects that there is an involvement of certain circles in this country of an intelligence nature who seek to send that message to Clinton; and this suggests that there is a perception among those people who are trying to protect



Former Soviet Defense Minister and putschist Marshal Dmitri Yazov: "I am not guilty, the others are."

Serbia, that there is a potential in the Clinton administration to do the right thing. My sense is that that kind of terror is run by the friends of the Serbian leadership.

**Scherer:** Yes, of course. It is the attempt to create fear on the part of the supporters of a policy which *has to change*, and everybody knows that the current policy has to change.

**Q:** Have you noticed, so far, in Washington, a change from the views that people had on Europe and on Lyndon LaRouche?

**Scherer:** No. I haven't been able to observe any changes like that; but what I believe, especially based on my discussions in Europe, is that the Clinton administration would react to LaRouche in a more positive way and not have this same poisonous attitude that the Bush administration had. . . .

I will continue to try to stress the importance of what LaRouche set into motion with these secret discussions with the Soviets back in 1981-82. I will do that in Europe.

As I said beforehand, I am, of course, independent, I am not a member here. I would say, that in the last year, your organization as a whole has shown a significantly positive development. . . .

I know that the LaRouche movement and the Schiller Institute are represented in Moscow and in Kiev also. Russian professors, military people from the East, have also visited me in my home, these are people with whom you are in touch. Certainly, the organization is strongly represented in Zagreb, in the women's movement in that area. There is also a strong presence in the former G.D.R. You have become much stronger there in the last year; similarly in Poland. Then you have Brazil and Peru.

I see that many more legal people in the world have spoken out for LaRouche, important people, not just legal, but also politicians and military leaders. That simply means that you have gained in effectiveness and that is a very significant step forward. Of course, I am perfectly conscious, that if you have had your leadership stuck in jail, then that is a tremendous disadvantage.

I also tremendously admire what LaRouche has been able to do *from jail*. I read the commentaries that LaRouche dictates, where he speaks out and where he intervenes; his mental-intellectual capacity for leadership is completely there.

I would sum up, as a military man and also somebody who has intelligence experience, that my overall impression of your movement, is much more positive now than it was a year ago. . . .

**Q:** I understand that Britain has troops in the Balkans. Why haven't they moved in to stop this aggression?

**Scherer:** These are the United Nations Protective Forces (Unprofor). These people are very, very lightly armed. They have essentially sidearms and a little bit more. They ride around in white-painted armored vehicles. They really do not do anything; *but* the presence of these people is a tremendous disadvantage, for the following reasons.

They have always supported the Serbs. What these Unprofor people do, the British ones in particular, which I saw with my own eyes when I was there, was that at about 4 p.m., as soon as twilight began, these Unprofor people would take their mobile posts, these personnel carriers that they ride around in, and go and procure rations and food, and deliver it to the Serbs, to the Chetniks. The way that it works, is that the Chetniks man these encirclement positions, these rings. The Croatians and the Bosnians are besieged inside the circles. The logistics, the food deliveries for these Serbian Chetniks, are very, very difficult. And the U.N. forces, for "humanitarian reasons," so that these poor guys do not get too hungry, deliver the food to the Serbian Chetniks. Those are the facts.

So there is absolutely *no potential* that the Unprofor troops would have any part in a serious ground war. I personally, during my visit, saw hundreds of women and children who simply wanted to go back to their homes, but the homes were on the other side of the demarcation lines that were manned by the Unprofor troops, so the Unprofor troops said,

“You can’t go home.” They do not let them through these lines.

So what they do is to support the Serbian “ethnic cleansing” by forcing the non-Serbs out, or by helping to keep them out. That is how they help the Serbs.

It is clear that no western ground troops will do *anything* there. What you have to do, is to deliver arms to the Croats, Bosnians, etc., and let them do what they have to do themselves.

**Q:** How do you understand Clinton’s airdrops and deliveries to Bosnia?

**Scherer:** The so-called air deliveries of food I would see as a measure that might ensure that a U.S. airplane would get shot down, and then the U.S. would finally fight! Seriously, it is like Pearl Harbor! The Japanese came there and said, “We are going to shoot up all of your battleships,” and then the United States was forced to do something. The actual delivery capability from airplanes at that altitude is about zero.

When you had the Berlin Airlift, you had these so-called raisin bombers [C-54s—the German population called them “raisin bombers” because they dropped raisins and other foodstuffs instead of bombs], which could land, and that was much better.

**Q:** From the Soviet military point of view, why would they move into the Baltic countries now? What would be the internal consequences?

**Scherer:** They want to do it now, because what they see is the greatest weakness on the part of the West. You know, for example, that in the transition from Bush to Clinton, 6,000 officials have been fired from the Executive departments; 3,000 have been brought back in, but they have no idea of what they are doing. There is complete unclarity and complete disunity among the western states about what should be done, so the Russians see all that.

Why do they want to go back into the Baltic in this big way? If you look at Latvia and Estonia particularly, you have a total of about 20,000 retired Russian generals, admirals, and colonels living there. They occupy the suburban villas where the Baltic people used to live. And they have a nice living standard there.

They have one field army command in that area, and you have the high command of the entire Baltic Fleet, which is a Red Banner Fleet. You have three fleet bases there, with guided missile cruisers, fleet submarines, and attack submarines.

Remember that Peter the Great conquered this area, the so-called Courland and the Baltic area, in the wars against Charles XII of Sweden. The nationalist Russians simply do not accept the fact that after 1918 these three countries became independent. Those are the only ice-free ports that the Russians have. They cannot get out through the Dardanelles



*Soviet tanks crush Lithuanian civilians in the Vilnius massacre of January 1991. The Baltic states are again in the sights of Great Russian chauvinists.*

or through the Skagerra [the body of water between Norway and Denmark which leads into the North Sea], but there, they can come out. The Russians are therefore compelled to try to catch the mouse and bite the mouse to death. This is a horrible fate.

Of course, the intellectuals in Latvia and Estonia know that anybody who goes high profile today and hangs out of the window will be sent to Siberia tomorrow. You have to listen very carefully to what the Ukrainians, the Poles, the Latvians, Lithuanians, and Estonians say, because you have to know that these people have a kind of feeling or a sixth sense for what is coming down the track toward them. This is bad, very bad.

**Q:** There are two sides to the economic problem. The Soviet economy is collapsing. Do the Russians have the capability to launch this war? Second, the economies in eastern Europe, particularly Poland, which had an industrial base, are collapsing. We have Lithuania now voting back in a communist government. Has it ruined these economies so badly that,

were the Russians to launch a war, would they have no capacity to react against that which they revolted against in 1989?

**Scherer:** First, your second question. All of these people in eastern Europe are terrified by what is coming in the Baltic—the Poles, the Czechs, the Hungarians, and the Romanians as a people. All of these places are hurrying to put in their application for NATO, European Community, the Conference on Security and Cooperation in Europe (CSCE), any organization they can get into, out of pure fear. They have a much finer sense of their own endangerment than other people might have.

The question is, actually: Can the Russians force the United States and the West, using threats, to accept the existence of a Greater Serbia?

Then we come to the economic question. The Russians *cannot* wage a war, but they can make tremendous threats, and they have up to now been the world champions of strategic deception. Therefore, it certainly cannot be excluded, that one day they would start with some very bloodcurdling threats.

If you look at it scientifically, in the sense of economics, if a true war were to begin tomorrow, then the logistics and supply capability of the Russians, especially as regards food, would be about zero. They need to import 40 million tons of grain, either as food or as fodder for the animals. And you can cut that off very easily.

Of course I am not referring to a nuclear war. If it really heads to a nuclear war, then everybody's dead, including the mice. The birds are dead, everybody is dead. It is too bad for all of us.

The Russians today are not capable of forcing through conditions at the same level of what the Soviets would have been able to do. They have had six and a half years of Gorbachov's rule, from 1985 through 1991. What this has meant, is that the economic substance of the Soviet Union and Russia has simply been chewed up tremendously. What is left, is a residue, a relatively decent standard for the military-industrial complex. Therefore, there is a tremendous thrust at any price to maintain a very high level of military exports, because the engineers in the military-industrial complex do not want to give up their privileges, because the nation depends on them.

The economic situation in Russia has to be seen in a differentiated way. The Russians cannot provide themselves with food for any long period. Their transportation capabilities are relatively quite bad. In terms of distribution in the past winter, they have had another relative collapse. The military-industrial complex, as far as tank production, submarine production, airplane production, is still in relatively good shape, but they do lack spare parts. This entire military-industrial complex, which is spread out for strategic reasons over the entire country, is somewhat damaged and is certainly in danger, because the conditions for further export may not be fulfilled.

That is why Yeltsin had to travel to India. The big issue was that the Indian government had big debts left over from previous arms deliveries, and the Russians wanted to sell them new weapons. The task for Yeltsin was to go there, and come back and say to the military, "Look what I have done for you."

In sum, the economic situation *does not allow* the Russians to demand the conditions of a great power or to wage war. But if you have this kind of a military junta, they would be able to largely ignore the supply situation for most of the population. So you have to expect pretty strong *pressure* from Moscow, in regard to the conditions that NATO is about to set up.

Everything has two sides in this area. The processes are extremely differentiated. It would be silly to try to get around that. But to get any more detailed than this, would probably overtax us all, because we do not have the preconditions and we do not even know enough in detail, because this state is still relatively *impermeable* in its own way.

There is a question of whether it was a good idea to give them so much money. It would have been better to give some management training and some equipment. But not money. I cannot quite free myself from the idea that they have used part of that money to reorganize their military production.

**Q:** How do you see the old KGB intelligence apparatus? How does it function, what are its capabilities now?

**Scherer:** That is the devil personified, the devil incarnate. Nothing has changed. Only names have changed. Some of the top figures have been exchanged; underneath, the apparatus is doing what it wants. Espionage, in the sense of finding out everything about the western world, is continuing. Terrorism, agitation, cells—it is all still there.

They have also taken all their archives and everything that was not going to be opened up has been destroyed. What happened was that the archives of the old G.D.R. were taken out by the Russians in these huge transport trucks. They photocopied what they thought was important, and destroyed the rest of it.

I would say that this modern "Russian state" has not made *any* changes for the better in the area of intelligence agencies and espionage. The tendency is quite the contrary; it is to stay underground and wait, with the idea that the period ahead would bring better conditions for them.

In reality, it does appear that time is working in favor of the old communist *nomenklatura*. It does not look so good.

**Q:** How does Gorbachov fit into the plans of the geopoliticians? I think he is coming to Virginia in April.

**Scherer:** On the domestic front, Gorbachov is completely discredited. He is the traitor and the state prosecutors are considering whether they shouldn't indict him after all; seven of the 1991 putschists have all been liberated, freed. One of them, Marshal Yazov, has just granted a television interview

## Eurasia's political geography



which he chose to conduct from his bathtub. He showed his hairy chest and said, "I am not guilty, but the others are!" That is the reality.

In the international dimension, you still have the impression that Gorbachov is highly regarded, at least to some degree, by the cultural conservatives or the orthodox conservatives here in the West. You have this Bertelsmann Publishing Co., which is the biggest publishing company in the

world and bought up various publishing concerns in the United States. They have a kind of visit contract with Gorbachov. If Gorbachov is supposed to give a lecture, then the lecture is organized by Bertelsmann, and they pay the honorarium to Gorbachov. He does have some ability to influence the western world, there is no doubt about that. As Einstein reminded us, it is more difficult to free people from their prejudices; in that sense, Gorbachov is dangerous.

He can always say, "What do you want from me? I really wanted this, but could not force it through." So he is in an advantageous position in the West.

But I would see Gorbachov's star as a single one. Gorbachov personally thinks that he could replace Yeltsin. He has said that. He offers himself, he says, "Look, this other guy is incompetent, I will come back." So there is a public controversy, which has a certain effect, between the two. They took away Gorbachov's big car, his armored limousine, and forced him to take this old, small, rusty car, a Volga. Gorbachov is in a very bad mood because he does not have his big car anymore. Yeltsin also reduced Gorbachov's pension by about 40%. Gorbachov has this foundation or institute, and Yeltsin forced them to leave the palatial quarters of the former Central Committee and to go into some old tumbledown shanty. There are two telephones and very primitive conditions otherwise.

**Q:** Can you describe the role and strength of the pan-Slav and Russian Orthodox Church factions?

**Scherer:** Pan-Slavism is actually an experience of the nineteenth century. That was its big moment. It was this southern Russian expansionism. The idea was that the Serbians would be an auxiliary against the Ottoman Empire. It was basically something that started in the mid-1850s after the Crimean War. Pan-Slavism became the expansionist ideology of a certain tendency in the Russian upper classes. . . . You have one thrust of pan-Slavism in the southern expansion of the empire, but then there is also a second line which goes in the direction of Germany. The Communist International (Comintern) leadership, after the civil war in Russia in 1921-22, Comrade Radek leading the way, played this kind of pan-Slavic card in Germany.

There was also a pan-Slavic element in the fact that [Georgi] Dimitrov from Bulgaria was called in to become the head of the Communist International. After 1929, the idea was that this southern expansionism ought to be downplayed in favor of the defense of the existing Soviet bastion. After the Second World War, pan-Slavism was calmed down a lot, because it was not needed. Now, in the most recent history, there it is again.

It started with a smaller group, but it has gotten bigger and bigger, with some of the people who think about being Great Russians and nationalists. You have to add, though, that in the universities, there is no pan-Slavic idea.

The main expression of pan-Slavism as it exists today, is the support of Serbia by the Russians. The weakness of this whole pan-Slavic thing, is that the "pan" does not pan out. The Russians are blocked, because first of all the Poles are the absolute enemies of all this.

The Southern Slavs developed in such a diverse and divided way, that you cannot get them all in pan-Slavism. You can only get the Serbs; and the necessity of taking care of nationalist impulses of the 98 peoples of the former Soviet

## World press covers Scherer's warning

One week before the Congress of People's Deputies stripped Russian President Boris Yeltsin of many powers, Gen. Paul Albert Scherer (ret.), one of the founders of West Germany's postwar army and former head of its military intelligence service (the Militärische Abschirmdienst, or MAD), warned at the National Press Club in Washington, D.C. on March 9 that "Yeltsin is finished." Scherer's forecast was the subject of featured coverage in several papers around the world.

In a front-page article entitled "German Spy Chief: Yeltsin Set to Fall," the March 10 *Washington Times* described Scherer's forecast as follows:

"Boris Yeltsin's days as Russian President are numbered and an army takeover is a distinct possibility, the former head of German military intelligence has warned the Clinton administration.

"Gen. Paul A. Scherer, one of the founders of West Germany's postwar army, said yesterday his assessment is based on the reports of several western European intelligence agencies with which he has maintained contact. . . .

"He said he submitted his findings to Clinton aides, members of the U.S. intelligence community and congressional leaders. . . . In Washington, General Scherer . . . became a sought after personality after predicting the fall of Soviet President Mikhail Gorbachov, whom he described as an 'administrator of bankruptcy,' the disintegration of

Union, meant that you had to play down pan-Slavism. After 1989, you have 25 million Russians on the way from Tajikistan, Uzbekistan, Kazakhstan, Azerbaijan, and the Transcaucasus, all leaving the other non-Russian republics. They are all refugees. And so Moscow center could not propose old pan-Slavism as some kind of ideology.

But from my point of view, the concept of pan-Slavism means *nothing* today. The Russians do not say that the Serbs are pan-Slavs; they simply say these are Slavs like us. They say that the Serbs have the right to have a big empire.

I want to stress that the concept of pan-Slavism is just not current, it is a red herring.

**Q:** What is your estimate of the potential for Schiller Institute collaboration in Russia?

**Scherer:** I would say that the potential is there, not only in Russia, but also especially in Ukraine. Let us look at the



the Soviet Union and the explosion in Yugoslavia.”

The *Washington Times* quoted General Scherer saying that Russian military leaders are increasingly embittered, while “reforms are being defeated by the inability of reformers to reform.” “*Russia must explode*,” the general stressed.

General Scherer said that the failure of western powers to halt the carnage in former Yugoslavia might embolden Russian generals, who first gave the green light for building Greater Serbia. “The next crisis area” will be the Baltic states. Scherer asked: “If the West cannot cope in the Balkans, what can it do in the Baltics?” Already, Scherer said, a “Russian attack division” of special forces has been deployed near Latvia and Estonia.

### Coverage in Britain

On March 14, the London *Sunday Telegraph* covered Scherer’s assessment in an item by Ambrose Evans-Pritchard entitled “Blind Loyalty to Boris Puts Clinton’s Future on the Line.” The article began:

“The mood at the White House has gone from calm, to worried, to apocalyptic in short order. First the CIA unsettled the Clinton administration with a string of warnings about the creeping coup by nationalists in Russia; then the Pentagon’s own intelligence branch, the DIA, lobbed its bombshell into the Oval Office, predicting that Yeltsin’s days in power were fast coming to an end.

“As if that were not enough, the former chief of German military intelligence, General Paul Scherer, passed through Washington declaring that Boris Yeltsin was ‘finished,’ and that ‘Russia must explode.’ He told White House aides that a division of Russian elite forces had been deployed near the borders of Estonia and Latvia.”

### Coverage in Germany

On March 13, the *Hamburger Abendblatt* covered Scherer under the title “Coup Very Likely,” apparently based on reports of his Washington press conference from the Springer Auslandsdienst news agency. It reported that General Scherer had been meeting in Washington with advisers to President Bill Clinton and CIA experts, telling them that a military coup in Russia was “a very probable possibility.”

“Scherer, who takes credit for having predicted the collapse of Gorbachov, the collapse of the former U.S.S.R. and the war in Yugoslavia . . . [said:] ‘Yeltsin is a man of good will and apparently pro-West, but we must start from the assumption that he is finished.’

“In the opinion of the former MAD chief, many Russian generals see the failure of the West in Yugoslavia as an invitation for their own provocations. . . . Scherer called the Baltics and the Ukraine ‘the next crisis regions.’ ” The paper also quoted Scherer saying that there is “a progressive paralysis of Russian military power,” and that this situation could “force the Russian military into action earlier than anyone would expect.”

What all this coverage avoided, however, was that throughout his tour, General Scherer stressed the crucial role of jailed statesman Lyndon H. LaRouche, Jr. The papers culled all references to LaRouche’s role as the leading architect of the Strategic Defense Initiative adopted by President Ronald Reagan, as well as LaRouche’s “Productive Triangle” proposal for massive infrastructure investment, centered in the area Paris-Berlin-Vienna. In his talks, Scherer referred to this program as a means of avoiding the global chaos that he otherwise forecast.

—Scott Thompson

strategic potentials. In the current borders of Russia, you have 145 million Russians, and 25 million Russians are left outside, among the other peoples. Ukraine has 53 million inhabitants, but of these 10 million are Russians. Kazakhstan has approximately 20 million inhabitants, but 12 million Russians. I won’t go through all of the smaller republics. What I want to just focus on, is the relative population strength of Russia and Ukraine.

These Russian and Ukrainian populations, in particular—if it comes to a question of appreciating a need for a Renaissance, of the need of reconceptualizing traditional values—they are actually much closer to that than western Europe. Imagine thousands of people coming together to hear a poem being read. That you will not find anywhere in the western world; but in Russia you will find it; and in Ukraine. People are concerned with living politics. They are people who love poetry. . . .

That is the tendency. The Russian individually is, first of all, quite musical. He has a tremendous alcohol problem, however. Very bad. That is the national disease. The Russians, of course, have this tremendous need to “make up for” the whole historical experience that the West actually could have offered them. There was no Reformation, no Counter-Reformation, no Romantic movement, etc. So their interest in the West is relatively big. Use that, and then you are on the right road.

I would say that the greatest potential anywhere in the world for the LaRouche organization would be in Ukraine. But you have to move fast, because in the meantime there are 200 sects that are at work. Why? Seventy-three years of atheist and anti-religious propaganda have simply left behind a kind of vacuum, and the people want to believe. A large part is willing to become superstitious. It is a promising kind of terrain to cultivate.

## Russian shift in policy threatens neighbors

by Konstantin George

In an angry speech delivered March 20 in Moscow, Russian President Boris Yeltsin declared "a decree of special rule" to be in effect until a popular referendum on new elections is held on April 25. Yeltsin reserved to himself the right to override any decrees of the Supreme Soviet, and said that he has ordered Prime Minister Viktor Chernomyrdin to work out a "list of economic priorities." But while the short-term situation in Russia is in flux, the move is an act of desperation in which Yeltsin will either be forced to become a figurehead for a change in Russian policy already being implemented, or face removal from office.

What is certain is that cabinet changes reflecting the influence of the Civic Union, the lobby for the military-industrial complex, are imminent. On March 20, Yeltsin himself announced that "several" cabinet ministers had been removed, although no names were given. In an attempt to curry support from the Civic Union, Yeltsin outlined what he called eight important points, including measures to stabilize the ruble, take control of the Central Bank, and introduce private ownership of land, and also including cheap state credits for small and medium-sized enterprises and a state program to construct housing and transportation to combat unemployment.

On March 23, the Russian Constitutional Court voted 6-3 with 4 abstentions that Yeltsin's TV address was a violation of the constitutional principle of the separation of powers between the executive and legislative branches of government. However, the court declared that the address did not provide the basis for proceeding with the impeachment of Yeltsin. Indicative of the temporizing of the court as a whole,

Valery Zorkin, the head of the court, accused Yeltsin on March 20 of "attempting a coup," but then expressed hope that a "compromise" could be reached.

The most important figures in Russia have lined up unanimously to condemn Yeltsin's move. Vice President Aleksandr Rutskoy, who enjoys the support of the military, went on Russian TV, along with Zorkin and Russian Chief State Prosecutor Valentin Sepankov, late on March 20 to declare Yeltsin's actions "unconstitutional." Yuri Skokov, secretary of the all-powerful Russian Security Council, accused Yeltsin of going over his head in not consulting with him on his TV address. "It could only worsen the political atmosphere in the country," he said.

Yeltsin does not have the support of the Army and security forces, as indicated by statements of key cabinet ministers at a March 21 press briefing. The briefing was held to demonstrate that the government "supports" the Yeltsin declaration, but Defense Minister Pavel Grachev declared that the "Army will abide by the Constitution." Grachev observed that the Army is still under control, "but the situation is hour by hour more and more tense, above all in the units based in Moscow." Grachev said he didn't want to "dramatize the situation," but developments could "end in bloodshed." He concluded by urging the parliament: "The Army appeals to you deputies of the people. We need a compromise. The entire people is waiting for that. I'm sure you'll find a means to settle the crisis."

Security Minister Barannikov and Interior Minister Yerin also declared their support, not for the President, but for the Constitution.

## **A strong government**

Should Yeltsin refuse to back down, preparations are under way for an emergency session of the Congress of People's Deputies, to vote for removing him from power. Meeting in an emergency session on March 21, the Supreme Soviet condemned Yeltsin's emergency measures in an overwhelming vote put forward by parliament head Ruslan Khasbulatov. When the Congress convenes, it will do so on the basis of Article 121 of the present Constitution, which states that a President is automatically barred from the right to continue in office if he dissolves any "legally elected constitutional organs."

Yeltsin's declaration followed the conclusion, on March 13, of a four-day session of the Congress of People's Deputies which administered Yeltsin a stinging defeat. Yeltsin described that meeting as a "dress rehearsal for the reestablishment of the communist *nomenklatura*." He accused parliamentary Speaker Khasbulatov as "calling for renewal of the Cold War," and said that this would mean an arms race and confrontation with the rest of the world. "Russia cannot stand another October Revolution," he continued, referring to the Bolshevik seizure of power in 1917. "That will be a jump into the abyss."

But the inherent weakness of Yeltsin was, ironically, even clear from the contents of his declaration. He did not establish presidential rule nor any state of emergency. Had he had the support of the Armed Forces, he would certainly have done so. Instead, the "special administration" form leaves the road open for a strong post-Yeltsin government, acting as the front for the Russian Security Council and its institutional components—the military, military-industrial complex, the industry lobby, and the security services.

## **Georgia, Baltics, Ukraine in the cross hairs**

Immediately following the last session of the Congress of People's Deputies, Russia began sustained air attacks on the city of Sukhumi, the capital of the Georgian region of Abkhazia, on the night of March 14-15, with many civilians killed. These attacks, timed with attacks by Russian-backed Abkhazian separatists on Georgian positions outside Sukhumi, have brought Russia and Georgia to the brink of war. In response, Georgian President Eduard Shevardnadze declared that a de facto state of war exists between Georgia and Russia, and that Georgia may have to declare a "general mobilization."

Russia also militarily threatened the Baltic states of Estonia and Latvia. In a speech on March 16 to the Baltic Council in Helsinki, Russian Foreign Minister Andrei Kozyrev warned of the "danger of Yugoslav conditions" in the Baltic, and attacked the "appearance of aggressive nationalism and chauvinism" in Estonia and Latvia. Kozyrev demanded that U.N. special emissaries be sent to these two states to investigate "human rights violations" against the Russian minorit-

ies, which are threatening a "Balkan scenario," where Russia could be "forced" to send "peacekeeping forces." This was no National Front extremist speaking. This was the Russian foreign minister threatening a Russian military re-occupation of two Baltic states.

The Russian posture toward Ukraine has also become more threatening, though, in this case, military moves can probably be ruled out for the near future. A senior unnamed Ukrainian Foreign Ministry official was quoted in the March 17 London *Financial Times*: "Russia's attitude toward its neighbors can now be compared to Germany's in 1939. This is a crucial moment when the West must realize that the consequences of a policy of appeasement are as dangerous as they were in 1939." The paper cited western diplomats reporting that they have been told by Russians "not to bother building large embassies in Kiev, because within 18 months, this will be downgraded to consular sections." During a February visit to Warsaw, Yeltsin adviser Sergei Stankevich warned Poland to scale down its growing political and military ties with Ukraine. Ukraine and Belarus are in the Russian sphere of influence, he told his hosts. These statements are not empty alarms.

## **A 'new centrist government'**

While Yeltsin is losing power, the outcome will not be a triumph of the Congress. All signs indicate that the Russian political crisis will be resolved through a strong presidential system, where the President would sign decrees dictated by the leading figures of the Russian Security Council, the locus of real power. The key figures who would actually rule include Security Council Secretary Yuri Skokov, who embodies the military-industrial complex; the military leadership; Vice President Aleksandr Rutskoy, who enjoys the complete support of the military and Civic Union; Arkady Volsky, leader of the Civic Union, and Valery Zorkin, president of the Russian Constitutional Court.

Parallel to a strong presidency under its aegis, the Russian Security Council is also pressing for a so-called new centrist government, which would reflect the interests of the Civic Union industry lobby and the military-industrial complex. This has become the clarion call of the Russian elite. The call by Constitutional Court President Zorkin for a "salvation government of the center," issued on March 13 as the Congress was closing, sets the stage for the incoming regime. Zorkin repeated the call on March 15 at the National Press Club in Washington, D.C., where he called for a "new government based on a centrist orientation" in Russia, existing side by side with a "strong presidency" as in "the French model." Zorkin's visit to the United States itself is striking. He was clearly dispatched as an unofficial Security Council emissary to brief Washington on Russian developments, and his agenda included a meeting with President Clinton on March 16. His reference to the "French model" also preceded

by 24 hours the arrival of French President François Mitterrand in Moscow.

The entire political spectrum in Moscow is echoing Zorin's call for a "new government based on a centrist orientation," or admitting that such a government is coming. On March 15, figures ranging from Congress head Khasbulatov to National Front leader Dukin endorsed the idea of a new centrist government. Telling in this regard was the admission on the same day by former Prime Minister Yegor Gaidar, the shock therapy maniac, that a "centrist political government" is "likely to emerge." Dukin told *EIR* two days before the Russian Security Council meeting that "plans for a centrist government" are in the works. The Khasbulatov statement of March 15 tells volumes: "Now it is necessary to concentrate solely on the economic reforms. In this question, the govern-

## Solzhenitsyn warns that Russia is up for grabs

*Aleksander Solzhenitsyn warned in a March 7 letter to Russian ambassador in Washington Vladimir Lukin that a strong government was necessary to defend Russia. Excerpts follow.*

The Russian Federation . . . cannot exist without a strong presidential power, a power which is at least as strong as that in the United States. . . . What is at issue is not just President Yeltsin or the current composition of the Supreme Soviet; at issue is a long-term policy, an agreement which prevents Russia from tottering from every gust of wind. . . . The alternative which will be adopted now . . . will decide the future of the country, probably for one century ahead, when the present politicians will long be dead, but the burden of a wrong decision will be still tied around Russia's neck. . . . When people have been thrown into the abyss, is it really the time for garbled referendum questionnaires on clauses of the Constitution . . . to organize elections into a Constituent Assembly, or have meetings, month after month, working out an 'ideal' constitution? During the whole of 1917, ideal electoral laws had been elaborated, and finished just in time for the October coup. . . . Hasty politicians, who wage furious battles in the stratosphere . . . in the meantime the pillage has assumed a massive, unprecedented scale, Russia's riches are sold out for a song, the country in chaos is irreversibly up for grabs.

ment must have the last word. The decisions of the last Congress have deeply strengthened their [the government's] importance as the highest organ of the economy."

The indications that the Russian elite had reached a consensus for a "strong presidency" and a "strong government," with or without Yeltsin, as the only alternative to an impending chaos without end, were evident before the Congress session began. This was clear on March 7 when a letter from Aleksander Solzhenitsyn to Russian ambassador to Washington Vladimir Lukin was read on Russian TV by Yuri Karyakin, a member of the consultative Russian Presidential Council. "I agree completely" with Solzhenitsyn's demands, he told viewers. He urged them to "listen to the voice of the man whose contemporaries we are proud to be."

The Solzhenitsyn letter provides a unique window into the thinking of the Russian elite (see box). Notably, Solzhenitsyn denounced any return to communism as leading to the death of Russia, and equally denounced the idea of restoring the U.S.S.R., whose only result would be "a bloody war in a dozen republics." He concluded with a call for "the only real formation which offers us any hope . . . a union of the states of Belarus, Russia, and Kazakhstan."

### Social explosion brewing

An early resolution of the Russian political power struggle will be forced by the accelerating economic devolution which has brought the country to the brink of a social explosion. For most of the population, the last "reserves" from savings have vanished after the record hyperinflation rates of 126% for January and 129% for February. The March rate is even higher. For the first time, a hyperinflation, as opposed to "only" heavy inflation, has affected basic foods, the prices for which have increased 74% in Moscow in the first two months of 1993. The great majority of people are now not "merely" living in poverty, but below the minimum for existence, which now stands officially at 6,000 rubles per month. (As recently as last autumn, 6,000 rubles per month was considered a "very good wage"; now it is bare minimum.)

As a result of this non-linear economic crisis, "labor peace" under Yeltsin is now over. The early March warning strikes by the coal miners of Kuzbass in Siberia, and Vorkuta in the Russian far north, were but the harbingers of things to come. New miners strikes could erupt at any time. The next strike wave will be far broader. Tens of thousands of mostly women textile workers from Ivanovo, north of Moscow, plan a march on Moscow in mid-March to protest before the Russian White House the closure of 40 textile plants and the imminent closure of another 46, following the breakdown of cotton imports from Uzbekistan. In the Russian Pacific port of Vladivostok and its environs, a quasi-general strike, involving dock, shipyard, and urban transport workers and foresters, is set for sometime in March to protest plant closures.

# On the subject of policy governing the projected Clinton-Yeltsin summitry

by Lyndon H. LaRouche, Jr.

*A memorandum dictated on March 23, 1993, from Rochester, Minnesota, where Mr. LaRouche is held as a political prisoner at the Federal Medical Facility.*

This is former presidential candidate Lyndon LaRouche speaking on the twenty-third of March, on the tenth anniversary of President Reagan's public televised announcement of the Strategic Defense Initiative.

I reference the current crisis in Russia and other states in the context of the scheduled meeting between Russian President Boris Yeltsin and U.S. President William Clinton.

## **The worst crisis facing the world**

First of all, the thing that must be generally recognized, as I am happy to note that Secretary of State Warren Christopher has underscored, publicly at least, is that the current crisis in Russia, is, by its rather immediate near-term to medium-term implications, the worst crisis facing the world in general and the United States—United States foreign policy in particular; and secondly, that no mere band-aids within the present policy structures of the United States or International Monetary Fund can possibly succeed in ameliorating, let alone contributing to solving, the crisis in Russia.

The root of the problem is the absolute disastrous, catastrophic failure of the Bush and Thatcher administrations in Britain and the United States to respond intelligently to the opportunity for building long-term peace represented by the collapse of what Mr. Winston Churchill once called the Iron Curtain.

Following the events of November 1989, had the United States and Britain fostered economic cooperation for infrastructure and industrial and agricultural development of the former states of the Warsaw Pact alliance in Eurasia, and had the United States cooperated, together with France and with Germany, in this effort, we could have no doubt have had the foundations of long-term peace throughout much of this planet. But the greatest folly in modern history perhaps was created under the leadership of Mrs. Thatcher and President George Bush, in imposing upon the Russian and eastern

European economies, monetary and economic policies which must be judged in terms of their effect to be clinically insane—economic and related policies which have brought on this crisis in Russia, this potential strategic crisis, this potential seed of a future general war.

I believe that Secretary Christopher's statement captures some aspects of this, and helps by making the situation known to a broader circle—sounds the alarm, I think, is the appropriate term.

## **Attack on Central Europe's southern flank**

In addition, rather than use the potentials of Central Europe—particularly the French-German axis of economic cooperation—as a springboard for solving the problems of reorganization of the economic potential of eastern Europe and the former Soviet Union, under the leadership of Mrs. Thatcher's government, forces throughout Europe and elsewhere, attacked unified Germany as a potential Fourth Reich, as the major geopolitical danger to the interests of the Anglo-Americans, and sought to lure Gorbachov, the partner of the Anglo-Americans, into collaboration with the launching of British and American assets among the Serbs of Milosevic in Serbia and in other parts of former Yugoslavia, into a murderous onslaught upon the member populations of former Yugoslavia.

This attack by the Serbian forces under Milosevic of the southern flank of Central Europe *precludes* any intelligent, effective assistance to Russia, as long as this ulcerating condition is tolerated. This condition must be removed, the Serbs must be checked, and the states of the region must return to the borders established under the former government of Yugoslavia—with *no forcible change* in those borders allowed; negotiated changes, yes; forcible changes, no. But first, there must be a return to those borders as the starting point for any negotiation.

Secondly, not only are the IMF conditionalities and proposals of shock therapy, of radical monetarism, radical free trade, and radical global deregulation an assurance, as long as they are tolerated, of an explosion of rage within Russia,

the inevitable doom of any regime in Russia which is seen as too friendly to the Anglo-American chief perpetrators of these economic policies by Russians, but it must be faced that *the present international monetary structure is doomed in any case*; and to sacrifice the prospects of peace with Russia, to sacrifice peaceful stability in Russia, for the sake of this IMF-dominated structure, is pure insanity.

The essence of the problem at the moment is characterized by the worst bubble in all history, a bubble dominated by the explosion of trillions of dollars, tens of trillions, scores of trillions of dollars, of accumulation of trade in so-called derivatives.

If this is tolerated, and if the present forms of deregulation and free trade upon which this bubble is based continue to be tolerated, then the entire world will collapse into the worst depression in modern history, since at least the fourteenth century in Central Europe.

### **The issues on the table at the summit**

Therefore, we must be prepared to sacrifice *immediately* the entire structure of these present IMF-dominated relationships. Respecting Russia, what is needed is not simply economic aid.

First, we must remove the threat from the southern flank of Central Europe, in order to make Europe once again the potential springboard for material aid to the process of reconstruction of Eastern European states and the former Soviet Union.

Secondly, respecting Russia: The debt of Russia must not simply be reorganized, but reorganized in a manner analogous to the way in which U.S. Treasury Secretary Alexander Hamilton, under our President George Washington, reorganized the debt of the United States during the period 1789 through 1794.

The debt must be restructured to be used as the basis for issuance of credit throughout the former Soviet Union for the rapid reconstruction of the agriculture, industry, and infrastructure of Russia and adjoining/cooperating states. Only in that way can this cancer be tamed and the pyramided debt turned into an instrument of fostering stability and general economic recovery.

In addition to solving this problem in Yugoslavia, the United States must be prepared to sacrifice its own commitment to so-called radical free trade, to radical deregulation, to de-industrialization at home, in order to put on the table, with the Russians and others, the proposal as follows.

First of all, we must accept the principle of *sovereign* nation-states as the basis in national political economy for internal development of states and for economic cooperation among sovereign states. The idea of denationalization of the world, is a piece of unworkable lunacy which can only lead to the worst result. We must restore the principle of *sovereign* nation-states with *sovereign* national political economies. That is the basis for all workable monetary-economic agree-

ment; and on that basis, the current external debt of Russia can be reorganized in a Hamiltonian fashion.

Secondly, we must recognize that the world is in fact in the throes of a depression now dominated by the largest, most cancerously expanding financial bubble in all history. This bubble must be brought under control, and the source of this disease, the present IMF and related radical monetarist proposals, such as those associated with former Prime Minister Margaret Thatcher of Britain, must be extirpated from the policies of western nations and the world institutions, as an abomination, whose horror and implications are now understood as one of the greatest errors of the 20th century.

We must return to the kinds of axioms of policymaking in these matters, which existed prior to the 1970s launching of this bubble of deregulation, deindustrialization, and radical free trade.

Those are the primary issues which must be put on the table at any meeting between President Boris Yeltsin and President Clinton if *real progress* is to be made.

## **Clinton comments on SDI as option**

On March 23, in his first press conference since his inauguration, President Clinton was asked about his priority for the Strategic Defense Initiative.

Question: "Mr. President, given the fact that both the START I and the START II treaties are hostage to the political outcome in Moscow and given also the potential for conflict, armed conflict, between Russia and Ukraine, are you prepared to draft contingency plans, at least, that would either restore funding or add funding to the Strategic Defense Initiative, if not the space-based part, at least the ground-based element, as a hedge against the worst possible outcome?"

Answer by President Clinton: "Well, we're not in a position to make a judgment about the worst possible outcome now. I mean, keep in mind—and let me say I've talked to President Kravchuk twice about the Ukraine's position on START I, and I'm very concerned about the very issues you raised. But let me say that even as we speak, I'm not ready to say that there's a strong likelihood that we can't proceed with both START I and START II and that we can't resolve the conflicts between Russia and Ukraine. If that becomes apparent that we can't, then we will obviously assess our position and all of our options."

# Vance-Owen accepted the Radovan Karadzic plan

**Editor's note:** *We received the following report and commentary by fax from Mr. M. Borogovac, Ph.D. in mathematical sciences, professor of mathematics at the University of Tuzla, Republic of Bosnia-Herzegovina, on March 16. The editors believe that the actions of Bosnian leaders Izetbegovic and Siladjic, which are judged harshly in this piece, must also be seen in the light of the tremendous pressures put upon them recently by the forces of the New World Order. We are nonetheless pleased for the opportunity to publish this view of the United Nations' perfidy toward one of its own member nations, from a Bosnian patriot.*

*We reprint Dr. Borogovac's text in full, only slightly edited to standardize spellings and English usages which might otherwise be unclear.*

Since the first missions to the Republic of Bosnia-Herzegovina, diplomats Piniero and Cutiliero, followed by François Mitterrand and John Major, with the most recent inclusion of the Vance-Owen team, "the West" has offered Bosnia "charity" in exchange for merciless theft of its statehood, territory, and pride of the Bosnian people toward their homeland in Europe.

In the present phase of the war against the Republic of Bosnia-Herzegovina (R.B.H., further on in the text, or shortened: Bosnia), an anti-Bosnian lobby came to the conclusion that the time has come to take the masks off, completely, and go openly toward their goal.

The smiling faces of Boutros-Ghali, D. Owen, and C. Vance show that the final success of a large international political and military effort is clearly visible. For the first time in the history of the United Nations, one historical, internationally recognized country is to be broken into pieces (parts?) that have none of these qualities:

1. historical *raison d'être*;
2. territorial integrity and continuity (see the Vance-Owen map);
3. historical and legal rights toward their own individual statehood(s).

Therefore, several questions could be posed:

**First question:** Why did the above-mentioned gentlemen busy themselves with the task of destruction of the continuity of the statehood and constitution of the 177th member of the U.N.: the Republic of Bosnia-Herzegovina?

Having in mind the perceptions of "the West," possible answers are the following:

1. The crisis in ex-Yugoslavia is perceived primarily as a Serbo-Croatian problem, and as such can only be solved by satisfying Serbia and Croatia, an act that calls for the sacrifice of Bosnia in order to satisfy them both.

2. Accepting Bosnian statehood became dangerous, since it reintroduced traditional European divisions; a conflict of Central Europe and its peripheral parts could reverse the process of integration that was starting to happen in Europe.

3. The sacrifice of Bosnia has certain advantages: It is a handshake of Europe with a traditional Serbian friend—the Russian empire. At the moment, Russia is "balancing" between "Europeanization" and a return to "traditionalism." In this moment, a satanic sacrifice ceremony of delivering slaughtered Bosnian children and their land to Russia, doesn't seem to be "much of a loss."

4. Having in mind the insufficient knowledge of the meaning and the importance of statehood in the "Islamic world," its reactions cannot be so "harmful." The approval of the Orthodox Christian world is much more important anyway.

5. In the meantime, in the ex-U.S.S.R. and in Russia, Muslims have gotten a clear message and a very bloody lesson: that their aspirations toward independence and statehood are hopeless. The moral of the story is: "When the recognized Bosnians, with one thousand years of statehood, did not make it, you are not going to make it either, so do not even try!"

6. The present policy of "the West" in Bosnia obviously shows that Serbs, everywhere on the territories of ex-Yugoslavia, must be "pacified" by the method of satisfying their aspirations (and war gains, essentially) in such a way as to make them stop the destabilizing activity in the Balkans.

7. The gains of Serbia and Croatia in Bosnia can be useful for solving Serbo-Croatian relations in the Republic of Croatia, where Croatians, according to the Vance plan, have to accept a loss of sovereignty on parts of the territory of the Republic of Croatia for an unspecified amount of time.

**Second question:** What is the ethical and moral platform on which the cruelty toward Bosnians, especially Bosnian Muslims, is based?

As the apocalypse of Bosnians is irrational, the explana-



*In the first tented camp in Europe since World War II, Bosnian refugees are received at a sports center in Rijeka, Croatia in 1992.*

tion of the behavior of “the West” is impossible without a transfer to a religious realm. The “missionary” approach to Bosnia, exemplified by the combination of “charity” and cruelty, is the perfect name for the attitude of “the West.” It shows the strength of the old stereotypes and emotions in moments of crisis. It shows that the “new world order” is an illusion.

The truth is that “the West” did not permit the helpless hostages even the elementary right to a self-defense from the Evil, whose first name is Hate and whose last name is Death.

### **The goals of the Vance-Owen policies and their methods**

After a year of incredible massacres committed against the Bosnian-Muslim civilians, the policy of “the West” is sublimated in a document known as the “Vance-Owen plan.” This plan is being touted, in the western media, and in high diplomacy, as “the only possible road to *peace* and ending of bloodshed.”

Diplomacy and the loyal citizens of Bosnia are asked, in this (*a priori*) labeled, exclusivist document, neither more nor less than to accept:

1. Cessation of the continuity of the statehood of the Republic of Bosnia-Herzegovina. (The Vance-Owen plan abolishes the legal constitution of the country and annuls the judicial, legislative, and executive foundations of the government of the 177th member of the U.N. No mention of obligations toward reestablishment of those foundations is even made.)

2. Actually, cessation of the continuity of the statehood is formulated in such a way as to eliminate the hope of reestablishing it ever again, since the Vance-Owen plan calls for an agreement of such gravediggers of Bosnia as Radovan

Karadzic, Serbian leader and a certified war criminal, and HDZ leader Mate Boban, a traitor and a backstabber.

In addition to the fact that agreeing to these demands means *the end of the statehood of the Republic of Bosnia and Herzegovina*, the Vance-Owen plan has the following direct consequences for the state and the people of Bosnia:

1. All the previously voted conventions are annulled. That means, also, that all the obligations of the international community toward the country and the people who are the victims, cease to exist (U.N. Resolution 752). In exchange for the obligations of the U.N., stemming from international laws, in regard to the constitution and the statehood of the recognized country, the Republic of Bosnia-Herzegovina is offered “guarantees” toward the protection of certain rights. Of course, that is far below the level of sovereignty of any independent country.

2. An additional absurdity: All the guarantees that are offered, are related to the realization of the Vance-Owen plan itself.

For example, the use of U.N. military force is not intended to defend Bosnians from the aggression or for peace-making, but rather for the “implementation of the Vance-Owen plan.”

By paraphrasing itself, the plan “foresees and guarantees”:

- That the residents of R.B.H. are going to live in a group of provinces that are going to consist of three national areas.

- On the level of the province, everything shall function as a state, as a *national state*, with the “guarantees” for the protection of the “minorities.”

- Legislative, judicial and executive powers of the government of the Republic of Bosnia-Herzegovina do not exist on the level of the republic. That goes for the Army as well.

- The Army of Bosnia, before the final demilitarization, is only legal in the Bosnian-Muslim provinces, and as such, it is being treated the same as the HVO (Croatian HDZ units) and Serbian Chetniks (terrorist cohorts of war criminals).

- Any possibility of investigating war crimes in “Serbian territories” is definitely compromised and made improbable.

- Trials of war criminals require the consensus of the perpetrators of those crimes (Serbian terrorists) themselves. Legally untenable position. A sick farce.

- In all areas not covered by the Vance-Owen plan, a consensus with war criminals is demanded . . . same as the above.

- Pressing for this plan shows plainly how cheap is the life of Bosnian men, women, and children on the international market. This plan starts the most complex, but also, the most illegal, procedure against one recognized state, and against, at least, one large portion of its people:

*Destruction of the sovereignty, constitution, statehood, and territorial integrity of a recognized country, in exchange for the status of a protectorate, as an in-between stage, prior to the final dissolution.*



Vance-Owen are right in their claims that their plan brings *peace*, but only under the condition that the above-mentioned premises are accepted. Then the peace shall be closer when the Bosnian Muslims, dispersed along the rivers and roads of Bosnia-Herzegovina, give up their rights to live by the rivers Drina, Neretva, Sava, Una. . . . Also, they must give up their use of highways between major cities. The Bosnians will have the Montenegrin border by Trnovo, the Croatian border nearby Sarajevo, and the Serbian border inside Sarajevo, the “ex-capital of Bosnia-Herzegovina.”

According to the Vance-Owen plan, Bosnian patriots have to accept the fact that they have reached the end of their history, after one thousand years. *If Bosnian patriots do not accept the Vance-Owen plan, the U.N., once again, guarantees that Bosnians are going to get massacred totally*, since the plan “guarantees” that “one of the three sides” is prevented from receiving weapons and ammunition to defend itself (a 12-month-long, ongoing U.N. “sea-air-land” blockade of the Army of Bosnia-Herzegovina: *the arms embargo*).

### **How the anti-Bosnian lobby destroyed Bosnia**

The Vance-Owen team clearly stated their terms to the Bosnian leaders: “Either accept the plan, or bear the guilt for the continuation of war!” At the same time, the Vance-Owen team is misleading “the world public” that the same condition is put to the Serbians.

The Vance-Owen plan is different from the Serbian plan only in the “dynamics” of the planned disappearance of the Republic of Bosnia-Herzegovina and its Bosnian Muslim population (Croatian also, later on, when they are done with Bosnian Muslims); it supports, stimulates, and provides a “legal cover” for the Serbian aggression. It also covers for the causes and consequences of the aggression.

In order to make those strategies “invisible,” Vance-Owen have constantly repeated “small lies” in order to achieve “great effects.” For example:

“In Bosnia-Herzegovina there are no ‘citizens,’ there are only Serbs, Croats, and Muslims.” That is when the U.N. did not need the terms “citizens” and “civilians.” However, when the aggression was “explained,” they used the term “civil war,” not “the Serbian aggression.” Such a manipulation of facts and semantics is actually *de jure* a complete amnesty for Serbian crimes against civilians, since civil wars are not necessarily subject to sanctions according to the applicable international laws, but rather an internal business of each country. Such an attitude actually means that nobody is safe in the entire world, since any one ethnic/national group in any one country can decide to slaughter any other ethnic/national group in the same country and call it a civil war and thus suspend international law and legal defense mechanisms. Another example:

“The Bosnian Army is a ‘Muslim army,’ the government is ‘Muslim,’ President Mr. Alija Izetbegovic is a ‘Muslim President’ . . . etc., etc.” Those are outright lies, since only the Bosnian government represents the secular, multi-ethnic,

civic, democratic entity in the entire country. Both other concepts, Serbian, and to a certain extent, Croatian, are exclusivist, chauvinist. Serb national chauvinists exclude everybody, Croats exclude the Serbs, while only the Bosnian Muslims insist on including both loyal Croats and Serbs in all Bosnian institutions.

Those and similar activities, on the “lighter side,” with many other “darker sides,” make the Vance-Owen team partners in Serbian crimes against the innocent civilian population, and other crimes against humanity.

“Negotiations of the three warring parties are the only alternative to the war.” This statement was used to remove the legal case of the aggression against Bosnia from the supervision of the Security Council of the U.N., to the “out-of-bounds-out-of-legal-sphere” negotiations. In doing so, the Vance-Owen team discarded the international legal system and enabled themselves to change the definitions of the victim and the aggressor. The *trial*, i.e., the legal procedure in the Security Council of the U.N., was replaced with the “negotiations,” a dubious category, that proved to be fatal for the victim of the aggression. In this context, an international court for the crimes against humanity should consider the role and the participation of C. Vance and D. Owen, as well as Boutros-Ghali, in the war against one member of the U.N. and the open abuse of the Charter of the U.N.

### **Responsibility of diplomacy and the President of Bosnia-Herzegovina**

In the diplomatic activity of the leaders of the Republic of Bosnia-Herzegovina, there are many important moments that have been, if not the causes, then certainly contributing factors in the tragedy of Bosnia-Herzegovina. If we accept the legal codex that “ignorance or lack of information are not to be cited as an excuse should they become a cause for damage . . .” then the major objections to the diplomacy of Bosnia could be:

1. Agreeing to negotiations without the clear identification of the partners in those talks.

(Even before being classified as a war criminal, Radovan Karadzic, a Serbian terrorist leader, could not have been a partner in negotiations anywhere else but in the Parliament, especially not after some important factors in the international community in some way recognized the war against Bosnia as a war of Yugoslavia against Bosnia and not as a civil war in the country itself. The right to talk to the President of the Republic of Bosnia-Herzegovina could have been granted only to Slobodan Milosevic and Dobric Cosic—Presidents of Serbia and the new Yugoslavia—as the chiefs of the aggressor countries. That privilege should not have been granted to the “leader of the Bosnian Serbs,” Radovan Karadzic and his gang.)

2. Agreeing to negotiations with “to be announced” type of topics and schedules.

(The last time that Bosnia had an undefeatable political position, before the Geneva talks, the terrible error was made

to allow the negotiations to be held with war criminals, and also under a completely changed position of negotiating on the basis of "ethnic divisions" and abandoning the already established position of the "civic state" principle.)

### 3. Agreeing to an inferior position in negotiation.

Before going out to negotiate, Bosnian diplomacy could have made a number of completely legitimate requests and could have gained a number of "life-saving" little advantages, that would provide for stronger negotiating positions in diplomacy and on the battlefield. The informational, traffic, and political deblockade of Sarajevo, government of Bosnia, and Tuzla airport could have been preconditions for the negotiations. Subservience did not help at all.

After all, the delegation of Bosnia, during the negotiations, went further and further away from the mandate received from the "Expanded Presidency" in the capital, Sarajevo, and thus committed an unauthorized acceptance of the "basic principles" and later of "the military agreement," also. Therefore:

The delegation of Bosnia committed the "sellout" of the continuity of the statehood and the constitution of the Republic of Bosnia-Herzegovina. In return, they received "guarantees" of the human rights and religious rights that are usually included in the higher categories (statehood and constitution) which they have lost and/or abandoned.

The delegation of Bosnia (President Mr. Alija Izetbegovic and Foreign Minister Mr. Haris Silajdzic as well as other members) traded away the principle of the sovereignty of Bosnia and the principle of the firmness of the borders, for the humiliating *protectorate over Bosnia*, which is the only method for a "legal" destruction of the sovereignty of a member of the United Nations.

Having done that, the delegation of Bosnia has caused a severe loss of morale in the Bosnian population, with a total collapse in certain areas. Army commanders, very discouraged by such treason, were also criticized for "politicking," meaning that the delegation does not care for the opinion of the Army of Bosnia-Herzegovina, which fights valiantly for the freedom of the entire country and not the slavery and slaughter that the Vance-Owen plan basically imposes. Further more, the "negotiating skills" of Mr. Alija Izetbegovic have given a morale boost for a renewed Serbian offensive in eastern Bosnia, stemming from the Serbian (correct) perception that the Vance-Owen plan gives them a total *carte blanche* to kill, even 12 months after the commencement of the slaughter of the innocent Bosnian civilians.

Finally, nobody has the right to negotiate, let alone accept, the destruction of the continuity of the statehood and the constitution of Bosnia, especially not the leaders who were sworn to defend those sacred principles.

How will "the West" solve the Bosnian-Muslim refugee problem? It accepts the refugees. The exit from Sarajevo is cynically granted "to the signers of the Vance-Owen documents."

## Is India losing its grip on Kashmir?

by Ramtanu Maitra

As the winter snow melts and makes accessible the rugged terrain of Kashmir, the Indian Army is facing a new wave of well-trained and well-armed intruders from the Pakistan side of the border. On the ground in the Kashmir Valley, it is evident that India's 38-month effort to eradicate violence and militancy has failed, and it is to be seen whether the Indian Army, battling an elusive army backed by the locals, can contain the situation through the coming summer.

Such a question is no longer rhetorical, as is evident from the growing urgency expressed by New Delhi. Newly appointed Minister of State for Home Affairs Rajesh Pilot, who is in charge of internal security, has made a quick foray to Kashmir and is now busy pushing for a political solution. The 33-month tenure of the Jammu and Kashmir governor and former chief of Indian intelligence, Girish Chandra Saxena, has been abruptly ended. Gen. Krishna Rao (ret.), who had already had a short stint as governor in 1989 before the valley erupted with violence and militancy, has been asked to take over. Such old hands as the former chief minister of Jammu and Kashmir, Dr. Farooq Abdullah, and the scion of the Kashmir royal house, Dr. Karan Singh, have already indicated that Delhi should hold talks with both Pakistan and the Kashmiri militants of all hues to resolve the problem. Dr. Abdullah, in fact, has gone further, to indicate that India should discuss the autonomy of the Kashmir Valley with the militants and define the autonomy quantitatively so that the "boys" do not feel that they have not gained anything.

### Threat of war

The increasing evidence that Pakistan is directly involved through its military intelligence wing, Inter-Services Intelligence (ISI), in training and arming Kashmiri militants, including the jihad-seeking Afghan mujahideen and even, reportedly, Sudanese fundamentalists, as documented by India, has endangered peace in the subcontinent. In the coming summer, if the Indian Army fails to prevent a reported 4,000 trained guerrillas from entering the valley and loses a number of personnel in the process, a war-like situation is bound to emerge. Moreover, Indian intelligence is alluding to an ISI hand in the recent bombings that rocked Bombay's

commercial brain center. If this were to be established, the possibility of a war between India and Pakistan cannot be ruled out.

India and Pakistan have already fought three futile wars over Kashmir, and came close again in 1991, when a timely intervention by the Bush administration defused the crisis. In Washington, a number of individuals belonging to the Clinton administration and outside of it, have expressed the fear that India and Pakistan will engage in an all-out nuclear exchange over the Kashmir dispute. Newly selected CIA chief James Woolsey, testifying before the Senate Governmental Affairs Committee on nuclear proliferation on Feb. 24, talked about the possibility of a nuclear exchange. Although the CIA chief's warning is slanted with the Clinton administration's expressed goal of getting both India and Pakistan to sign the nuclear non-proliferation treaty (NPT), there is no question that Washington is conscious of the possibility of a war breaking out over the Kashmir issue.

### **Weakening of the Indian position**

The latest uprising in the valley, which began in the early 1990s, has a lot to do with the retreat of the erstwhile Soviet Army from Afghanistan in 1988 and Pakistan's efforts to arm and train the Kashmiri militants. However, Kashmir has been a troubled spot for the last four decades and more. The Kashmiris, unlike the Sikhs in Punjab, have little loyalty toward either India or Pakistan. This sense of independence was allowed to be bred not only by outside forces in Britain or elsewhere, but even within India itself.

Jammu and Kashmir's first chief minister, Sheikh Abdullah, who was also prime minister when Kashmir was a principality, had openly talked of a "Switzerland-type independent Kashmir" and yet has wielded power for almost three decades. Close to the Nehru-Gandhi family and having achieved both profit and power through Nehru's generous support, Sheikh Abdullah, whose son Dr. Farooq Abdullah is a much weaker man, had all along worked, with the help of New Delhi, toward carving out an independent Kashmir.

The Kashmir situation is different from Punjab in every possible way. Except for a brief period following the Indian Army's incursion into the holy Sikh shrine, the Golden Temple of Amritsar, in 1984, the Sikh militants in Punjab never had the support of the Sikh population in general. In Punjab, even when the Indian Army was killing many, the Sikh population never turned on the Army itself. However, in Kashmir, the only difference between an ordinary Kashmiri and a militant Kashmiri is the way they are armed: Both hate India with a passion and consider the Army as a tyrant.

It is also widely acknowledged that Pakistan, having lost its eastern wing and militarily kowtowed to the Indian Army in 1971, will not give up this opportunity to "teach India a lesson." India's efforts to pressure Washington to label Pakistan a terrorist state will not succeed, because Pakistan has developed its nuclear weapons programs and the United

States fears that isolating Pakistan would only propel Islamabad to pass on nuclear weapons technology to hostile nations.

### **The 'human rights' chorus**

In addition, "human rights violations" in Kashmir are becoming an issue in the West. New Delhi is well aware that it cannot exert more pressure in Kashmir. It is no surprise that those in Britain and the United States who had been lamenting India's deliberate attempt to suppress the "aspirations of the Kashmiri people," are now tuned in to the human rights chorus. It is the same in Pakistan. Those who had been vocal about India's deliberate attempt to "weaken Islam" have also started to sing the human rights tune.

It is also evident that Britain would like to see an independent Kashmir. This has become particularly important for the British in the light of the growing economic strength of both India and China and the emergence of at least a half-dozen nations (former Soviet republics) in Central Asia. Britain, and its promoters in the United States, had long been cultivating the Jammu and Kashmir Liberation Front, the main proponent of an independent Kashmir, and have even provided succor to the pro-Pakistani militant group, Kizbul Mujahideen. With the backing of Pakistan, Britain, and some in the United States, the militant movement has garnered further strength.

### **Split four ways**

The softening of the Indian position—if one considers that Dr. Abdullah is speaking on behalf of the new set of policymakers—raises a question as to what kind of solution can be worked out which will bring peace, satisfying the Kashmiris, Pakistanis, and the Indians. Kashmir is now split four ways. Almost two-thirds of Kashmir belongs to India. Within the Indian part of Kashmir, there exist three distinct parts. One is the valley, where the militancy is at its peak and which is inhabited mostly by the Muslims. The other two parts are Jammu, a Hindu majority area, and Ladakh, with a large Buddhist community bordering China.

The Pakistan-occupied part of Kashmir has itself been split into three parts. A small portion has been given to China, the northern part has been assimilated within Pakistan as a northern territory (although a Pakistani court recently announced that such annexation was illegal), and the rest is Azad Kashmir.

Since the demand for autonomy exists only in the valley, it is expected that India will not even discuss Jammu and Ladakh. On the other hand, an autonomous Kashmir Valley must also contain that part of the valley which is now part of Azad Kashmir. Also to be considered is the level of autonomy to be given to the valley. Both India and Pakistan must make sure that this autonomous state does not become the dreamed-for Switzerland of Sheikh Abdullah, where foreign powers will vie for control over a highly sensitive region.

# The tragedy of Tajikistan

*The death toll and the number refugees is already near 1 million, and peace nowhere near at hand. By M. Babur.*

*"M. Babur" is the pen-name for one of Russia's most eminent orientologists, who has had over five decades experience in Central Asian affairs, including having been an adviser to numerous governments in Moscow in the past. EIR's own evaluation of the events in Tajikistan, which differs in many respects from his, will be published in future issues. His essay was dated Feb. 20. Subheads are EIR's.*

None of the conflicts which have flared up on the outskirts of the former Soviet empire can compare in their scale and brutality with the Tajik tragedy. The conflict, which has been raging for three years, has finally entered the stage of a full-scale civil war, that has claimed the lives of 100,000 and turned another 800,000 into refugees, of which 100,000 have crossed the Amudar'ya [Oxus] River border and become hostages of another civil war waged in Afghanistan, particularly in its northern provinces bordering on Tajikistan. These, incidentally, are also populated by Tajiks. By comparison, in the Patriotic War of 1941-45, Tajik casualties were 60,000 people.

Tajiks belong to one of the most ancient ethnic groups in Central Asia. They are descendants of the inhabitants of the ancient countries of Bactria and Sogdiana, who, 2,500 years ago, professed Zoroastrianism. In the 8th century, they were conquered by the Arabs, and converted to Islam. Later, they became extremely devout Muslim Sunnites. They formed a small oasis of Persian language and culture amidst Turkic peoples and tribes. In the 15th century, Tajiks were incorporated into Tamburlane's Turkestan Empire, and in later epochs, what is now Tajikistan was divided between the Bukhara and Kokand Khanates, with their ruling Uzbek elites. In the late 1860s, after the conquest by Russia of Central Asia, Tajiks were partly incorporated into the Turkestan Territory, ruled by Russian governor-generals, with some portion of the Tajik population remaining in the Bukhara Khanate; the latter became a protectorate of the Russian Empire.

The borders between the Bukhara Khanate and the Turkestan Territory (in the Pamirs), on the one hand, and Afghanistan, on the other, were demarcated on the basis of the British-Russian agreements of 1872, 1873, and 1895. Tajikistan's southeasternmost part is separated from Azad

Kashmir, occupied by Pakistan, only by a narrow Wakhan strip.

The Turkestan Autonomous Republic, incorporated in the Russian Federation, was set up in Central Asia after the 1917 October Revolution. In 1924-29, after the Bukhara Khanate was eliminated, administrative national reforms were launched in Central Asia: First, the Uzbek and Turkmen Union Republics and later the Kazakh, Tajik, and Kirghiz Union Republics were set up there instead of the Turkestan Autonomous Republic and the Bukhara Khanate. For some time (1925-29), Tajikistan was an autonomous region of Uzbekistan, with Leninabad (now Khodzhen) as its capital, and in 1929, Tajikistan was proclaimed a Union Republic, with Dushanbe as the capital.

However, the Samarkand and Bukhara regions, with their indigenous Tajik population of 700,000, and their more advanced economy, were still incorporated into Uzbekistan. In 1989, Tajikistan's government once again made a futile attempt to prevail on the Soviet government for those regions to be "restored" to Tajikistan.

## Projects postponed

At present, Tajikistan has an area of 143,000 square kilometers with a population of 5 million, including 2.3 million Tajiks. The Mountainous Badakhshan Autonomous Region, with an area of 60,000 square kilometers, which proclaimed itself as the Pamir Badakhshan Republic in 1991, is part of Tajikistan. Mountainous ranges, rich in mineral deposits and potential hydro-energy resources, account for 93% of Tajikistan's territory.

After the collapse of the Soviet Union, Tajikistan, like the other Soviet republics, proclaimed its sovereignty.

Its natural resources and advantageous geo-strategic position in close proximity to China, India, Pakistan, and Afghanistan have naturally evoked great interest both from western businessmen and those in neighboring countries. For instance, Pakistan offered to invest \$500 million to complete the construction of Central Asia's biggest Rogun hydropower station on the Vakhsh River; Pakistan is also a partner in the laying of the Karakorum railway which will run from Tajikistan to China, Pakistan, and on to the Indian Ocean.

Iran, for its part, also made important proposals for oil deliveries, humanitarian aid, and investments for the manufacturing industry. Iran is making use of its ethno-cultural contacts with Tajikistan, and under its influence the Tajik Supreme Soviet decided to switch to the Iranian version of the Arabic alphabet. The Teheran authorities also manifest great interest in the Tajik uranium concentration plant, the only one in Central Asia. In the past few years, U.S. companies also began to show interest in Tajikistan, which has one of the world's largest silver deposits and considerable potential reserves of oil and gas. Exploitation has already started in the most accessible gas fields.

However, with the Tajik conflict assuming the scale of civil war, all those plans and projects had to be postponed.

### Tajik national democrats

In February 1990, Tajik national democrats made their appearance on the republic's political scene. Young people resolutely opposed the regime of Kakhor Makhkamov, then first secretary of the Central Committee of the Communist Party of Tajikistan. In autumn 1991, political passions ran high in the republic, with residents of its very backward regions (the Pamirs, Garm, and Karategin) manifesting hectic activity: For many decades their population had been oppressed by the republican ruling elite, who came from Leninabad, with its relative material welfare. The struggle for power was started by the leaders of the Garm-Pamir clans under the banner of the Democratic Party of Tajikistan, against those of the Leninabad-Dushanbe clans united in a Popular Front, who ruled the roosts in the republic. Almost at the same time, the Islamic Revival Party was formed which leaned for support largely on the peasants of the Kurgan-Tyube border region, marked by its low level of economic development.

In May 1992, after a protracted period of struggle, the bloc of democrats and Islamists (something unprecedented in Oriental history) emerged victorious. Safarli Kendjayev, the actual leader of the Popular Front, had to flee from the capital in a tank of the 201st Russian motorized rifle division, which was carrying out peace-keeping functions in Tajikistan.

However, President Rakhmon Nabiyev, the front's formal leader, went on with his efforts to prevent a large-scale civil war, maneuvering between the coalition government, where the democrats and Islamists had played first fiddle since May 1992, and the Popular Front. The latter, with the help of weapons and other kinds of material assistance from Afghanistan and, secretly, from Uzbekistan, actively trained the units of its fighters and organized massacres of the peaceful population in the Kurgan-Tyube region, while making preparations to take revenge.

In September 1992, President Nabiyev was forced to resign. Attempts by the new leader, Akbarsho Iskandarov, to bring the opposing groups' leaders to the negotiating table,

## Tajikistan



also proved futile. In October 1992, Kendjayev's units, which had received not only submachine guns, but also gun mounts and tanks from the Uzbek command in Termez, launched an attack on Dushanbe.

It was impossible in this situation to hold a session of the Tajik Supreme Soviet in besieged Dushanbe. All attempts at mediation by the leaders of other Central Asian republics proved fruitless.

### A long criminal record

In November 1992, at the height of the civil war, with casualties running toward 60,000, Garm tightly besieged, all populated localities in the Kurgan-Tyube region devastated, and the republic hunger-stricken, the government of national reconciliation, i.e., the democrats and Islamists, had to resign. Emomali Rakhmonov was elected the Parliament's speaker and, consequently, head of the republic, at the Tajik Supreme Soviet session held in Khodzhen. At the same session, the newly elected speaker publicly applied to Sangak Safarov, commander of the Armed Forces of the Popular Front, for his blessing. Safarov, a chef by profession, has a total record of 23 years spent in prison for criminal offenses.

In December 1992, on Emomali Rakhmonov's orders, the Tajikistan government forces, with vigorous support from the units of Safarov and Kendjayev, found their way into Dushanbe. The Islamist fighters retreated eastwards, and entrenched themselves in the area of Kofirnikhon (former Ordzhonikidzeabad), 20 kilometers from Dushanbe. Kofirnikhon was turned into a springboard for a new offensive on the capital. On Dec. 14, 1992, the Islamist fighters, supported by units of the local narco-mafia bosses, launched an attack on the prison situated on the outskirts of Dushanbe, and set free several hundred of its inmates, sentenced for especially grave crimes. These people joined the Islamist

fighters' units, which started making wide use of guerrilla and subversion tactics, by attacking small units of the government forces and making raids on the capital's suburbs.

It was only late in December 1992, that the government forces of Tajikistan and the Popular Front units managed to recapture Kofirnikhon by employing armored vehicles and heavy artillery. The Islamist fighters' units had to retreat further eastward, where they took up fortified positions in the spurs of the Pamirs—in the Ramit Gorge (for more details see below)—and to Tajikistan's southern areas in the Khatlon border region, formed as a result of the merger of the Kurgan-Tyube and Kulyab regions.

In order to buttress the positions of the Popular Front and of Rakhmonov, President Islam Karimov of Uzbekistan and the chairman of the Tajik Supreme Soviet signed a treaty of friendship and cooperation in Tashkent in January 1993. Meanwhile, refugees continue to flee Tajikistan, tens of thousands of skilled Russian professionals among them.

### **Afghan fighting affects Tajikistan**

The civil war, raging with new force in Afghanistan, has a highly negative effect on attempts to reach a peaceful settlement in Tajikistan. In his struggle against President Rabbani of Afghanistan, Gulbeddin Hekmatyar, head of the Islamic Party of Afghanistan, not only launches attacks on Kabul, destroying entire blocks of housing there by long-range artillery fire, but also openly interferes in Tajikistan's affairs by giving all-round assistance to Islamist units in the Pamirs and in the republic's border regions.

By seeking to extend the scale of civil war in Tajikistan and prevent normalization of the situation in the republic, Hekmatyar hopes to deepen dissension not only in Tajikistan, but also in the northern provinces of Afghanistan, with 6 million Tajiks among the inhabitants. Hekmatyar, the fanatical leader of the Pushtun fundamentalists, fears the establishment of a united Tajik state on both banks of the Amudar'ya, the more so since for the first time in Afghanistan's history, Tajiks are at the helm in Kabul, for acting President Rabbani and influential Defense Minister Ahmad Shah Massud are also Tajiks. Moreover, by supporting Islamists in the Pamirs, Hekmatyar hopes to preserve and extend in every way unhindered drug traffic from the Pamirs and the Khatlon region to Afghanistan and thence to the West. Narcotics are his chief currency, for Tajik Islamists receive endless supplies of arms from Afghani fundamentalist leaders in exchange for narcotics.

According to documents seized by the Tajik command, secret contacts between the Tajik Islamists and Hekmatyar were established back in 1988. Not only arms and propaganda material for the jihad, but also experienced instructors for training Tajik "brothers" in modern warfare methods, subversion, etc., were sent from Afghanistan to Tajikistan. Special camps for training extremist Islamist fighters, recruited from among Tajik emigrés and refugees, have been set up in the Tahir and Konduz provinces of Afghanistan. In the past few

years more than 3,000 fighters have been trained in those camps; later they are sent back to Tajikistan in small groups.

Those camps and the neighboring areas are under the tight control of Amirlatif, one of Hekmatyar's most ruthless field commanders. After the Islamist fighters were driven from Kofirnikhon, they entrenched themselves, as we said above, in the Ramit Gorge, 80 kilometers from Dushanbe. The gorge has three lines of defenses; the mountainous road leading to it is blocked by snipers. The locality is mined and almost impassable for armored vehicles. Over 1,000 Islamist fighters are entrenched in the Ramit Gorge. All of them have been trained in the Afghan camps, and they are assisted by about 200 Afghan mujaheddin hand-picked by Hekmatyar. This personnel is constantly replaced, and arms and ammunition are supplied to them not only from Garm and other neighboring areas, but also directly from Amirlatif by helicopter.

### **A new offensive**

Trustworthy information supplied by the Tajik Ministry of Defense indicates that, on Hekmatyar's orders, the Islamists are planning to launch a large-scale operation, "Retribution," immediately after Ramadan, i.e., March 21-23, with the aim of taking the area of Dushanbe in a pincers movement. In the east, from the Ramit Gorge, and in the south, from the Khatlon region, to provoke more bloodshed in the civil war. Intervention from the southern bank of the Pyandzh River is not to be excluded.

In preparing this operation, Hekmatyar and his allies hope to distract the attention of the Central Asian republics' leaders, primarily that of Uzbekistan, from the internal situation in Afghanistan, where a big offensive on Kabul is being prepared. The objective is to depose President Rabbani's transitional government, which has already established contacts with Uzbekistan's leadership.

Such is the inter-connection between the civil war in Afghanistan and Tajikistan, on the one hand, and the general politico-strategic situation in Central Asia and the Middle East, on the other.

Civil war has caused colossal damage to the people of Tajikistan. All kishlaks (villages), i.e., over 120,000 houses, have been either burned down or destroyed in the former Kurgan-Tyube region, and in a part of the Kulyab (now Khatlon) region. Over 80% of the industrial enterprises (100% in the south) have been destroyed in Tajikistan. As a result of the autumn 1992 military operations, only 100,000 tons of cotton, i.e., slightly over 14% of the total cotton harvest, were processed. The republic is in dire need of material assistance, food, and medicine. Otherwise, its population will be threatened by famine, epidemics of infectious diseases, and still greater social upheavals.

The republic's new leader, the Supreme Soviet Chairman Emomali Rakhmonov (it was decided not to elect a President, in order to forestall a new round of clan infighting over pow-

er) and Prime Minister Abdumalik Abdullodjanov, are firmly determined to carry out socio-economic reforms. They are adopting political measures, and at the same time consolidating central power, setting up a regular army and putting an end to the civil war. They are also taking vigorous steps to rehabilitate the national economy. At the meetings of the leaders of the Community of Independent States, held in Tashkent and Minsk in January 1993, the Russian Federation and the Central Asian republics pledged all-round support to them. Large supplies of food products, building materials, and consumer goods are being sent to Tajikistan. After some vacillation, a decision was also made to prolong the temporary stay in Tajikistan of the 201st motorized rifle division of the Russian Army, which has done much to curb the development of the civil war in Tajikistan.

However, the situation in the Pamirs and, especially, on the Tajik-Afghan border in the Pyandzh area, is still very tense. Although the authorities in Dushanbe have been informed about the preparations for Operation Retribution, and all necessary steps are being taken not only to localize but also to deal an excruciating blow at the Islamist fighters' units, in the spring of 1993, Tajikistan remains one of the most dangerous points of instability and Islamic fundamentalist activity—an arc of sorts, stretching from the Adriatic through Iraq, the Caucasus, Iran, Afghanistan, the Pamirs, and the Hindu Kush to the Himalayas.

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## New Afghan accord may widen Central Asia war

by Dean Andromidas

Afghani mujahideen guerrilla leader Gulbuddin Hekmatyar has been named prime minister of a new Afghan government in an agreement brokered by Pakistan, Saudi Arabia, Iran, and the United States. Since the overthrow of the Soviet-backed government last year, Hekmatyar, bankrolled by both the CIA and Saudi Arabia, has conducted a bloody conflict against the government of President Burhanuddin Rabbani, that has left Kabul in a shambles and thousands of civilian casualties.

Observers fear that the new agreement could throw the current Central Asian arc of crisis into new convulsions, especially when seen in the context of regional developments in the Central Asian republics of the former Soviet Union, including Uzbekistan, Turkmenistan, and especially Tajikistan, which is currently in a civil war. The fact that the populations of these countries are all ethnically represented in neighboring Afghanistan has served to interconnect Afghanistan, and potentially the Middle East and the Indian subcontinent, with developments in these countries.

According to various reports, Hekmatyar's well-armed and well-financed forces have been training and otherwise abetting insurgents inside the former Soviet republic of Tajikistan, as part of a strategy to set Tajiks against Tajiks and thereby weaken the relative influence, within Afghanistan, of ethnic Tajiks. Both Afghan Defense Minister Shah Ahmed Massoud and President Rabbani, Hekmatyar's leading opponents, are ethnic Tajiks, while Hekmatyar himself is a Pushtun, the ethnic group that has traditionally dominated Afghanistan.

For its part, Moscow is prepared to react to this by stepping up its brutal intervention within Tajikistan on behalf of the existing government, which is essentially the same species of regime as existed in the communist era. Russian troops have abandoned their "peacekeeping" role and are actively fighting in Tajikistan.

### How the deal was brokered

Hekmatyar's ascendancy was the result of a deal negotiated by Pakistani Prime Minister Nawaz Sharif, who invited both President Rabbani and Hekmatyar to Islamabad. Sharif was also helped by Prince Turki bin Faisal of Saudi Arabia and Iranian Deputy Foreign Minister Allauddin Broujerdi, who were also on hand in Lahore. According to mujahideen

sources, Saudi Arabia and the United States, the principal financial backers of the Hekmatyar factions, pressured the Rabbani government to bring Hekmatyar into the government. These same sources further report that the United States refused to deal with the Rabbani government unless they "broadened" it to include Hekmatyar. In addition, in a period of a month before the signing of the deal, two governors of Afghan provinces, believed to oppose Hekmatyar, were assassinated.

In Islamabad, after six days of negotiations (or rather armtwisting), an agreement was reached whereby Hekmatyar would become prime minister and Rabbani would remain as President for another 18 months. Nonetheless, it is feared that the agreement might have a very short lifespan and lead to an early collapse and renewal of the fratricidal fighting.

Hekmatyar's arch-rival, Defense Minister Ahmed Shah Massoud, at a press conference in Kabul on March 10, also said he accepted the peace agreement, but did not hesitate to warn that if Hekmatyar attempted to remove him from the defense ministry, he would be forced to take a section of the army with him, according to Indian press reports.

Because Massoud is an ethnic Tajik, he has also expressed considerable concern with the growing involvement of Russian troops in the civil war in Tajikistan.

### **Uzbeki militia leader omitted**

Omitted from the accord has been Gen. Rashid Dostum, leader of the well-armed Uzbeki militia. However, the agreement has been tentatively endorsed by General Momin, commander of the former communist militia forces in Kabul who is allied with Dostum. It was Dostum and his much-feared militia that actually kept the Soviet-backed Najibullah regime in power once Russian troops withdrew, and it was his joining forces with Massoud which led to its collapse. But Dostum continues to be as mercenary as he was when he was supporting the Russians, and he has withdrawn to his native Uzbeki region in the northeastern part of the country. He enjoys good contacts with the former Soviet republic of Uzbekistan, which could also serve to draw Afghanistan into the unstable affairs of that country. He has forged independent links with Turkey to which he made an unofficial visit only a few months ago.

After the accord was signed in Pakistan, Rabbani and Hekmatyar proceeded to Saudi Arabia and Iran. In Mecca on March 12, both Pakistan's prime minister and Saudi King Fahd signed as guarantors the peace accord, at the request of President Rabbani, according to wire reports. Rabbani further reported that "King Fahd told us Saudi Arabia plans to rebuild Afghanistan which was destroyed by the war."

In Teheran, Rabbani and Hekmatyar held talks with Iranian President Rafsanjani. The Iranian news agency IRNA quoted Rafsanjani as urging Islamic countries to join Iran in sending peacekeeping forces to monitor the cease-fire in Kabul. "Mr. Rafsanjani said Iran was ready to send

peacekeeping forces to Afghanistan to preserve peace there. He was also confident that other Islamic countries would contribute peacekeeping forces." Meanwhile, IRNA said that Rafsanjani "voiced satisfaction" during talks with all three leaders about the accord.

### **Cauldron of war**

Nevertheless, the danger is posed by Hekmatyar and the potential of using his new position to further destabilize the region. This can be seen in the ambiguous role he played in opposing the Rabbani government over the last 11 months. Awash with millions of dollars from Saudi Arabia, the CIA, and the drug trade, he has been acquiring heavy weapons, such as multiple rocket launchers which he has used to pound away at Kabul over the past months. He has also factionalized the government coalition by forming a secret alliance with Dostum and splitting away the Shiite party, Hizb-i-Wahdat Islami, to the consternation of Iran, the principal sponsor of the latter.

Since last summer, Hekmatyar is also reported to have begun supporting Islamicist fighters in neighboring Tajikistan, with the intent of expanding the conflict into Central Asia, particularly Tajikistan, Uzbekistan, and Iran. According to one report, several hundred men have been trained by Hekmatyar in camps near the northern Afghani town of Imam Sahib. These operations are conducted by his local commanders who have been entering Tajikistan to recruit fighters, bring them to Imam Sahib for training, and then send them back with shipments of weapons.

Mujahideen sources confirmed that if Hekmatyar is allowed to consolidate his position, he would move to expand Afghanistan's involvement in Tajikistan and other Central Asian nations. Such an engagement would be in the service of outside powers and not in the interests of Afghanistan or the Tajiks fighting a Russian-sponsored regime. "You have to understand, Hekmatyar has worked for everyone, first Iran, then Saudi Arabia, and Pakistan. He has received millions," one source noted.

The fact is that Hekmatyar has received the lion's share of the over \$500 million channeled to the mujahideen during the struggle against the Soviet Red Army. Nonetheless, these sources report that during that struggle, Hekmatyar avoided fighting the Red Army and spent most of his efforts fighting his factional enemies among the other mujahideen groups. "We have copies of directives to his commanders telling them to report to the Russians the locations of other groups as a way of eliminating his enemies."

Born in a Pushtun enclave in the northern Tajik region, Hekmatyar started his political career by joining the Communist Party as an engineering student at Kabul University. Upon joining the Islamicist movement, he began building up his own faction. This rather enigmatic background has reinforced fears concerning where his real loyalties might lie.



# 'Mediators' in Korea are cause for worry

by Lydia Cherry

If there is anything more worrisome than the current sabre-rattling of the isolated, heavily armed North Korean regime with seemingly little to lose, it is the fact that the mediators in the "North Korean crisis" are the powers bringing the world close to World War III. Since the North took the provocative action the first week in March of pulling out of the Nuclear Non-Proliferation Treaty (NPT), Britain's *Daily Telegraph* has called for bombing North Korean missile sites; South Korea has "taken the North's nuclear problem to a higher international level"—the U.N. Security Council; and representatives from Russia, the United States, Britain, and Communist China are meeting to "solve" the problem.

The North Korean decision to pull out of the NPT was announced in the midst of war exercises in South Korea, exercises that were cancelled last year because former Prime Minister Noh Tae Woo's main focus was on reunifying the peninsula. These "Team Spirit" exercises have increased from 10 days in 1976 to 89 days in 1990, and from 46,000 troops to 180,000.

There is little agreement among analysts of North Korea about the reasons for North Korea's decision to pull out of the NPT. There is speculation that the North Korean leadership has smelled out the power-shift that is occurring in Russia. As a senior European strategist put it: "Pyongyang and others like them are watching Russia carefully. They think a tough crowd will come to the fore there. . . . I wouldn't be surprised if some of the Russians, privately, tacitly, and quietly, have told the North Koreans: 'Forget the START treaty, forget the Non-Proliferation Treaty.'"

## U.N. big powers meet

Senior officials from the United States, Britain, and Russia began meetings in Vienna March 17 on the "crisis"—the three depository states of the NPT. The following day, a high-level Russian official called for Big Power talks on North Korea. In an interview with the Japanese daily *Yomiuri Shimbun*, Russian Foreign Ministry official Nikolai Solovoyov proposed an emergency meeting of the United States, China, Japan, and the two Koreas to discuss North Korea's decision to walk out of the NPT. *Yomiuri* said that Solovoyov expressed certainty that China would accept Russia's proposal to hold such a "two plus four" meeting. This formula had

been rejected by the last South Korean administration; Noh Tae Woo insisted that the interests expressed by the big players were not necessarily those of the Koreans.

New South Korean President Kim Young Sam—a former dissident with close ties to the U.S. elite—has announced that he will focus, in his dealing with North Korea, on the country's human rights violations.

According to South Korean Foreign Minister Han Jung-soo, the key players in mediating the crisis are China and the United States. "China has said they are putting a lot of effort into the matter," Han Sung-joo told a seminar in Seoul March 17. The Chinese said "they have a lot of influence over North Korea, but it is really the United States and South Korea who hold the key," he said. "China believes the United States should try to hold talks with the North, which would help the situation."

It seems clear that, if left to their own devices, the nations of East Asia could reach an arrangement with North Korea, a country in economic difficulty. In early 1991, for example, the North Koreans sought exchanges with some of the more prosperous and politically neutral countries, for economic deals, technological cooperation, and food aid. North Korea widened its diplomacy from historic allies like China, Iran, and Cuba, to Thailand, Indonesia, and Malaysia.

## The plutonium issue

As for the plutonium in North Korea, U.S. officials are widely reported as saying "they do not know if there is enough for a bomb." In the first week of March, the chief spokesman for the Commonwealth of Independent States (CIS) armed forces, Lt. Gen. Valery L. Manilov, was in Boston, where he said that the campaign against North Korea in the western countries had erupted with such intensity and coordination that it looked suspicious. Manilov, who heads the information office of the strategic forces of what was formerly the Soviet Union, was asked about a report by the new director of the CIA, James Woolsey, that Korea is "our most grave concern." Manilov said it was the CIS's thinking that North Korea is one of about 15 or 20 countries with some potential for developing nuclear weapons, but is in no respect number one: "You simply cannot put North Korea into the top rank."

South Korean Science and Technology Minister Kim Si-chung claims that the North Koreans have obtained the plutonium necessary to produce nuclear weapons, but says that their technological level is not high enough to enable them to do so.

Of far more concern to the world powerbrokers than North Korea having nuclear weapons, however, is the prospect of a *unified* Korea having such a capability. The Permanent Five of the U.N. Security Council, and also Japan, are known to be committed to ensuring that under no circumstances will a reunified Korea be allowed to have the kind of nuclear capability that countries such as Israel now have.

# Venezuela's Pérez under fire from all sides, as government hangs by a thread

by Valerie Rush

It was bad enough that Venezuela's corrupt President, Carlos Andrés Pérez, got booed and jeered by congressmen when he attempted to deliver his last state of the nation address on March 11, or that his limousine was stoned by angry demonstrators. Worse still was the fact that the Supreme Court that same week declared unconstitutional the summary trials and convictions of some 200 military and civilian rebels who had attempted to overthrow Pérez last Nov. 27. And worst by far, for Pérez, was the decision by Venezuelan Attorney General Ramón Escovar Salom to call on the Supreme Court to investigate Pérez for embezzlement and misuse of public funds.

While Pérez (known to his countrymen as CAP) was squirming on the hot seat, the nation was again being rocked by rumors of an imminent military coup. Reports have ranged from rumored uprisings at military bases to the resignation of the defense minister and CAP's flight from Venezuela. Things have gotten so far out of hand that Defense Minister Gen. Iván Darío Jiménez was recently forced to acknowledge the unprecedented levels of instability, and to admit, "We cannot guarantee anything."

## Polarization and discontent

In particular, the country is sharply polarized around the charges by Nov. 27 coup leader Gen. Francisco Visconti (currently in exile in Peru) that CAP's government has violated Venezuelan sovereignty by embracing Washington's demands to reform the charter of the Organization of American States (OAS). That "reform," insisted Visconti in an open letter to Venezuelan Foreign Minister Gen. Fernando Ochoa Antich, would legitimize U.S. intervention into the countries of the southern hemisphere by converting the previously independent Inter-American Defense Board into a supranational military force under the OAS, on the model of the United Nations' blue helmets.

General Visconti's charges received such extensive publicity in the Venezuelan press that Foreign Minister Ochoa Antich was obliged to issue a public response, denying any such endorsement. Minister Ochoa respectfully suggested in his letter that Visconti is perhaps "confused" by a working paper that had been submitted to the OAS's December 1992

extraordinary meeting by the Inter-American Dialogue, which indeed had proposed the formation of such a multilateral military force, but which "was never approved nor endorsed by the Venezuelan government."

General Visconti answered by pointing to CAP's long history of publicly promoting precisely such a "limited sovereignty" doctrine. He further warned that the country could not hope to root out the deep-seated corruption among Venezuela's political elites by waiting until December to dump CAP at the polls.

While the Venezuelan nation thus debates the issue of Carlos Andrés Pérez's treason, the reality of the economic collapse his policies have brought about is making itself felt. That most sensitive of barometers, the Caracas stock market, has gone into free fall along with a new surge of capital flight. And thanks to CAP's merciless enforcement of the International Monetary Fund's "economic adjustment reforms," Venezuela's newly impoverished majority is staging protest demonstrations and strikes across the country. The head of the Venezuelan Workers Confederation César Olarte, is threatening a general strike to demand a minimum wage hike and a freeze on the price of food staples, now soaring beyond the reach of the average Venezuelan.

## Venezuela's 'Watergate'

The CAP government is universally acknowledged to be on its last legs. Even the *Washington Times* of March 21 could not resist commenting that "Mr. Pérez, who sounds increasingly like Richard Nixon in the final days of the Watergate scandal, told the nation on television last week that he has done 'nothing, but absolutely nothing, illegal or immoral.'" In that same speech, CAP also insisted that material wealth held no interest for him, and that his sole burning desire was to "make history." Venezuelans who have long been embarrassed by the antics of Cecilia Matos—CAP's high-profile mistress, who has luxury homes around the globe and a proclivity for draping herself in diamonds and rubies—may have found that claim especially hard to stomach.

CAP's international image has also been taking a beating recently. First there was his failure to force neighboring Co-

Colombia to extradite two fugitive military rebels who were arrested in that country while seeking political asylum from CAP's persecution. The two Venezuelan officers had participated in the Nov. 27, 1992 coup attempt against CAP, and their arrest by Colombian authorities triggered such outrage among Colombians and Venezuelans alike that the Colombian government of President César Gaviria was forced to release them to Ecuador, where they are now under government protection.

Then there was the report that Carlos Andrés Pérez was complicit in the 1976 assassination of former Chilean Foreign Minister Orlando Letelier. The details surfaced during the Santiago trial of former Chilean intelligence chief Gen. Manuel Contreras, when Venezuelan attorney and defense witness Pío González confirmed Contreras's claims that the authors of the assassination were CIA-linked agents of the DISIP, Venezuela's political police. CAP was President of Venezuela in 1976 and surrounded himself—then as now—with a personal phalanx of DISIP agents, many of whom were Cuban exiles who had undergone anti-Castro terrorist training with the U.S. Central Intelligence Agency.

According to González, who was the lawyer for two such Cuban exile terrorists involved in the 1976 bombing of a Cuban passenger plane, "Carlos Andrés Pérez has always been the U.S. State Department's spearhead in Latin America. The Letelier case and the Cuban airplane disaster cannot be seen as isolated incidents. They form part of a constant, systematic trajectory of Mr. Pérez in favor of State Department interests."

### **When and how?**

The only questions still to be answered concerning CAP's unceremonious departure, are when and how will he go? If left up to the power elites in Washington, D.C.—who appear to be the Venezuelan President's last bulwark of defense—Pérez will be replaced through carefully orchestrated presidential elections next December, and will hopefully go quietly off into retirement with Miss Matos and with the millions he stole from the Venezuelan people. The newly adopted "favorite sons" of the U.S. State Department, Venezuela's Causa R party, are doing their best to persuade Venezuela's furious citizenry to accept that option, to "put their faith in the ballot box" and, presumably, in Causa R's presidential candidate.

But the electorate is well aware that Venezuela's notoriously corrupt political elite has a stranglehold on the institutions of power, to the point that what passes for "Venezuelan democracy" in Washingtonian rhetoric is better known among Venezuelans as the *cogollo*, or political mafia.

At the same time, the recent example of Brazilian President Fernando Collor's impeachment for corruption is still fresh in the minds of all Ibero-Americans. Thus, the demands for Pérez's immediate resignation are now coming from spokesmen across the political spectrum, as the fear grows

that the country could explode in violence long before the December elections roll around. Indeed, if the Venezuelan people have their way, Pérez won't make it through April.

### **Embezzlement charges**

The most immediate challenge stems from the March 12 announcement by Venezuela's independent Attorney General Ramón Escovar Salom that he has formally charged President Pérez with embezzlement and misuse of public funds. With a 73-page document detailing the charges against the President, Escovar has petitioned the Supreme Court to rule on whether there is sufficient merit in the evidence to order CAP's presidential immunity lifted, preparatory to both civil and criminal trial proceedings against him. In the event that such a ruling is made in Escovar's favor, Pérez will be forced by law to abandon office.

The embezzlement charges stem from Pérez's first months in office in 1989, when he reportedly conspired with his former interior minister, Alejandro Izaguirre, and former presidential secretary Reinaldo Figueredo Planchart, to divert some 250 million bolivars from an Interior Ministry secret fund, converting them into \$17 million on the last day of a preferential currency conversion plan, and then converting them back into bolivars. The conspirators reportedly made at least \$20 million in profit. CAP insists that the money was used for legitimate defense and security purposes, and was only "mistakenly" wired to the office of the presidency.

There is currently much speculation over whether the Supreme Court—largely made up of CAP appointees—would ever rule in favor of the President's prosecution. However, it is widely acknowledged that any dismissal or coverup of the charges could be the immediate trigger for a new coup attempt. CAP's efforts to pressure the Supreme Court by demanding that it issue an immediate ruling on Escovar's petition have thus far proven unsuccessful.

### **Kissinger to the rescue?**

Even as Venezuela is in the throes of economic, social, and political crises, the international financial elite which has sustained CAP in power past Judgment Day refuses to give up. On March 17, a delegation of international advisers to CAP arrived in Caracas, headed by former U.S. Secretary of State Henry Kissinger, and including Mitsubishi President Shinroku Morohashi, former American Express executive James Robinson, and Italian clothier Luciano Benetton. Undaunted by polls showing that their man in Caracas has a single-digit popularity rating, the group discussed with Pérez how to make Venezuela "more competitive" for the shrinking pie of foreign investment.

Pérez assured the gathering of financial superstars that the Venezuelan economy was "making progress." Perhaps what he had in mind was the billions of drug dollars that, according to both U.S. and U.N. narcotics investigators, are legally laundered through Venezuela each year.

# Behind South American armed forces' wage crisis: the demilitarization plot

by Gretchen Small

Outrage within the military at the poverty-level wages on which most Ibero-American military officers and troops are forced to survive has reached the level of a national crisis in both Brazil and Argentina, where the military commands have informed their governments that if pay raises are not granted immediately, military discipline may collapse. What most military officers have failed to understand, however, is how the military wage and budget crises are being *deliberately* created and managed as a means to force through the demilitarization of all developing countries desired by the Anglo-Americans.

Argentina offers a useful example of what the banking interests behind the so-called new world order now seek. The country's total defense budget today is less than a quarter of what it was in 1980, before the Malvinas War. Between 1% and 2% of the country's Gross National Product is all that is spent on military defense. One-half of defense monies are spent on military pensions and debts, plus two specialized police forces, the *Gendarmeria* and the *Prefectura*; 37.5% goes to salaries and travel costs for Army, Navy, and Air Force personnel; and a mere 12.5% is allocated for operating costs such as training and equipment purchase and repair.

The result is that the Argentine Armed Forces today are neither adequately equipped nor adequately paid. The resulting collapse in morale has driven close to 30% of officers and non-commissioned officers under the age of 35 to quit the service in the last 10 years, according to the Argentine daily *La Nación*. Many who have remained are forced to work two jobs to provide for their families, leaving the bases midday to drive taxi-cabs into the night.

Unrest in military ranks over this collapse led to a public dispute in February within the Argentine cabinet over the question of an increase in military salaries. Former Defense Minister Antonio Erman González argued that a 10% increase had become urgent; Economics Minister Domingo Cavallo rejected any and all increases, charging that the government needed to cut overall expenditures by 10% more in order to meet the conditions of its agreement with the International Monetary Fund (IMF).

President Carlos Menem initially sided with his defense minister and promised that increases would be made. But on March 1, Menem reversed course, fired González, and named Oscar Camilión as his replacement. Two days later,

Menem announced that no wage increase will be allowed in the military until government revenues improve.

## Supranational missions only?

From the minute he was named, Camilión made clear that he views the military economic crisis as a *means* to force through the restructuring of the Argentine military into a mere appendage of supranational forces. "The budget depends on what the Armed Forces are going to do, and these are not questions which are exclusive to Argentina. All countries face a readaptation of their military forces," he told the Argentine daily *Clarín* on March 2. Echoing Economics Minister Cavallo, Camilión insisted that the starting point for discussing the budget is that "there is . . . a problem of scarce resources." In an interview with *La Nación* on March 12, Camilión went so far as to compare the changes he is advocating for the military to the privatization of state companies. How a nation could defend itself with such an army, he did not explain.

The military "should be an instrument of a regional and, today, also global diplomacy," adjusting its size and structure to the "role which a country like Argentina has to play in the new tasks which the United Nations has decided to undertake," the new defense minister told *La Nación*, specifying that the new missions of the military are peace-keeping, peace-making, and peace-enforcement "in the numerous places around the world where the United Nations is requested to intervene."

## Anglo-American demilitarization plans

Camilión, in short, has announced that he will use his new post to impose the anti-military agenda of the Inter-American Dialogue, the Anglo-American policymaking body of which he is a member.

The Dialogue was founded at the U.S. government's Woodrow Wilson Center in October 1982, under the personal direction of then-U.S. Secretary of State George Shultz, to serve as the top policymaking forum in the Americas for the bankers and business interests associated with the Rockefeller-dominated Trilateral Commission. Such leading members of the U.S. establishment as Robert McNamara, Cyrus Vance, and Elliot Richardson have been members since its founding, as have Camilión, Brazil's Foreign Minister Fer-

nando Henrique Cardoso, and Inter-American Development Bank chief Enrique Iglesias.

From the outset, the Dialogue proposed that the Organization of American States should be given oversight over national military activities. They escalated their anti-military campaign in 1986, setting up a special task force to propose institutional mechanisms to reshape civil-military relations in the hemisphere. (This was the same year in which the Dialogue proposed that the nations of the Americas legalize drugs, because, it warned, if prosecuted seriously, a war on drugs could threaten the flow of drug monies used to pay foreign debts.)

The Dialogue's 1988 report, *A Time for Choices*, reported the conclusions of the military task force. *Choices* denounced the military establishments of Ibero-America for continuing to believe that they should serve as "the ultimate guardians of national interests and guarantors of national security," and that they had responsibility for political, socio-economic, and international factors which affect national security. Because of such concerns, the military had "resisted efforts by civilian leaders to curb their authority and reduce their privileges," the report complained.

Worst of all from the Dialogue's standpoint, was not only that morale remained high in the armed forces, but that the population did not share its view that the national military was an enemy. "Public attitudes toward the military are not uniformly unfavorable and the armed forces themselves are generally proud of their accomplishments," the report complained. *Choices* argued that the time had therefore come to review, and change, both the "mission of the armed forces and the scope of its mandate," and "the level of resources that should be allocated to the military."

Cutting the resources of the military increasingly became the focus of the Dialogue's work, as a means to collapse morale and "curtail the influence of the armed forces" south of the Rio Grande. The Dialogue's 1993 report, *Convergence and Community*, demanded that "international financial institutions—the World Bank, IMF and Inter-American Development Bank—should monitor military spending and propose that armed forces' budgets be subjected to the same cost-cutting measures as those of civilian agencies." It proposed that, as well, a "permanent forum of civilian defense ministers, armed service commanders and key members of legislatures" be given a mandate to "take a fresh look at their armed forces—their mission, size, weapons, and cost."

### **The IMF enters the battle**

It was Camilión's fellow Dialogue member Robert McNamara who first outlined at a public forum how the IMF could take the lead in forcing through demilitarization under the new world order. In a speech to the annual meeting of the World Bank in April 1991, McNamara demanded that international financial institutions make aid programs conditional on drastic cuts in the military budgets of prospective recipient nations.

McNamara specified that such cuts would aid the process of replacing national military institutions by United Nations supranational forces in most areas of the world. In the emerging new world order, collective security mechanisms will make national institutions obsolete, he stated.

That policy has been adopted wholesale. The report in the IMF publication *IMF Survey* on Dec. 14, 1992 on a forum sponsored by the IMF in November in Washington, D.C., revealed how systematically these banking officials have set out to impose "military reform."

Pierre Landell-Mills, a senior policy adviser at the World Bank, bragged to the forum that the World Bank has pressured at least 20 countries to reduce military expenditures and is assisting several "to demobilize large armies" and convert military-industrial complexes to civilian uses. The World Bank has an ongoing research project on "the best ways to downsize armies," he said.

Landell-Mills cautioned, however, that the World Bank must couch its anti-military objectives as merely part of a global effort to reduce "non-productive" expenditures, and he urged that a similar approach be adopted by national governments. He suggested that a debate be encouraged over the trade-offs between different types of expenditures, where it can be argued that "military expenditures were crowding out essential social spending." The political costs of explicit conditionality by the World Bank on national security can also be avoided if bilateral lenders and "donor consultative groups" do the job of withholding aid from "heavy military spenders," since if bilateral aid is cut off, "these countries would no longer be able to draft a viable financing plan and would in turn be ineligible for structural adjustment lending."

Another speaker, Nicole Ball of the Overseas Development Council, called upon the IMF, the World Bank, and other international financial institutions to "assume an activist stance" vis-à-vis military reform. They must "establish common security-related criteria" for granting aid, and then use the "many, subtle and varied" mechanisms available to them to yield the desired ends, she said. "Policy dialogue, financial and technical support, rewards for good behavior, efforts to set expenditure and performance targets in non-military areas (which can imply reductions in military aid), and encouraging countries to make the military sector subject to the same standards of accountability and transparency that apply to civilian sectors," are mechanisms which she suggested could buttress explicit conditionality.

It was left to Russell Kincaid, chief of the IMF's Special Facilities and Issues Division, to make explicit the strategic objective underlying the drive to reduce military expenditures. Echoing the central thesis of McNamara's 1991 speech, Kincaid argued that the objective to be sought is that "collective security . . . replaces a reliance on individual security arrangements." He raised, but left unanswered, the central question raised by this new arrangement: "Who will play global policeman?"

# Brazil military defies Anglo-American policy

by Cynthia Rush

Leaders of Brazil's Armed Forces have given President Itamar Franco 30 days to respond to their demands regarding the status and future of the military. During the first half of March, military leaders held high-profile meetings, as well as personal discussions with Franco, to address Anglo-American plans to dismantle the institution of the Armed Forces. The presidents of the Army, Navy, and Air Force clubs, representing retired officers, presented Franco with a document outlining their grievances and describing the serious state of unrest existing inside the institution in a private meeting on March 8.

A volatile March 10 Extraordinary Assembly of the Military Club held two days later in Rio de Janeiro warned the President that if he fails to act decisively, "We cannot predict the irritating effect on troop morale." The March 15 *Tribuna da Imprensa* underscored that the Armed Forces' leadership now feels respect for the President, but if the climate of disrespect for the military is allowed to continue, this positive attitude toward Franco could change.

Brazil's military officers and rank and file are enraged at the plans, coming primarily out of Washington, to redefine their role in line with the needs of the Anglo-American new world order. The document handed Franco by retired officers states that "confirmation of our lack of preparedness in the face of the attitudes of the world's powers with their 'new world order,' causes us to conclude that sovereignty, territorial integrity, and national unity may be seriously threatened."

The mood of the military was evident at the assembly, where 1,000 angry officers gathered in what one observer described as "like a 1968 student meeting." The final document produced by that meeting sharply attacked plans to "modify the traditional constitutional mission of the Armed Forces, eliminating the participation of same in internal security . . . and reducing the Armed Forces' operational capability" on a variety of pretexts.

The document also addressed the fact that the defense budget has been cut significantly, lowering wages to the point that many are forced to seek second jobs to support their families, making equipment maintenance and training of the troops impossible, and creating a dangerous demoralization in the ranks. It notes that Brazilians are proud of their Armed

Forces, and that it is incumbent on the commander in chief, namely Franco, to "strengthen and protect them so that they are able to fulfill their constitutional mission."

Members of the Military Club are requesting that their president, Gen. Nilton Cerqueira (ret.), be granted special powers enabling him to work through the cabinet's military ministers and with President Franco to put forward "concrete measures which protect the nation, the Armed Forces, and its members from the nefarious effects of a criminal policy . . . which is incompatible with its honor and dignity."

## No to 'technological apartheid'

One of the issues that military leaders find most offensive is the Anglo-American policy of denying Brazil and its Armed Forces the right to obtain and develop advanced technology and scientific know-how.

Brigadier Hugo Piva, the retired Air Force officer who was demonized by Anglo-American media during the 1991 Persian Gulf war because of his technical assistance to Iraq, discussed this issue in an interview published recently in *Veja* magazine. Several of Brazil's important technological projects, such as the Satellite Launcher Vehicle (VLS), have failed, he explained, because past governments succumbed to "international pressures" and set the country back 20 years. "We had a First World team, but today we are behind," Piva said, adding that former President Fernando Collor de Mello committed "the irreparable crime" of doing away with research and development. "This can be reversed, but it will take . . . at least 20 years of hard work."

Responding to Anglo-American diatribes against the spread of "weapons of mass destruction," Piva emphasized that a national armaments industry is essential. "We need an armaments industry because it is a state-of-the-art industry which drives others. Brazil today exports manufactured goods as a result of the technology which the arms industry brought to the country."

The Extraordinary Assembly document makes the same point, stating that "foreign pressures intended to prevent scientific-technological development in the area of military materials, cannot be ignored." The purpose of such pressures, it explains, is to reduce the military to a drug-fighting force "under a supranational command, and [to] prevent it from attaining a level of efficiency compatible with Brazil's strategic status." In statements reported in the March 15 *Tribuna da Imprensa*, General Cerqueira warned the United States that Brazil's military leaders "shall never accept" the role of an anti-drug police force to which the Anglo-Americans want to relegate them.

As a further warning to the Washington establishment, Piva emphasized in his *Veja* interview that "it's idiocy to say that the Armed Forces aren't necessary. . . . Never in the history of humanity has a nation been built without an armed forces. Either it has its own armed forces, or it will find itself taking orders from its neighbor's."

## A narco-democratic 'peace'?

*New peace mediation offers are designed to sabotage Colombia's military offensive against the narco-terrorists.*

**C**orrupt elements within the Catholic Church have joined forces with Colombia's narco-terrorists in pushing a U.N.-styled "negotiated peace" which would not only reward their strategy of blackmailing the nation through mass terror, but would hand the narco-terrorists a substantial quota of political power as well.

The "narco-bishop" of Bucaramanga, Dario Castrillón, who earned a dirty name for himself in 1984 when he publicly confirmed that he was on the payroll of the Medellín Cartel's Carlos Lehder, has announced that he plans to answer a personal appeal from fugitive cartel chieftain Pablo Escobar by attempting to "mediate" the drug trafficker's negotiated surrender. Castrillón revealed that among the demands Escobar is issuing as conditions for his surrender are that he be given his own kitchen, a personal telephone line, and private quarters within the Itagui jail, where more than a score of his collaborators and bodyguards are already detained.

It was the Gaviria government's shameless acceptance of similar conditions one year ago which led to Escobar's short stay in a luxury "prison" of his own construction, from which he carried out his daily business of drug trafficking and assassinations and was served hand and foot by his "imprisoned" associates and hand-picked prison guards alike.

Far from denouncing Bishop Castrillón's "offer of service" to Escobar as a conscious effort to obstruct Colombian justice by trapping the government into another treasonous plea-bargain arrangement, the head of the

Colombian Bishops Conference, Archbishop Pedro Rubiano, endorsed Castrillón's offer as "a pastoral service." An emboldened Castrillón now claims to have Vatican backing for his mediation efforts.

At the same time, the "formerly" narco-terrorist M-19, now a legalized political party, has offered to mediate peace negotiations with a 700-man guerrilla force known as Socialist Renovation, a faction of the Cuban-linked ELN which finances its kidnappings, assassinations, and dynamite attacks on the country's energy, communications, and transportation infrastructure with money from the drug trade.

Although President César Gaviria has insisted, at least in public, that a total cease-fire and abandonment of all "criminal activity" would be the condition for such negotiations, he has nonetheless embraced the M-19's offer.

M-19 chieftain Antonio Navarro Wolf, like his Communist Party counterpart Manuel Cepeda, has issued a formal petition to the United Nations to appoint a mediator to facilitate an El Salvador-style "peace pact" between Colombia's government and a variety of rampaging terrorist forces, including the ELN.

Last year's efforts by the Gaviria government to negotiate separate peaces with Escobar's cocaine cartel and with the narco-terrorist guerrilla forces proved disastrous, when the guerrillas *escalated* their terrorist tactics as a bargaining chip in the negotiations, and when Escobar used his plea-bargained arrangement with the

government to facilitate continued trafficking operations. Following those fiascos, Gaviria made the decision, under intense pressure from the military, to retake the path of repression of these criminal forces.

That this strategy has begun to pay off, with the capture of many top criminals in both camps, is triggering anxiety attacks among promoters of the "El Salvador model" both inside and outside of Colombia, who are counting on negotiated deals such as the ones Bishop Castrillón and the M-19 are promoting, to undermine the national sovereignty and armed forces of Ibero-America's republics.

It comes as no surprise, therefore, that one such defender of the Salvadoran "peace" model, Colombian Defense Minister Rafael Pardo Rueda, told the daily *El Espectador* of March 14 that he has no interest in defeating subversion, but merely in convincing the narco-terrorists to negotiate. Pardo Rueda, Colombia's first civilian defense minister, who previously held the post of "peace adviser" to the presidency, declared: "It's not a question of annihilating subversion, but of weakening their criminal apparatus to the point that they are obliged to opt for the peaceful path the government has offered." Pardo has given the terrorists a generous 18 months to see the light.

This "peaceful path," as defined by the new national Constitution which was fashioned in 1991 under the tutelage of the M-19's Navarro Wolf and Pablo Escobar's front-men in the Congress, would permit Colombia's narco-terrorists to put down their weapons in exchange for a full government amnesty and government financing. Most importantly, they would get guaranteed seats in the House and Senate, and on municipal councils *without the necessity of going through elections!*

# International Intelligence

## **Japanese LDP chief jailed as scandal grows**

Japanese prosecutors said on March 6 that they had jailed the 78-year-old political powerbroker Shin Kanemaru and his secretary Masahisa Haibara on tax evasion charges, Kyodo news agency reports. Kanemaru was the leader of the ruling Liberal Democratic Party's (LDP) most influential faction, a member of parliament, and the man who put in power Japan's last three prime ministers including current Prime Minister Kiichi Miyazawa. Kanemaru was forced to resign from parliament last year over his role in a money-laundering scandal involving the Sagawa Kyubin trucking company, but was given only a token fine.

In sharp distinction to the polite way prosecutors treated him last year, this time Kanemaru was hauled off to Central Booking in Tokyo and charged with pocketing political donations worth 2.8 billion yen (\$24 million) for private use. The press is frying him.

Led by the Socialists, the opposition renewed calls for parliament to discuss a resolution aimed at also forcing the retirement and prosecution of former Prime Minister Noboru Takeshita, Kanemaru's long-time ally. "I regret this very much," Miyazawa told reporters.

## **Soviets had master plan to conquer West Germany**

The Soviet Union and communist East Germany had detailed plans for the conquest of West Germany, according to a report in the *Washington Post* of March 16, based on information from military officials of unified Germany. The new intelligence fully confirms the evaluation of *EIR* and Lyndon LaRouche during the 1980s, that Moscow had embarked upon a "Global Showdown" policy, up to and including a blitzkrieg attack against the West. This analysis was rejected by many in the West who had come under the influence of "Gorbomania."

According to the *Post* account, "East

German and Soviet planning for a military offensive against West Germany was so detailed and advanced that the communists had already made street signs for western cities, printed cash for their occupation government and built equipment to run eastern trains on western tracks, according to documents found by the German military."

Vice Admiral Ulrich Weisser, chief of the planning staff for the German Bundeswehr, said in an interview with the *Post*: "We have found that the National People's Army [East German military] made every necessary preparation to conquer Germany." If a combined East German and Soviet force had moved to conquer West Germany, the admiral added, the West "would have found itself initially out-manned, out-armed and overwhelmed. . . . The operational planning was far more advanced than anything our intelligence had envisioned. The National People's Army was designed to invade within hours of a political decision."

Among the items that have been discovered since the reunification of Germany are:

- Vast cellars with huge arsenals larger than those available to the West German Bundeswehr;
- Plans for shutting down U.S., British, and French military bases in West Berlin, while taking over airports, radio and TV stations, newspapers, telephone switchboards, and other critical areas;
- New street signs and maps for western cities.

## **Salvadoran defense chief charges U.S. interference**

Speaking at a press conference on March 12 to announce that he was resigning as El Salvador's defense minister, Gen. René Emilio Ponce charged the United States with violating his country's sovereignty and had forced his ouster.

General Ponce distributed a 95-page booklet prepared by the Defense Ministry, entitled "The Threat to Sovereignty and the Destruction of the State." It charged that "communism has not disappeared. In El Salvador, its immediate objective is the de-

struction of the armed forces in order to consummate its assault on power." The report added that only the Salvadoran government has the right "to compare and judge the actions of the armed forces."

Flanked at his press conference by the entire military high command in full uniform, he singled out the U.S. role: "No one is unaware of the current national and international pressures that exist, and the possible threats that could come against us in the future. The \$11 million in U.S. military aid has already been suspended. That is an act of pressure, and there could be more. . . . Pragmatic politicians define justice as doing what is convenient for those who are strongest. That is what we are seeing in these days, when the strongest impose their criteria, which do not always work, without considering the national interests of developing nations."

## **British target Japan's nuclear capabilities**

Focusing on North Korea, one should not forget that Japan is also building nuclear capabilities, the *Daily Telegraph* of London emphasized on March 13, quoting British nuclear proliferation expert Patricia Lewis, that "the Japanese have been letting it be known that, if they decided to change their policy, they could make nuclear weapons in a year."

The *Telegraph* also quotes a report on North Korea's alleged nuclear weapons project from the Stockholm International Peace Research Institute (SIPRI), which said that "the concern is that South Korea might feel compelled to develop its own capability, a step it abandoned in the mid-1970s. If this happened, Japan might decide to respond in kind."

Japan's nuclear power industry has long been the target of radical environmentalist and terrorist groups, like Greenpeace International, which launched a campaign recently to obstruct the transport of nuclear fuel from France to Japan. Greenpeace has now declared that North Korea's withdrawal from the Nuclear Non-Proliferation Treaty



## Briefly

exposes the "deficiencies" of the treaty in respect to the Japanese intentions: "Equally, it has failed to prevent the amassing of a large stockpile of weapons-grade plutonium by Japan."

### ***Bavaria seeks arrest of Serbian war criminals***

Gebhard Gluck, the minister of labor of the German state of Bavaria, announced on March 9 that he is seeking criminal indictments against three Serbian citizens believed to have committed war crimes, Zejko Raznjatovic, Vojislav Seselj, and Drago Prcac. This is the first time that a European government official has taken such action under the domestic criminal code.

According to Gluck, "It could take years before the International Court, as Foreign Minister Kinkel proposed, ever takes up the matter, whereas, our criminal code takes precisely this eventuality into account, under the heading 'Mass Murder.' It is also clear, that this paragraph makes it possible to prosecute for crimes committed in foreign countries."

Gluck believes that the Bavarian High Court has the authority to hear such cases, and that the accused could be arrested the moment they touched German soil. Gluck believes that all the nations which signed the Genocide Convention of 1948 are beholden to act in the same way, and he has asked the German foreign minister to put those nations on notice.

### ***Bosnian mayor denounces France's General Morillon***

The mayor of the eastern Bosnian town of Tuzla, Saad Hadzic, declared Gen. Philippe Morillon, the French commander of the United Nations troops in Bosnia, "*persona non grata* on all the territory of Bosnia-Herzegovina," because of his "inexact and cynical affirmations" respecting the massacres in eastern Bosnia. Morillon, on visiting the refugee-filled and Serbian-besieged town of Konjevic Polje, said that there is "no trace

of massacre. . . . I did not smell the odor of death."

Mayor Hadzic, in a statement early in March, said sarcastically that Morillon didn't "smell" certain things because he "arrived too late," after the town had fallen "into the hands of the Serbs." Also, Hadzic affirmed, Morillon did nothing to evacuate 1,500 wounded, and "helped the aggressors," by intervening only after the Serbs had scored a victory against the Bosnians.

The London *Sunday Times* on March 7 quoted various U.N. High Commission for Refugees workers on how the general's antics had "delayed plans" for relief efforts into eastern Bosnia.

Morillon gained international notoriety for his role in allowing the Serbian assassination of Bosnian Deputy Prime Minister Haki ja Turajlic on Jan. 8, while Turajlic was travelling in a convoy under U.N. protection.

### ***Panama's Endara bans movie on U.S. invasion***

The U.S.-installed Panamanian government of President Guillermo "Honeybun" Endara has banned a motion picture documentary about the December 1989 U.S. invasion of his country, which installed him in power. The film, "Panama Invaded," has been nominated for an Oscar award. Endara banned it on the grounds that it "denigrates the image" of his puppet government.

In yet another example of "democracy" at work, the Panamanian Supreme Court has brought criminal charges against columnist Luis De Janon and several other reporters and editors, as well as the publishers of the opposition daily *La Estrella*, for "conspiring against national security," because De Janon published a bit of sleaze regarding Chief Justice Carlos Lucas López Tejada. It seems that the judge was a former partner of Gilberto Rodríguez Orejuela and Jorge Luis Ochoa, kingpins of Colombia's Cali and Medellín cocaine cartels, respectively.

*EIR's* intelligence resources were drawn upon in the making of the documentary and for several of De Janon's columns.

● **THE SHINING PATH** guerrillas of Peru held Indians and children as slaves, according to UPI March 15. More than 120 Indians, including 75 children, escaped from a camp in the Amazon region run by Shining Path, where they had been held against their will for five months, forced to receive indoctrination and guerrilla training.

● **UZBEKISTAN'S** President Islam Karimov called for creation of a "new Warsaw Pact," in an interview with the French daily *Le Monde* on March 8. "I would like Russia," he said, "to be the guarantor of security in Central Asia. . . . The interests of Russia necessarily coincide with those of the countries of Central Asia, and, above all, with those of Uzbekistan."

● **KHMER ROUGE** gunmen massacred at least 34 ethnic Vietnamese civilians on March 11, including 8 children and 14 women. Vietnam issued a statement that "if resolute measures are not taken to stop the killings, there will be a threat of a resumption of mass massacres in Cambodia with unpredictable consequences."

● **TURKISH** officials told their European counterparts, at a conference in Britain recently, that NATO should intervene in the crisis in former Soviet Central Asia, according to IPS news service. Emre Gunensoy, adviser to Turkish Prime Minister Suleiman Demirel, said, "There is a need to deter civil and ethnic strife. . . . In Turkey we think that NATO, with its record of credibility and logistics, is the most credible organization for such a task."

● **SERBIAN** dictator Slobodan Milosevic telephoned Greek Prime Minister Konstantin Mitsotakis last year to discuss a plan for the two "Orthodox Christian" nations to divide up the Republic of Macedonia, according to the London *Sunday Telegraph* of March 7. Mitsotakis apparently did not commit himself to the plan.

## Friedrich Nietzsche's evil legacy falsified

by Mark Burdman

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### **Forgotten Fatherland: The Search for Elisabeth Nietzsche**

by Ben Macintyre

Farrar Strauss Giroux, New York, 1992  
256 pages, hardbound, \$22

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Were London *Times* columnist Ben Macintyre to have restricted himself to a travelogue-adventure, describing his attempts to visit the "Nueva Germania" colony in Paraguay established in the last century by Elisabeth Foerster-Nietzsche and her husband Bernhard Foerster, *Forgotten Fatherland* might have been enjoyable. Macintyre can be a talented writer, who sometimes exhibits a sense of irony and capacity for using metaphor effectively.

However, Macintyre has chosen to use the occasion of his exposé of his evil villain Elisabeth Nietzsche to engage in an obsessive defense of her brother, the philosopher Friedrich Nietzsche, who is the victim/hero of his story. By doing this, Macintyre has engaged in a fraud every bit as noxious and damaging as the one that he accuses sister Elisabeth of having committed vis-à-vis her brother.

In sum, Macintyre's point is that Elisabeth, in her obsession for self-aggrandizement and in pursuit of political-ideological aims, massively distorted Friedrich's ideas, both during his 1890s incapacitation due to insanity (caused, so most reliable accounts go, by his having contracted syphilis), and in the 35 years following his death in 1900. It was Elisabeth, Macintyre contends, who, with singleminded determination, created a mythology of her brother as a passionate anti-Semite and German nationalist, and thereby enabled him to be coopted by the Nazis as a hero of the German *Volk*.

The "real Friedrich Nietzsche," according to Macintyre, may have been violent and cruel in his writings at some points, but was actually an inspirational writer. Immediately in his introduction, Macintyre waxes eloquent in this vein, in Madison Avenue-type lingo: "Our own world is more anomic even than his was, our need for Nietzschean individuality still more pressing. It is as easy to disagree with Nietzsche as it is hard to dislike him, in spite or because of his cussedness. He is feisty and irritating and fiercely challenging, permanently either moving the goal posts or trying to brain you with them. Some of his thoughts are mistaken, but he has views on everything; all are worth hearing, none is boring and some are surely right." Evidently identifying himself as a "Nietzschean individualist," Macintyre then describes carrying Nietzsche's books in his backpack during his exploratory voyage to Paraguay.

All of this effulgence for Nietzsche is ideological garbage of a dangerous sort. Macintyre constructs his case by combining undeniable facts with the kinds of fraud that one would associate with a *poseur* whose historical and philosophical competence is near-zero. The book could be summarily dismissed, did it not correspond to a trend of popularizing and, where necessary, rehabilitating Nietzsche, to make him a kind of guru for the 1990s, and were it not for the fact that the book is being cited favorably, including in Israel, to rehabilitate the "anti-Nazi" Friedrich Nietzsche who can be liked by Jews (or at least those of a certain existentialist political persuasion).

This is all the more problematic, since 1994 will be the 150th anniversary year of his birth. The March 16 issue of *Süddeutsche Zeitung* reports that a marble bust of Nietzsche is being erected in Weimar, the city where he died, as part of a post-Communist rehabilitation of him, after years when the Communists maintained a taboo on Nietzsche because of the Nazis' worship of him. A major symposium is planned

for the city, on the theme, "Jewish Nietzscheanism since 1988," according to the daily.

## Nietzsche and the Jews

Sometimes, Macintyre's attempts to defend "poor Friedrich" against the evil Foersters are hilarious, a kind of comic relief that only a certain type of ideologically motivated British writer can provide. What is one to make of this comment? Friedrich Nietzsche "believed Foerster's vegetarianism would make him gloomy and depressed, in contrast to the British taste for roast beef which had made them such effective colonists." Were the British colonizers, and/or Friedrich Nietzsche, cannibals?

When he is not being ridiculous, Macintyre is being tricky. He is so intent on singling out Elisabeth as the culprit, that he simply ignores, in a willfully careless and incompetent way, evidence that he himself presents, evidence which might lead to a different conclusion than the one he desires to communicate. Hence, a reader can almost be dizzied by the amount of names that Macintyre provides, of individuals, many of them Scandinavians, who patronized and popularized Nietzsche, in some cases already in the 1880s before Elisabeth got to him, in other cases later. Perhaps the most unusual of these is the "Swedish banker Ernest Thiel," who was to become "the economic mainstay of the Nietzsche cult. . . . In addition to being exceedingly wealthy, a dedicated Nietzschean and skilled translator of Nietzsche's works, Thiel was an Orthodox Jew." Strangely enough, from 1905-35, that is inclusively into the period when Nietzsche was being idolized by Hitler and other top-level Nazis, Thiel "gave hundreds of thousands of marks." Why? Who is this strange Swedish banker and Orthodox Jew?

Macintyre gives not a clue, not about Thiel nor about several other central individuals. Obviously, if it were systematically explained who and what these individuals were, it would shatter the construct that it was the evil Elisabeth who was virtually single-handedly responsible for popularizing brother Friedrich, and would point to a *general trend* of Gnostic existentialist thought over the last quarter of the 19th century, in which Friedrich Nietzsche played a seminal part.

This points to a bigger problem, which centers on Macintyre's treatment of Nietzsche and the Jews. He is obsessively committed to demonstrating that Nietzsche was not a racist anti-Semite, for which demonstration he has been praised by the *Jerusalem Post* and other nominally Jewish publications that want to promote Nietzschean ideas. Yet at one point in *Forbidden Fatherland*, Macintyre writes: Nietzsche "criticized Judaism, certainly, but with the same criteria that he used to attack Christianity; the Jews, he said, were responsible for bringing Christianity, 'the lie of millennia,' into being in the first place. That was not racism. . . ."

What is this supposed to mean? Is it all right to abhor Judaism philosophically and seek its destruction, while "liking" Jews from a racial standpoint? Is it all right to hate

Christianity, as Macintyre frequently and openly acknowledges Nietzsche did? Even if one were to concede (which it is not our intent to do here) Macintyre's point that Nietzsche abhorred *racially* motivated attacks on Jews, Nietzsche's bitter *philosophical* dislike of Mosaic Judaism and Christianity, fully acknowledged by Macintyre, places Nietzsche precisely on the same plane as Hitler and his circle. Competent researchers have documented that Hitler's *main* animus against Judaism, even more virulent than his hate-filled biological-racial obsessions about Jews, came from his hatred of the entire Judeo-Christian philosophical tradition. Hitler and the Nazis were pagan cultists, Satanists in fact, who shared Nietzsche's fetishes about the emergence of "the Anti-Christ" who would destroy Christianity and everything it stands for. In the longer run, Hitler sought the extirpation of Christianity, on the road to rebuilding the Roman Empire modelled on that of Emperor Tiberius who ordered the crucifixion of Jesus Christ.

So, objectively, Macintyre has proven that Nietzsche was a philosophical forebear of the Nazis. But by phrasing and shaping things the way he does, he makes Nietzsche "kosher" in the eyes of those Israelis and supporters of groups like the Anti-Defamation League, who are philosophically fascists, but only disagree with the anti-Semitic racial obsessions of the Nazis.

## Friedrich Nietzsche, eugenics, and genocide

This ties into another problem: how Macintyre, wittingly or unwittingly, covers up the tracks that show Nietzsche's direct influence on some of the more evil trends of this century, including in the Anglo-American realm.

Consider the following track of misinformation:

Macintyre contends, in several locations, that Adolf Hitler never read Nietzsche and hardly referred to him, but was only induced to praise Nietzsche by the opportunistic calculation that this would help the Nazi movement. The fact is, Hitler, like many other soldiers who fought for Germany in World War I, read Nietzsche's *Thus Spake Zarathustra* in the trenches.

While Macintyre ignores that fact, he does admit that *Thus Spake Zarathustra* was favored reading for German soldiers in World War I. But by some weird process, he doesn't blame the content of the book for the negative effects he suggests this may have had, but blames Elisabeth Nietzsche for having run a public relations campaign that led to the book's mass dissemination as a handbook of militarism and imperialism. By a sleight-of-hand, he never manages to answer the question: If the book itself wasn't atrocious, what was wrong with having it mass disseminated? To compound the problem, he then writes: "Elisabeth's propagandizing had its effect abroad as well as in Germany; when the first translation of Nietzsche appeared in England, newspaper placards told book-buyers to 'read the devil in order to fight him better.'"

Here, Macintyre has simply concocted a historical fabrication. In her well-documented book, *Eugenics, Human Genetics and Human Failings: The Eugenics Society, Its Sources and Its Critics in Britain*, Pauline Mazumdar shows that *Zarathustra* was published in English already in 1896, long before World War I (see *EIR*, Dec. 11, 1992, p. 52). This is not a minor point: Mazumdar's contention is that Nietzsche was an inspiration behind the creation, in Britain, of the Eugenics Society, and of the racist, social Darwinist eugenics movement more generally, around the beginning of the 20th century. According to Mazumdar, Nietzsche was already influencing British eugenicists by the 1890s and early 1900s. This was long before the nefarious Elisabeth could possibly have influenced the Britons. To accept Mazumdar's account is to accept the correct view that *Nietzsche himself*, with or without nefarious sister, was a profound influence on movements like eugenics.

That point is amply reinforced by Oxford professor John Carey's fascinating 1992 book, *The Intellectuals and the Masses*, which documents that Nietzsche was a prime influence among those British turn-of-the-century literati such as D.H. Lawrence, who openly espoused policies of extermination and enslavement of the masses of human beings. Carey, whose book is soon to be reviewed in *EIR*, correctly cites Nietzsche as a key intellectual forebear of today's "deconstructionist" movement on college campuses.

That point allows us to summarize the case: It was Nietzsche himself who was the evil. That is not of simply academic significance today. Several of the main trends of Gnostic thinking today, whether it be "deconstructionism" and the New Age "political correctness" that it has spawned in the United States, or the recent resurgence of the late Ayn Rand's "objectivism," owe a great deal to Friedrich Nietzsche.

Elisabeth Nietzsche may have been as evilly motivated as Macintyre depicts her, and undoubtedly expedited Friedrich Nietzsche's idolization by the Nazis, but if that were all there was, the latter would have ceased to be a problem when the Nazis were smashed in World War II. If the only problem were her distortions of Nietzsche in order to make him a hero of the Nazis, then why is Nietzsche today, 50 years after the Nazis, a hero among every proto-fascist, existentialist, nihilist movement around?

Cogent observers, alarmed by the predominant cultural trends of a 20th century that has seen two world wars and horrible episodes of inhumanity, have dubbed this "the century of Nietzsche." That point is well taken. One of this reviewer's colleagues expressed the same idea from a different standpoint, in response to a report on Macintyre's thesis: "There's an easy way to know how bad Nietzsche himself was, with or without his sister's distortions. Just read him."

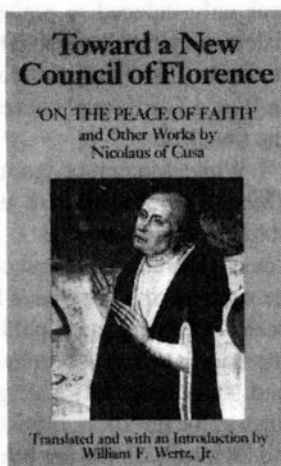
And the London *Times's* Ben Macintyre is very much part of the problem, rather than part of the solution.

## Toward a New Council of Florence

'On the Peace of Faith' and Other Works by Nicolaus of Cusa

The Schiller Institute has just released this new book of translations of seminal writings of the 15th-century Roman Catholic Cardinal Nicolaus of Cusa, who, through his work and writings, contributed more than anyone else to the launching of the European Golden Renaissance. The title of the book, *Toward a New Council of Florence*, expresses our purpose in publishing it: to spark a new Renaissance today.

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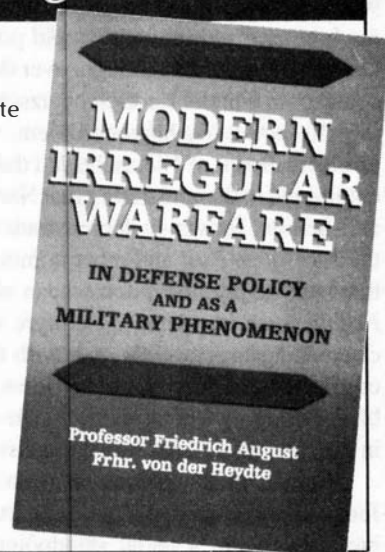
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# Deep secrets behind Lonrho boss Rowland

by Nancy Spannaus

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## **Tiny Rowland: The Ugly Face of Neocolonialism in Africa**

by an EIR Investigative Team

Executive Intelligence Review, Washington, D.C., 1993

165 pages, paperbound, \$10

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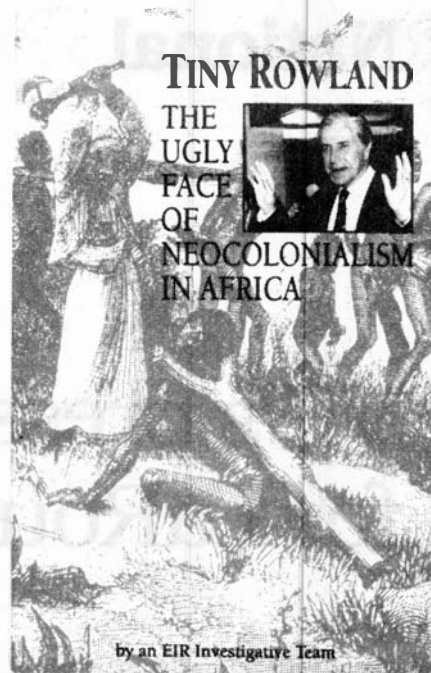
Since he took the helm of a sleepy little mining company in then-Rhodesia (Zimbabwe) in 1961 and turned it into one of the world's premier multinationals, Lonrho, Roland W. "Tiny" Rowland has not only dominated the continent of Africa, but has spread his tentacles into India, Germany, Mexico, eastern Europe, Russia, Japan, and beyond.

An aura of mystery has always surrounded Rowland. What accounts for his meteoric rise? What gives him the power to dictate to governments? For whom does he work, really?

The product of a years-long investigation by a special EIR team on several continents, this book utilizes never-before-published documentary evidence and interviews with those who have known Rowland intimately for decades, to answer those questions. Stunning new light is cast on many hidden aspects of Rowland's career, including:

- Rowland's pro-Nazi fanaticism, which led to his internment during World War II as a danger to Britain;
- His participation in one of the most secret British intelligence operations of the 20th century, the wartime "Double-Cross Committee," beginning a long affiliation between Rowland and Britain's foreign intelligence service, MI-6;
- His early sponsorship by legendary City of London magnate Harley Drayton, whose 117 Old Broad St. Group managed the private fortune of the Queen;
- His backing of all sides in the last decades' civil wars in Africa;
- His pivotal role in the Iran-Contra guns-for-drugs affair.

Said an EIR spokesman, "Africa is dying, and there is no hope for the continent until the death-grip on its people by such pillars of the modern slave trade as the International Monetary Fund and Tiny Rowland's Lonrho is broken. Until now, journalists have been terrified to tell the story of the cheating, lying, stealing and worse, which have character-



ized the career of Rowland.

"More importantly, this book is a history of the tragedy of modern Africa. As documented, the post-1960 decolonization announced by British Prime Minister Harold Macmillan in his famous 'Winds of Change' speech in Cape Town that year was always intended, by powerful forces in Britain, to ultimately result in a *recolonization*. The architects of this new colonialism sponsored the meteoric rise of Tiny Rowland and Lonrho."

What is particularly striking about Rowland from this book, is his sponsorship by top British circles connected to the Royal Family. The following individuals all helped Rowland get out of many a tight spot: Angus Ogilvy, Harley Drayton, Sir Joseph Ball, and Duncan Sandys, the former Secretary of State for the Colonies. The authors point to this connection as being something beyond financial involvement, however; rather, they view the alliance of Rowland with these royal retainers as reflecting a policy commitment of the Crown.

Also of particular interest to black Africans will be the chronology of the duplicitous role played by these so-called British liberals in fomenting civil war in the African nations, from Angola to Namibia to Zimbabwe. The authors warn of similar games set up to be played in the much larger and more volatile South Africa, where British colonialists will keep a tight hold on the raw materials wealth of the country, while encouraging fratricidal warfare within the population.

While one could ask for a little more emphasis on the actual physical power which the Rowland group holds today, the book as a whole serves its function—to unmask this private financier as a tool of British imperial policy.

## VIPs press Clinton, Congress for LaRouche's freedom

A high-level international delegation composed of a former cabinet official from Colombia, two congressmen from Ukraine, and distinguished political and civil rights leaders from the United States, held a press conference on March 17 at the National Press Club in Washington, D.C., to express concern over the ongoing human rights violations against U.S. economist and political prisoner Lyndon H. LaRouche, and to demand his freedom.

Their presence in the U.S. capital takes the worldwide fight for LaRouche's freedom to a new height, in timing with the first and most fluid phase of the new Clinton administration. The foreign lawmakers in particular embodied the rapidly growing movement which an Italian weekly recently named "the LaRouche party," which cuts across all the usual divisions in the ideological spectrum. Thousands of prominent politicians, intellectuals, scientists, clergy, and others signed an appeal to President Clinton to liberate LaRouche, which appeared in the *New York Times* on Jan. 27, 1993.

At the press conference, Ukrainian parliamentarian Pavlo Movchan summed up his purpose in making the unusual intervention: "The reason we left parliament [in Ukraine] to be here, is because the world will be destroyed if the present policies are continued. With the direction things are now going in, we could be heading for a third, and perhaps final, world war. Lyndon LaRouche has indicated how we can change directions, and there are many people who would push LaRouche's ideas."

Joining Congressman Movchan were fellow Ukrainian parliamentarian Vladimir Shovkoshitny, and the former labor minister of Colombia Jorge Carrillo, who are in the United States at the invitation of a group of American political and civil rights leaders, which include former congressman James L. Mann (D-S.C.); the noted civil rights activists Rev. James Bevel and Amelia Boynton Robinson; and Joseph Dix-

on, publisher and editor of the *Birmingham World*. The delegation spent the week of March 15-19 in Washington, meeting with numerous U.S. congressmen, senators, and officials of the Clinton administration, to inform them of the shocking facts of the LaRouche case, as well as to urge them to take action to obtain LaRouche's freedom.

LaRouche is currently serving the fifth year of a 15-year prison sentence at the Federal Medical Facility in Rochester, Minnesota. Two of his associates, Rochelle Ascher and Michael Billington, are serving barbaric sentences on politically-motivated charges in the state of Virginia, and several others are appealing their convictions and face lengthy jail terms. Billington, convicted of "securities fraud" in one of the most bizarrely cruel trials even in Virginia history, is serving a 77-year sentence in a maximum security prison with murderers and other hardened criminals.

At the Washington press conference, former Colombian Labor Minister Carrillo explained that he had spent over 34 years of his life working to defend the rights of the workers of his nation, including "respect for life, education, and development." Through his contact with Lyndon LaRouche and his study of LaRouche's writings, Carrillo reported, he realized that the LaRouche economic policy incorporated that commitment. "LaRouche has been jailed in the U.S. because he has defended those ideas," said Carrillo, who served in the cabinet of President Belisario Betancur in 1985-86.

Ukrainian parliamentarian Vladimir Shovkoshitny noted that LaRouche had been slandered in the Soviet press—in *Pravda*, *Izvestia*, and *Literaturnaya Gazeta*, being called a fascist by those communist publications. Then suddenly he was arrested and sent to jail. "Here it was clear, there was something worth investigating," Shovkoshitny said. Through his investigation of the LaRouche political case, he

became interested in LaRouche's ideas. "I'll do everything in parliament to make LaRouche's ideas popular among my colleagues," he said. "I will organize a lobby for LaRouche." Congressman Shovkoshitny concluded: "We should set up many committees to save LaRouche around the world. In that way, he will gain his freedom."

International civil rights leader Amelia Boynton Robinson laid out the need for perseverance to free LaRouche. "Earlier, rulers would call on wise men in order to help them rule the country correctly," she said. "Now, it's different, and the rulers put their wise men into prison. This must change if the world is to be saved."

### **Candlelight vigil at the White House**

After the international VIP delegation held numerous private meetings with Washington policymakers, more than 750 people of all walks of life, from the United States and abroad, held a vigil in front of the White House gate on the evening of March 20, to demand that President Clinton give a signal that he seriously means to bring about change, by freeing LaRouche. The demonstration coincided with the twice-yearly conference of the Schiller Institute, held March 20-22 in the D.C. area; it was attended by delegates from Europe, Africa, Asia, Canada, and Ibero-America, as well as from all over the United States.

Signs reading "Restore Justice, Free LaRouche" were carried by young and old, as the demonstrators marched, three abreast, in a circle on both sides of the block in front of the White House. Demonstrators brought with them thousands of petitions to the President, demanding LaRouche's freedom. By pre-arrangement, the presentation of petitions to Clinton will take place at a later date. To open the rally, Debra Freeman of the Schiller Institute read the text of the international Parliamentarians' Letter to Clinton.

### **Where does Clinton stand?**

Amelia Boynton Robinson, heroine of the 1965 Selma March, a watershed in the voting rights struggle, was the first of several speakers from the civil rights movement led by the late Dr. Martin Luther King. She challenged Clinton to release LaRouche, who had been imprisoned by Bush, asking why LaRouche should now remain a political prisoner, since Bush is now out of office.

The Rev. James Bevel took the microphone, demanding to know whether President Clinton was a servant of the American people or an agent of the British crown. Bevel, formerly a close associate of Dr. Martin Luther King, was the vice presidential running mate of Lyndon LaRouche during the 1992 election campaign. He told the crowd that although the recent blizzard had passed, "a spiritual blizzard has begun. We here are completing the business of the American Revolution." LaRouche, he said, like Paul Revere, has been riding forth for 20 years telling the American people that the British are coming. We know who Bush was—a subject of the

Queen—but we don't yet know who Clinton is. We ask Clinton, "Who are you?" We will know what kind of man he is by what he does. That will tell us who he is. If he does not stand for the American System, we will know whom he serves.

Bevel pledged to wake the American people to understand that LaRouche is in jail because he refused to give up the American System, "because he knows you cannot build an economy on free trade." He continued, "Nothing will stop the American people" in their fight to establish justice by freeing LaRouche.

Other civil rights leaders who addressed the rally were Rev. Wade Watts of Oklahoma, and Rev. Richard Boone of Montgomery, Alabama. Watts reminded the participants that although the corrupt forces that imprisoned LaRouche are doing everything they can to destroy him, LaRouche's spirit cannot be broken. Boone said he had come from Alabama "with my banjo on my knee," to play a "song of freedom" to Clinton, asking him to stop the war in the Balkans, say "no" to free trade, say "yes" to the American System, and to free LaRouche. Boone led the crowd in songs and chants, both boisterous and solemn, in the spirit of the civil rights movement.

### **From other continents**

Several foreign speakers linked their own national fights to LaRouche's cause. The first was Alexandro Peña, leader of the LaRouche movement in Venezuela, has played a key role in the opposition to President Carlos Andrés Pérez, the unpopular dictator of Venezuela. "We say to Clinton: This injustice cannot go on any longer," said Peña. "We will mobilize Ibero-American-style to win LaRouche's freedom." In Ibero-America, the drug lords are falling; we don't want this President to fall, but we want the prison walls to fall down and LaRouche to go free, he said.

Siah Nyanseor, a Liberian who resides in the United States, chairman of the African Anti-Malthusian League of the Schiller Institute, gave greetings from his "brothers and sisters on the African continent." He said that since joining up with the Schiller Institute, he had learned economics and how to right the wrongs done to his continent by the oligarchy. Craig Isherwood of Melbourne spoke for thousands of Australians who are now aware of the fight to win LaRouche's freedom. "We in Australia have sought to get LaRouche out," he said. "President Clinton, don't underestimate the strength of what we can do down in Australia."

The rally was also addressed by Judge William Goodloe of Seattle, Washington, and by Ortrun Cramer of the Schiller Institute in Germany, who brought greetings from Mrs. Helga Zepp-LaRouche. The rally ended with the singing of "We Shall Overcome," followed by a five-minute silent prayer, as the candles held high by the demonstrators illuminated the street in front of the White House, from one end to the other.

# When will the Pike statue 'come on down'?

A trial date of April 19 has been set for two men who are leading a national campaign to remove from Washington, D.C.'s Judiciary Square, the statue of Confederate General Albert Pike, a founder of the Ku Klux Klan. The Rev. James L. Bevel and historian Anton Chaitkin face possible six-month prison terms on charges of "statue-climbing." But with even such organs of the liberal establishment as the *Washington Post* now denouncing Pike, it is an open question whether the statue will be demolished before their trial even starts.

*Washington Post* Style Section writer Michael Farquhar on March 14 attacked the statue honoring the Masonic leader as an "embarrassment" which should "come on down." Pike, he wrote, is "a bigot with genocidal inclinations."

The *Post* article escalates an already wild political controversy, with ominous implications for the Anglo-American power structure.

Farquhar reported that associates of Lyndon LaRouche had first "picketed the site and demanded [the statue's] destruction." "This infuriated us," Farquhar reported, "certain as we were that Albert Pike must be another hapless historical figure condemned in the sanctimonious glare of political correctness." After all, Farquhar said, "Pike's staunch companions, the Scottish Rite Freemasons, still hold him a hero, cheerfully distributing his biography to visitors at their temple on 16th Street. It was the Freemasons who persuaded Congress in 1898 that Pike was something of an American deity, and succeeded in obtaining federal approval for their memorial."

But Farquhar pressed his research beyond what he called the "sanitized biographies" by the Scottish Rite Masons. He reported that Pike was grand dragon of the Ku Klux Klan in Arkansas, and noted Pike's 1868 call for the "secret association" of whites to stop blacks from voting, and the terrorist poem attributed to Pike which "extols the exploits of the hooded Knights [he] helped found." Farquhar also reported on Pike's incitement of attacks against immigrants and Catholics.

The article declared that Pike, a Confederate general whose troops "went wild, committing atrocities against Union soldiers . . . came to be a pariah to both the North and the South." The Confederates considered Pike "either insane or untrue to the South," and the federal government indicted him for treason.

Farquhar has received angry telephone calls from "white power" advocates since his article appeared. The KKK considers the Pike statue to be its national monument.

## Protesters arrested

Meanwhile, U.S. District Judge Royce Lamberth set the trial date for Reverend Bevel and Chaitkin, who were arrested by the National Park Service Police anti-terrorist squad (!) at a peaceful protest rally, on the pretext that they were illegally speaking from a cement step leading up to the pedestal of the KKK monument.

Reverend Bevel was the coordinator of Nonviolent Direct Action for Dr. Martin Luther King's Southern Christian Leadership Conference. He devised the famous 1963 Birmingham children's march, which overcame segregationist police tactics during a crisis in the civil rights movement. In 1992, Bevel ran for vice president of the United States on a ticket with presidential candidate and political prisoner Lyndon LaRouche.

Chaitkin, a long-time LaRouche political associate and an investigative journalist, did pioneering studies on the White Supremacist movement created by Pike and others affiliated with U.S. and British Freemasonry.

Political demonstrations protesting the KKK monument began in September 1992. Soon the city councils of New Orleans, Louisiana; Buffalo, New York; Birmingham and Tuskegee, Alabama; Austin, Texas; and Newark, New Jersey passed resolutions asking for the removal of the statue.



*LaRouche-Bevel organizers rally every Friday at the statue of KKK founder Albert Pike in Washington, D.C., demanding that it be removed. How much longer will it take?*



Eleven days before the *Post* article, the Washington television affiliate of NBC reported that the Pike statue may be "the next to go" among controversial racist symbols. The evening newscast said flatly that "Pike was the founder of the Klan."

### **Masons counterattack, defend KKK**

The politically powerful Scottish Rite Freemasons have moved to defend the statue, which they erected in 1901. As *EIR* reported in the March 5 issue, C. Fred Kleinknecht, the current Sovereign Grand Commander for the Southern Jurisdiction, sent to the world's top Caucasian Masonic leaders a Feb. 1 memorandum defending the Ku Klux Klan and attacking the anti-Pike campaign "directed by Lyndon LaRouche." The Rite has traditionally exercised great power among judges, legislators, intelligence and police officials, and the news media.

The 17-page Kleinknecht memorandum came to light following a dramatic Feb. 15th session of the Des Moines, Iowa, City Council, where an anti-Pike resolution was considered. It was later disclosed that Des Moines city officials had blindly followed the lead of the Scottish Rite memorandum in rejecting the resolution.

The Kleinknecht memorandum asserts that the KKK was created after the Civil War "to deter" the "assault, rape, destruction of property, and thievery against the populace," crimes which the Scottish Rite attributes to freed slaves and U.S. lawmen rather than to the KKK. Kleinknecht admits that "violence broke out in some of the subordinate bodies of the Klan," but claims that the peaceful KKK leadership "imposed many restrictions on the Klan's operations."

The memorandum contends that there is no "legitimate proof" of Pike's criminal KKK role, but then quotes from the Klan's own histories which document Pike's KKK career in depth. Kleinknecht says they show that, at least, Pike asked the Southern people to stay peaceful.

### **Park Service keeps study secret**

Stung by growing protests against a statue they spend taxpayers' money to maintain, the U.S. National Park Service on Oct. 5, 1992 secretly commissioned an internal study of Albert Pike. The rangers' report one month later verified from most its historical sources that Pike was indeed a KKK leader. Only the Scottish Rite's spokesman said otherwise.

But the Park Service, whose D. C. regional historian Gary Scott is a Masonic follower of Pike and Kleinknecht, did not disclose this study. The anti-terrorist Special Weapons and Tactics Team was deployed to counter the statue rallies, and the arrest of Reverend Bevel and Chaitkin was effected on Nov. 13. Preparing their legal defense, the defendants discovered and retrieved the Park Service documents under the Freedom of Information Act. Several Park Service officials have been subpoenaed to appear as witnesses in the forthcoming trial.

# **CAN implicated in Waco bloodbath**

by Harley Schlanger

Investigators have confirmed that the Cult Awareness Network (CAN) and allied associations in Australia were responsible for setting up the bloody shootout last month in Waco, Texas which resulted in the deaths of four federal agents and at least four members of the Branch Davidian sect whose compound was raided.

The abortive raid was conducted by agents of the Bureau of Alcohol, Tobacco and Firearms (BATF), who were acting on the basis of intelligence provided by so-called cult experts, who had "deprogrammed" former members of the sect. These "experts" had convinced BATF officials that members of the Branch Davidian sect were preparing to follow their leader, David Koresh, in some violent action, either a mass suicide, an attack on the citizens of Waco, or the assassination of a political figure.

Intending to preempt such an event, BATF agents went to the compound on Feb. 28, to execute a sealed warrant, which alleged violations of federal weapons laws. To deliver the warrant, BATF sent more than 100 armed officers, backed up by three helicopters, to launch an all-out assault on the sect's compound. The deaths occurred during a 45-minute gun battle, from which BATF agents were forced to retreat.

### **Post-raid coverup**

Though a BATF spokesman initially blamed the failure of the action on being "outgunned," the evidence being compiled shows that it was inaccurate information, provided by CAN and its affiliates, that caused the bloodiest day in BATF history.

BATF officials insist that the raid would have been successful had the element of surprise been maintained. They are focusing efforts on discovering the source of a leak, someone who tipped off Koresh that a BATF raiding party was coming, as a scapegoat for the disaster. This explanation has come under attack from both anti-terrorist experts and law enforcement officials. Col. Charlie Beckwith, the founder of the U.S. Army's Delta Force commando unit, blamed poor intelligence for the raid, which he described as "ludicrous" and "an embarrassment."

Former McLennan County (Waco) District Attorney Vic Fezell, who studied sect members when he unsuccessfully prosecuted them in 1988, characterized the raid as "a vulgar display of power." In contrast to the recent bloody fiasco, Koresh (then named Vernon Howell) and six others turned themselves in, at the sheriff's request, in 1988. "We treated them like human beings, rather than storm-trooping the place,"

Feazell told reporters.

Feazell reiterated what Beckwith and others have alleged, that it was faulty intelligence which caused the disaster. The Branch Davidians, he said, are "protective of what's theirs. They're protective of their land. They view their land as Muslims do Mecca and Jews view Jerusalem. . . . If they'd [the BATF] called and talked to them, the Davidians would've given them what they wanted."

But the BATF had no intention of calling first, based on the apocalyptic view of the sect provided to them by operatives of CAN and its affiliate in Australia.

There were at least three reports that shaped the BATF intervention. One came in the form of anonymous letters sent to local, state, and federal officials from "former members" in Michigan. They charged Koresh with "child abuse and neglect, tax evasion, slavery, and reports of possible mass destruction." It is a general practice of CAN to produce this kind of report on groups they target. CAN operatives produce chilling reports, allegedly from former members, to justify actions against the group (and the high prices they themselves charge to do the kidnapping and brainwashing).

"The deprogramming process," says Dr. Isaac Brooks, director of the Deprogramming Survivors Network, in a March 8 release from the Friends of Freedom, "is nothing more than old-fashioned brainwashing used on prisoners of war. They [CAN operatives] kidnap the victim or deceive them into going with them, then hold them against their will in total isolation, while they bombard the victim for hours or even days on end with hate literature, video tapes, and propaganda against the group they had joined."

An FBI memo of Feb. 23, which was obtained by the *Dallas Morning News*, referred to the Michigan letters, adding that "to date, no information has been developed to verify the allegations."

A second CAN input into BATF was more direct. Rick Ross, who is described by CAN's leaders as one of their best deprogrammers, served as a consultant to BATF in planning the Waco action, according to press reports. Ross had "deprogrammed" one former member, and had been hired to do another. As is the case with many of the sleazy characters who work with CAN (such as Galen Kelly, now under house detention as a "repeat offender" following his latest indictment for kidnapping), Ross has a criminal record, convicted on a felony count in a 1975 robbery.

In spite of the bad advice Ross provided to BATF, and his criminal past (he is wanted in Washington state on a kidnapping charge), he has been featured by the media, including network news programs and CBS's "48 Hours." Ross, Kelly, former CAN chairman Priscilla Coates, and others have been presented as "cult experts." This has not only given them a chance to cover their tracks for their role in the Waco planning (Ross has been somewhat critical of the raid in comments to the press); according to Dr. Brooks, they "stir up paranoia, fear and publicity in efforts to get relatives to pay thousands of dollars to

deprogrammers . . . to kidnap their relatives and brainwash them. . . ."

### **The Australian connection**

The most bizarre input to BATF planners came from Australia, from Geoff Hossack, a private investigator hired by former Branch Davidian members. Hossack travelled to the United States three times to "build his case." After meeting with representatives of various law enforcement agencies in Texas, who were not convinced by his report, he turned to the U.S. consulate in Melbourne.

Consulate representative Sandra Stevens filed a report with the State Department after receiving a letter from Hossack which warned that "Howell was heading in one of the following directions: a final Jonestown massacre; an armed confrontation with authorities; or some bizarre behavior, such as an attempted assassination of a public figure." This report was passed on to BATF agents.

The report had a significant effect on BATF officials, as Hossack's formulations became their official line on Koresh after the tragedy in Waco. In justifying the tactics of the raid, BATF spokesman Jack Killorin said that the agency concluded that "Koresh would either launch an attack on Waco residents or instigate a mass suicide." Another official, speaking off the record, said the timing of the raid "was a [coin] flip over whether they would attack the citizens of Waco or do a Jonestown."

In interviews with Australian press, Hossack went further with his scare stories. He said there was a "very real probability" that a child would be sacrificed at the compound, "possibly on Yom Kippur, the Jewish day of Atonement." He told Channel 10 in Melbourne that police should dig up the grounds of the compound to discover a "secret cemetery" there.

It is unlikely that Hossack's charges were given credibility because they were believable, but due to his association with CAN networks in Australia. Investigators have learned that Hossack does jobs for the Arnold Bloch, Leibler law firm, whose partner is Mark Leibler of the infamous Leibler family. He and his brother Isi, who is co-chairman (with Edgar Bronfman) of the World Jewish Congress, have longstanding ties with both the Mossad (Israeli intelligence) and the U.S. Anti-Defamation League (ADL). A recent *EIR* series on the Leiblers (Feb. 5, 12, and 26) documented their role as part of Dope, Inc.

CAN works closely with the ADL, which has run a protection racket for U.S. organized crime since its founding. Isi Leibler has been spreading the same slanders against U.S. political prisoner Lyndon LaRouche in Australia as have CAN and the ADL in the United States.

Any competent inquiry into the disastrous events of Feb. 28 must begin with a full investigation into the role of CAN and its affiliates, and steps must be taken to prevent these networks from shaping and directing the investigations of law enforcement agencies in the future.

# Fauci warns AIDS-TB link is one to dread

by Joyce Fredman

On March 6, Dr. Anthony S. Fauci was the honored speaker and guest at the American Chemical Society's Science Reporters' Workshop Keynote Dinner. His talk was entitled "AIDS: Considerations for the 1990s." Although informative, not much of the talk was very surprising.

In 1980, Fauci was appointed chief of the Laboratory of Immunoregulation at the National Institute of Allergy and Infectious Diseases (NIAID). In 1984, he added the post of director of NIAID. He also serves as associate director of the National Institutes of Health for research on AIDS and as director of the NIH Office of AIDS Research. At 52, he is the youngest person to serve in that position. He is known as the "AIDS czar."

As a clinical researcher, his specialty is the pathogenesis and treatment of immune-mediated diseases. He has done pioneer work in the field of immunoregulation and is recognized internationally for delineating the mechanisms by which immuno-suppressive agents modulate the human immune response. He is now doing work in developing strategies to combat AIDS, and has been instrumental in elucidating the nature of the virus itself.

Fauci began his talk by discussing federal allocations for AIDS research. In 1982, when work was begun on AIDS, the budget was \$3 million. In 1993, it is \$1.072 billion. As large an increase as that may appear, the allocations have hit a plateau and are not nearly enough to address the magnitude of the problem. He stressed that the epidemiology and history of HIV infection is probably the most complex we have seen. It is not the most devastating (compared to the flu epidemic of 1918 or tuberculosis or measles), but the most complex as a phenomenon, shown by the 10-year period of incubation before any manifestation of the disease.

## 'Education' impact not in evidence

He noted that while the rate of infection of young "gay" men had gone down to 1% in the late 1980s, but it was now up to 3-4%. Quite a significant jump, given all the education. He explained that he was not a behavioral scientist; however, it seemed to him that education was not exactly doing the trick. He quickly added that all the educating the "gay" groups are doing is a fine thing, it just didn't seem to have much of an impact on the statistics, particularly among young people.

Fauci predicted that if this increase continued, particularly in the inner-city areas, more and more women would be infected, and then children. The progression is easy to fol-

low. As more inner-city minority men are infected, women's choice of partners becomes an AIDS pool. Fauci observed that it could well be the case that AIDS in the United States will end up being relegated to inner city ghettos. Therefore, it may come to pass that some will say, let them die out, a danger which economist Lyndon LaRouche warned against some years ago.

As if to underline Fauci's fears, the March 7 *New York Times* quoted Dr. Don Des Jarlais, a drug abuse specialist and AIDS researcher at Beth Israel hospital in New York, saying that the approach must be to focus on certain neighborhoods. Jarlais is an advocate of providing clean needles for users, more drug-treatment programs, and explicit sex education adapted to the language and mores of the neighborhood, who has come under fire from parents and medical colleagues alike.

Fauci estimated that there are 13 million HIV-infected and 600,000 AIDS cases worldwide. The World Health Organization projections for the year 2000 are about 50 million. But, he noted, the epidemic is raging in Asia. In a northern province in Thailand, for example, 10% of the men inducted into the army test positive. As high as these figures are, Dr. Michael Haseltine, chief of the Division of Human Retrovirology at Dana-Farber Cancer Institute and professor at the Department of Pathology at Harvard Medical School, is even more pessimistic. He says that it is reasonable to expect 100 million infected by the year 2000, and in Thailand he cites infection rates of 20% in some provinces.

Fauci discussed the four drugs now used to treat patients: AZT, ddI, ddC, and interferon-alpha. He noted that if a person is sick, such treatment extends life 12-18 months, and if one is in a disease-free state, it doubles that period of time. Clearly this is not anywhere near what we want to achieve. He discussed the importance of targeted drug therapy, developing a peptide to go inside the HIV enzyme, where it can do the most damage.

Fauci stressed that tuberculosis, which can be gotten from simply a cough, is the casual contact disease we should dread. He noted that one-third of the world's population is infected with TB. Therefore, if you have an AIDS epidemic, and this overlays with TB, as it surely will, then an epidemic will ensue that could wipe out substantial numbers of people. He emphasized that for the Third World, AIDS is already a socio-economic disaster.

Despite the range of Fauci's presentation, most of his audience only asked questions about educational efforts, fundraisers, and how sensitive researchers are to the homosexual lobby's needs. This author asked whether he thought that adequate measures were being taken against TB. He replied that Health and Human Services Secretary Donna Shalala has promised to make TB and AIDS priorities. But Shalala's office, in a phone interview, put the priority on "women's health issues." A year ago, Fauci said that authorities were too slow in getting on the track of AIDS. Will the tragedy be repeated with TB?

# An eyewitness observer speaks out on the du Pont case

by Max Lewis

*This article was written pseudonymously by an eyewitness "outside" observer to the events described. The discussion in the piece, while not in keeping with the usual analysis presented by the EIR editorial board, is nonetheless extremely valuable to provide another viewpoint on the Lewis du Pont Smith kidnap case described in our recent book, *Travesty: a True Crime Story*.*

Most Americans would probably not be surprised to learn that there exists a cozy relationship between the nation's first family of chemistry and the official kitchen of political alchemy, but recent events would seem to indicate that this relationship may be more akin to incest between Siamese twins than flirtations among first cousins.

The recent trial of four men charged with conspiracy to kidnap du Pont heir Lewis du Pont Smith, featured over 60 hours of FBI recorded phone conversations and government wiretaps of the alleged plotters. During one of those conversations, the intended victim's brother, Stockton Newbold Smith, is referred to by one of the co-conspirators as being "CIA." (According to one source, Stockton barely escaped indictment by the Feds for his role in the conspiracy to kidnap Lewis du Pont Smith. A former Navy F-14 fighter pilot, Stockton is rumored to be a member of the Office of Naval Intelligence, which would place him in the same dirty intelligence community networks which ran the treasonous Iran-Contra Affair.)

## **Intrigue at Summit Airport**

These revelations would seem to confirm more than a decade of intrigue surrounding a small airfield in northern Delaware known as Summit Airport, known corporately as Summit Aviation. In March of 1992, Stockton Smith was named CEO of Atlantic Aviation. According to personal biographical information supplied to the *Wilmington News Journal*, Smith had served a number of years as a "director" of Summit Aviation.

Summit Airport is a single paved runway and several hangars nestled among the cornfields of New Castle County on the southern banks of the C&D Canal. Despite its similarity to other small airfields on the Delmarva Peninsula, it possessed an ominous reputation as early as 1974.

It was during this author's flight training in 1974 that an instructor cautioned, "Never land at Summit unless you've got a damn good reason!" The admonition seemed illogical in light of the fact that larger fields in Dover and Georgetown were openly available for students who wished to practice their approach and landing skills. The ex-military flight instructor never offered an explanation, but older veteran pilots would occasionally explain that Summit was "serious people . . . serious government."

In March of 1980, a tragic and mysterious event occurred which would add to Summit's legacy of intrigue.

## **The mysterious 'copter crash**

A small helicopter, the very one which appeared on newspapers around the world the previous March as it hovered above the cooling tower of the crippled Three Mile Island nuclear reactor, crashed into the Chesapeake Bay near the fishing village of Rock Hall, Maryland.

In the hours, days, and weeks following the crash, a storm of curious and contradictory events unfolded which remain unexplained to this date. The craft, which was owned by the Department of Energy and packed with radiological monitoring gear, was reportedly en route from its base at Andrews Airforce Base to Summit Airport, to "pick up a part."

A small armada of planes literally scrambled out of Summit in search of the downed 'copter only moments after its reported crash. What followed was nearly three weeks of confusion as various local groups were enlisted to search for the downed chopper. All the while, a shadowy presence observed from a distance.

As one researcher told me, "It was like they really didn't want us to find the darn thing!"

The litany of misinformation, confusion, and intrigue surrounding this event is far too lengthy to explain in this paper, but three vital occurrences must be revealed.

The alleged flight path of the doomed helicopter was not an appropriate course from Andrews to Summit, but rather toward a large isthmus known as Pioneer Point. The secluded 1,100-acre farm at the tip of this landmass was the property of the Soviet Union and was used as a summer retreat (playground) for diplomats from Washington and New York.

A high-ranking local official who was involved in the search efforts confirmed that the “parts run” story was indeed a fabrication, but he always stopped short of saying exactly what mission led to the crash which killed the pilot and co-pilot of the Hughes 500 aircraft.

The most telling incident surrounding the crash occurred in the summer of 1986, when a young waterman, crabbing just off the shores of Rock Hall, apparently pulled up the barnacle-encrusted tail fin of the wreck.

Acting on a tip, this author arrived at the location in advance of three men who showed up in an inter-agency motorpool pickup truck. While the senior member of the trio journeyed out into the bay with the young waterman, I remained on shore with the two other men.

The pair was dressed in crisp white shirts, blue jeans, and military boots. Each wore mirror-lens sunglasses and blue baseball caps. The caps were blue with gold lettering and an insignia. The insignia was clearly the logo of the CIA, and the three-line text read, “Admit nothing, confirm less, lie like hell.”

I approached the duo and asked if they were employees of the Department of Energy. They quickly asked who I was and what I was doing. I informed them that I was a reporter and was simply following the story.

After a long pause, one replied very flatly, “No.” I then asked, referring to the tall blond man who had ventured out in the boat to the apparent crash site, “Does your boss work for the Energy Department?” This time, the answer was very quick: “He’s not our boss; we work for Perdux Corporation.” They then turned away, indicating there would be no more answers to my questions.

When the tall blond man returned to the dock, I approached and asked him if he thought the wreckage was from the lost DOE ‘copter, to which he replied, “Yes.” He then loaded the tailfin into the rear of the pickup and quietly stated to his companions, “Let’s get this over to the lab and see what Sunshine has to say.”

### **The du Pont angle**

While numerous questions remain unanswered, the incident indicated some possible connection between the DOE, the CIA, and the Du Pont-controlled operation at Summit. The Du Pont Company enjoyed a very profitable relationship at this time with the DOE. Du Pont held the lucrative management contract to the DOE’s Savannah River Nuclear Plant in Georgia, where bomb-grade plutonium was refined.

A clearly more direct link between Du Pont and the CIA was detailed in a 1984 *Washington Post* article which stated:

“According to congressional sources, Summit is known to do contract work for the CIA and has had former CIA personnel on its payroll. The company was linked through ownership records to a Cessna 404 airplane—flown by a Contra pilot—that crashed during a bombing run in Managua on Sept. 8 last year.”

The link between Stockton Smith, Summit, and the CIA brings new insight into the efforts launched in 1983 to declare Lewis du Pont Smith incompetent.

LaRouche and his supporters have long been vocal critics of the Bush-Kissinger genocide and dope operations in Central America. The so-called Contra freedom fighters were central to the operations of the Dope, Inc. cartel whose laundered blood money funded Ronald Reagan’s bogus economic recovery.

Lewis Smith’s family moved to have him declared incompetent after he used part of his personal fortune to reprint and distribute the landmark exposé book, *Dope, Inc.*

The situation must have presented a genuinely mind-numbing dichotomy for the dirty-trick think tanks in Langley. Here is one member of the illustrious du Pont hierarchy overseeing armament shipments for Ollie North’s dope runners—while his own brother, in association with LaRouche, was doing his best to expose those efforts. Lewis Smith was apparently unaware until recently that his own brother, through his directorship at Summit, was indeed a pawn of the CIA.

### **Enter the Anti-Defamation League**

The palace guards of the Dope, Inc. cartel (a.k.a. the Anti-Defamation League of B’nai B’rith [ADL] and the Thornburgh Justice Department, as well as the ADL/dope-linked Canadian organized-crime Bronfman family of Seagram’s fame, which had taken over 25% of Du Pont), moved swiftly following the 1984 election to discredit and jail LaRouche and many of his associates. The du Pont Smith family was apparently ordered to deal with the “Lewis problem” and likewise moved rapidly to have Lewis declared incompetent in the Republican kangaroo courts of Chester County, Pennsylvania.

In the fall of 1992, the FBI uncovered a plot involving Edgar Newbold Smith, father of Lewis and Stockton, to have Lewis kidnapped and “deprogrammed” by ADL henchman Galen Kelly, a high priest of the pedophile-riddled Cult Awareness Network.

During the trial of Newbold Smith, Kelly, and two other cohorts, the jury heard numerous secretly recorded phone calls and conversations where the means, methods and motives were openly discussed. Despite irrefutable evidence that the quartet was clearly engaged in a conspiracy, the jury was corralled into a not-guilty verdict. The acquittal was brought about when the judge, in a precedent-setting interpretation of conspiracy, instructed the jurors that all the plotters had to agree on each detail of the plan in order for conspiracy to exist.

Edgar Newbold Smith walked out of a courtroom in northern Virginia amidst a small armada of the same ADL soldiers who’d railroaded LaRouche. Newbold Smith was a free man, having just cashed in the marker he so clearly earned eight years prior.

## House votes to maintain HIV immigration ban

The House voted 356-58 on March 11 to support a Republican-sponsored amendment to maintain an immigration ban on persons who are infected with the HIV virus. The Senate had voted to maintain the ban in a similarly overwhelming 76-23 vote. Both votes came on legislation authorizing \$6.6 billion for the National Institutes of Health (NIH).

The House action instructs its representatives to accept the Senate amendment in the House-Senate conference on NIH funding. The Senate amendment, sponsored by Don Nickles (R-Okla.), prohibits persons infected with the human immunodeficiency syndrome from being admitted as permanent immigrants. People who test positive for the HIV virus, which causes acquired immune deficiency syndrome, could enter the country for up to 30 days to receive medical care, attend conferences, conduct business, visit family, or vacation.

Rep. Thomas Bliley (R-Va.), who sponsored the House motion, commented, "We have never before permitted immigration of those who were infected in the middle of an epidemic. We should not start now."

## Committee okays Clinton budget, but fight looms

The Senate Budget Committee voted out President Clinton's economic package on March 11 after the Democratic majority cut a further \$96 billion over and above what Clinton had wanted. The resolution was adopted on a 12-9 committee vote along strict party lines.

The resolution still calls for large tax increases and a token "stimulus" for the five-year plan, although this could be whittled down even further. "Investment" spending would be in-

creased by \$124 billion, while taxes would be increased by a net \$295 billion. Spending in other areas would be cut by \$332 billion. Sen. Phil Gramm (R-Tex.) gloated that "we are witnessing the unraveling of the Clinton tax package tonight."

Many Democrats, distressed by the deep cuts in spending in the committee plan, are demanding that the White House and the House Democratic leadership back a \$16.2 billion short-term stimulus package as the price for their support. Members of the Congressional Black Caucus warned that they would not vote for the budget package unless they receive assurances that the stimulus will be adopted intact. The caucus also plans to offer an alternative budget resolution that would cut more deeply into defense spending.

Many representatives from farm states expressed dissatisfaction with the package. Sen. Max Baucus (D-Mont.), usually a strong proponent of "deficit reduction," warned that the budget plan "would cripple the economy of the American West."

The additional cuts were defended on the basis of the need to keep the budget beneath the spending caps imposed by the 1990 budget agreement between President Bush and the Congress. The Senate resolution would achieve the \$62 billion in additional cuts by raising an additional \$22 billion in tax revenue and reducing or postponing spending of \$41 billion. The House version eliminates the \$62 billion through increased discretionary and mandatory spending, and avoids any new taxes.

The "austerity Democrats," not satisfied with that which they helped craft, turned around and threatened a fight when the measure comes to the floor. Rep. Charles Stenholm (D-Tex.), a leader of the "austerity Dems," is drafting an amendment that would force Congress and the administration either to shelve about \$10 bil-

lion of the total spending still in the package or offset it by reducing spending in other areas.

## Senate confirms Reno as attorney general nominee

The Senate approved on March 12 in a 98-0 vote President Clinton's third nominee for attorney general, Janet Reno. The Senate Judiciary Committee had approved the nomination the day before.

Reno said that one of her first tasks would be to rule on the future of FBI Director William Sessions. The fate of Sessions, who had come under fire from Reno's predecessor, Bush-appointed William Barr, will be determined by the President. Clinton has said, however, that the matter of the FBI chief would be reviewed by his new attorney general. Sessions has five years left to serve in a 10-year term as FBI director.

Reno's confirmation was marred by rumors, apparently circulated by National Rifle Association lobbyist David Gibbons, that she had once been arrested for drunk driving but had received lenient treatment by local police. The rumors proved to be unfounded and the NRA was forced to apologize to Senate Judiciary Committee Chairman Joseph Biden (D-Del.) and the lobbyist forced to resign. Reno has been state attorney in Dade County, Florida for the past 15 years. She was the last Clinton cabinet member to be confirmed.

## NAFTA could be seriously in peril

The North American Free Trade Agreement (NAFTA) could be in serious trouble in both houses of Congress. This was the message delivered to Trade Representative Mickey Kan-

tor, who testified before the House Ways and Means Committee on March 11.

"It's a treaty that's in trouble," said Rep. Marcy Kaptur (D-Ohio), who has been critical of the treaty. Rep. Robert Matsui (D-Calif.) indicated that it was a real question "whether or not we will have the ability to pass NAFTA at any time in the future unless there is a greater grassroots interest."

House Majority Leader Richard Gephardt (D-Mo.), feeling the heat from his labor constituents, said that he supports Mexico's efforts to improve work-place and environmental conditions, but that he would insist on strong supplemental agreements with Mexico. "I will not support NAFTA on a leap of faith," he said.

Sen. Max Baucus (D-Mont.), chairman of the Senate Finance Subcommittee on Trade and one of the early supporters of the treaty, doubted whether "anyone yet knows where the votes are" in the Senate. President Clinton has indicated that he will not send the treaty to Congress until he has worked out additional agreements which address the objections of the labor unions and the environmentalist groups.

## **Aspin calls for major base cuts**

Defense Secretary Les Aspin presented his plan for base closings on March 12, which would eliminate 31 bases and significantly reduce 134 more. Among the installations eliminated in the proposal are Homestead Air Force Base in Florida, the Long Beach Naval Shipyard, and McGuire Air Force Base in New Jersey. The closings would eliminate 24,000 military and 57,000 civilian jobs.

The proposal will now be presented to an eight-member bipartisan

presidential commission headed by former Rep. James Courter (R-N.J.), which will determine the final plan. It will then be presented to the House, the Senate, and the President, who must either accept or reject the plan *in toto*.

Aspin admits that the reductions will depend on developments in Russia. Interviewed on the NBC News program "Meet the Press" on March 14, Aspin said that there was "no question" that the cuts would be eliminated or slowed if there was a political shift in Russia.

## **Resolution seeks German role in peacekeeping**

A Senate resolution introduced on March 10 by Sen. William Cohen (R-Me.) calls for the "full and active participation" by Germany in international peacekeeping operations. The resolution is meant to second U.N. Secretary General Boutros Boutros-Ghali, who has called for the "full participation" of Germany "in peacekeeping, peacemaking, and peace-enforcing measures."

Germany is barred by its constitution from participating in military operations outside its borders. Bonn has introduced a constitutional amendment which would require simple majority approval by the Bundestag (parliament) to participate in "peacekeeping" and "peacemaking" activities, and two-thirds approval by the Bundestag in order to participate in collective self-defense outside NATO.

Cohen emphasized that "Germany is being encouraged to participate in the full spectrum of international military operations, from blue-helmet missions to future Desert Storms."

## **Gonzalez wants War Powers invoked in Somalia**

House Banking Chairman Henry B. Gonzalez (D-Tex.) called on President Clinton to invoke the War Powers Act or to pull U.S. troops out of Somalia.

The War Powers Act is a post-Vietnam War measure designed to ensure congressional approval before U.S. troops are sent into hostilities. It was enacted in 1973 after Presidents Kennedy, Johnson, and Nixon deployed American troops without explicit congressional approval or an official declaration of war. Section 3 of the resolution orders the President "in every possible instance" to consult Congress before sending armed forces "into hostilities or into situations where imminent involvement in hostilities is clearly indicated by the circumstances." The President is required to notify Congress in writing within 48 hours of deploying troops. Troops can then remain deployed for 60 days, after which time Congress must reauthorize the deployment.

President Bush notified Congress before the Somalia action, and the Senate passed a joint resolution authorizing it last December. Gonzalez argues that the 60-day period ended Feb. 8.

Other legislators object because Somalia has not been defined as a "hostile" situation. Rep. Vic Fazio (D-Calif.) has collected signatures on a letter to Foreign Affairs Committee Chairman Lee Hamilton (D-Ind.), appealing to him to support the action in order to "reverse the erosion" of congressional war powers.

In 1990, Democratic House members filed a lawsuit seeking to force President Bush to withhold military action against Iraq in the Persian Gulf war. Although a judge declined to stop deployment, Bush decided to secure Hill approval, which he got on a narrow vote.

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# National News

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## Byron White to retire from Supreme Court

Associate Justice Byron White announced on March 19 that he will retire from the Supreme Court at the end of the current term. He said he was making his announcement early so that the President would have plenty of time to fill the position before the new term starts next October. White, 75, appointed by President John F. Kennedy in 1962, is the only Democratic appointee still sitting on the Supreme Court.

In recent years, his most important contribution has been in his well-reasoned and consistent opposition to the elaboration of new constitutional "rights" such as to abortion, homosexuality, or the right to die. White has generally supported civil rights and voting rights laws, but has opposed affirmative action.

White has supported the death penalty, although opposing Chief Justice William Rehnquist and Associate Justice Antonin Scalia on some of their more barbaric rulings. Recently, in the *Herrera* case, White concurred with Rehnquist, but wrote a separate opinion saying that if a defendant made a persuasive showing of "actual innocence," execution would be unconstitutional. White wrote the dissent in the 1973 *Roe v. Wade* decision, charging that the majority ruling was "an exercise of raw judicial power" which valued "the convenience, whim, or caprice" of the pregnant woman more than the life or potential life of the fetus. White wrote the majority opinion in the 1986 *Bowers v. Hardwick* case, holding that there is no constitutional right to homosexual sodomy. In this ruling, White affirmed that there is a connection between morality and law, and that morality is an adequate basis for law.

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## White House denies LaRouche Fed charges

During a March 10 White House background briefing on the Clinton proposal to ease restrictions on banks, a "senior administration official" stated: "There is no credible evidence that, in fact, banks have been

borrowing very short money at 3% and putting it in long-term bonds at 6.5%. If that were to be done in any magnitude, it would be an unsound practice, and we would crack down on it. And we'll be looking for that. But at the moment, that's just a speculation and assertion by some people. We do not have any evidence that that's the case, nor is there any evidence whatsoever that the risk-based capital rules have, in fact, led banks to hold bonds rather than loans."

The most prominent thorn in the Federal Reserve's side on this issue has been Lyndon LaRouche, who has repeatedly charged during his weekly "EIR Talks with Lyndon LaRouche" radio interviews, that the Federal Reserve has been creating money to lend to commercial banks at 3%, which they use to buy U.S. government debt at 8%. LaRouche maintains that this practice by the unconstitutionally chartered Fed is the primary cause for the budget deficit, and that the Federal Reserve should be nationalized under the Treasury as specified in the Constitution. Such a move would allow the government to establish an appropriate credit policy—rather than debt policy—for productive national investment.

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## Post suggests areas of investigation for Reno

"Four Cases for Janet Reno" was the headline of an editorial in the March 14 *Washington Post*, which outlined four areas for investigation for incoming Attorney General Janet Reno:

"The Inslaw matter is the oldest of these. After years of litigation and appeal, promises of cooperation and instances of stonewalling, a cloud remains over the [Department of Justice] handling of a computer software contract worth millions of dollars. . . . Did present or former Justice Department officials or their friends market the software for their own personal gain? . . ." The Inslaw firm was bankrupted by the Justice Department, which, in essence, stole the software provided by Inslaw. In the intervening years, the packages have turned up in the law enforcement computers of foreign countries. One journalist whose investigations included the Inslaw case was found dead.

The *Post* also names "the BCCI case, one of the largest bank scandals in American history, [which] has been the subject of many rumors"; and "Banca Nazionale del Lavoro. . . . Why was the [Atlanta] bank manager prosecuted for defrauding the parent company when the CIA had reported that he was acting with the full knowledge of the Italian bankers? . . . Were there people in the Justice Department who knowingly impeded the investigation? . . ."

The fourth case is "the matter of FBI Director William Sessions. . . . Has he been made a scapegoat because of his vigorous pursuit of the BNL matter, his leadership in forwarding equal employment opportunity in the bureau, and his general refusal to play ball politically in some instances in the department?"

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## Terry again defends convicting the innocent

Colman McCarthy's column in the March 16 *Washington Post* reveals yet another case where former Virginia Attorney General Mary Sue Terry fought to defend the conviction and incarceration of an innocent man. Terry left her post last month to run for governor of Virginia, boasting at her campaign announcement of her "get LaRouche" prosecutions which have meted out sentencing ranging from 10 to 77 years for political "crimes."

In 1986, Walter Snyder, 19, who is black, was convicted of raping and sodomizing a white woman who lived across the street. Snyder was arrested after the rape victim identified him after seeing him washing his car on their street. The jury rejected his testimony that he was home asleep at the time of the crime. The prosecution was allowed to introduce a chemical analysis of the semen which showed the rapist to be a "type A" secretor. Snyder was a "type A," along with 30% of the male population.

McCarthy reported that Walter Snyder's parents wrote hundreds of letters to governors, congressmen, and other U.S. influentials, to no avail. They finally read about DNA testing and obtained a court order to have the semen tested; the results excluded Snyder. The FBI has reported that of the 5,000 cases it received for DNA analysis



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in the last five years, more than 35% have excluded a primary rape suspect. Terry defended Snyder's conviction, for which he spent six years in prison.

Alexandria Commonwealth Attorney John Kloch has now petitioned Gov. Doug Wilder to grant clemency to Snyder, admitting in his petition, "Another individual is responsible for the crime." Because of Virginia's vicious 21-day-after-sentencing limit on the introduction of new evidence, this appeal for "clemency" may well be the only procedure that can be used to get an innocent man out of prison in Virginia.

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## Wilder refused to stay electric chair murder

Virginia Gov. L. Douglas Wilder said March 15 that he would not grant clemency to Syvasky Poyner, the named plaintiff in a federal class action suit to have electrocution declared unconstitutional as "cruel and unusual punishment." Poyner's case was featured on *EIR* on Feb. 26.

Wilder claimed that Poyner raised "esoteric arguments" about the method of execution, and said that if he believed electrocution were cruel or unusual punishment, "I would not have gone along" with earlier executions.

Poyner was executed on March 18 when the U.S. Supreme Court refused, in a 7-2 vote, to stay his execution pending a decision to consider, for the first time since its 1890 introduction to the U.S., whether electrocution was "cruel and unusual punishment." The court, however, did not rule on the request to have the class action suit on electrocution heard.

Poyner apologized for his crimes and asked forgiveness in a final statement.

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## Henry Kissinger takes one on the nose

Dave Barry's regular column in the *Washington Post Magazine* for March 14, apropos the inclusion of Mrs. Henry Kissinger on the "International Best Dressed List," related the following anecdote:

"Speaking of the newspaper industry

and Mrs. Henry Kissinger and nostrils, I feel compelled at this time to tell you about the Nov. 13, 1992, issue of the Brazilian newspaper *Jornal [do] Brazil*. The front page features two large color photographs of Mr. Henry Kissinger . . . aggressively picking his nose at a trade conference in Rio de Janeiro. I am not making this up. The first photo shows Mr. Kissinger sitting with his translation earphones on and a little American flag in front of him. He has that faraway look that guys get when engaged in nasal maneuvers; his whole consciousness appears to be centered in his left pinkie, which is wedged deep into his left nostril. In the second photo, he has the same look on his face, only now he is holding something between his thumb and forefinger, and his mouth is open, and . . . YUCK.

"The caption under the pictures makes no mention of this. It merely states that Mr. Kissinger is in town for the conference. . . ."

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## Du Pont heir speaks on 'Travesty' book

Speaking at the West Chester, Pennsylvania courthouse, Lewis du Pont Smith, Andrea Diano Smith, and Bruce M. Director released the book *Travesty—A True Crime Story* to the Philadelphia area on March 18. The book, published by *EIR*, details the latest outrages of the government/private "Get LaRouche" task force in its operation to kidnap and deprogram Du Pont heir Lewis Smith and his wife. Most of the book is taken from transcripts of consensually taped conversations of the "Kidnappers, Inc." gang, who freely, and frequently obscenely, boast of their efforts to destroy LaRouche, his associates, and his entire political movement.

Speaking for the first time to reporters since the end the "Kidnappers, Inc." trial, Smith said that the conspirators should have been convicted but that the actions of the judge led to their unjust acquittal. He concluded that he believes that the circulation of *Travesty* will lead to the freeing of LaRouche. Andrea Diano Smith said that for the last seven years she and her husband have been living in a police state, harassed, followed, and targeted for kidnapping, simply because they decided to support Lyndon LaRouche.

## Briefly

● **TWELVE LAROCHE** associates joined members of the Standing Rock Sioux Reservation in North Dakota in a protest on March 15, against the Bureau of Indian Affairs and the plan to build a Swiss/South African-controlled gambling casino on the Reservation. Rally organizers said that this was the first time that non-Indians had come to the Reservation to demonstrate with local people.

● **JULIA CHILD**, who just turned 80, has embarked on a campaign to educate elementary schoolchildren about good eating habits and teach children that "takeout food is unhealthy, expensive, and uncivilized," according to *USA Today*.

● **DAVID DUKE** held a rally in front of a New Orleans statue commemorating the "White League" uprising on Feb. 24. The "White League" in 1874 tried to overthrow the state's Reconstruction government, and the statue, listing the members who died in the insurrection, was re-erected under protest from the city government because of a federal court order.

● **A BOSNIAN PRESS** representative to the foreign press, Sven Rustempasic, addressed a Seattle meeting of the Schiller Institute on March 13, and thanked the Schiller Institute and *EIR* for being the only institutions in the U.S. upholding the morality of the nation.

● **ROSS PEROT** is spending money like water, with national one-minute television spots advertising his membership drive for "United We Stand, America!" In the spots, Perot congratulates himself for putting the deficit in the middle of the campaign.

● **NEW JERSEY** Assemblywoman Marion Crecco completed a five-year campaign to have the legislature pass a bill mandating that sexual abstinence be taught as "the only completely reliable means" of preventing sexually transmitted diseases and AIDS. Crecco expects to pass the bill and override a veto by Gov. Jim Florio.

## Editorial

# *On the tenth anniversary of President Reagan's announcement of SDI*

This is former presidential candidate Lyndon LaRouche speaking.

As one of the key figures among the few who know the true story behind President Reagan's Strategic Defense Initiative, it is my pleasure and duty to remind people on this tenth anniversary of President Reagan's televised announcement, that that announcement was one of the most important events of the past fifty years.

It was an announcement which changed the course of history, an announcement which led, inevitably, as some of us saw back then, to either new cooperation between the United States and Moscow along the lines President Reagan proposed, or else the collapse of the Soviet empire for economic reasons within about five years.

This was a decision by the President to adopt this policy and to promulgate it, made against the strongest opposition from within leading circles within the United States and even within his own administration—even within his own White House organization. It was a decision of courage which changed the course of history for the better, which obviated the risk of thermonuclear war for that period.

Unfortunately, following the President's departure from office, his successor, George Bush, together with Margaret Thatcher, bungled the greatest opportunity for peace in history, by failing to realize the importance of carrying out the principles of economic-development cooperation embedded in the original Strategic Defense Initiative proposal as I outlined these terms in pre-1983 back

channel negotiations and discussions with the Soviet government.

Bush and Thatcher will go down as the greatest political failures of the late twentieth century because of their bungling of this opportunity with their fads of radical monetarism, radical free trade, with their shock therapy proposals, and with their collaboration with the Gorbachov regime to unleash the British-U.S. assets—or shall we say the Kissinger Associates assets—around Slobodan Milosevic in attacks on the southern flank of the very Central Europe on which eastern Europe and the former Soviet Union depended for the mediation of serious, effective economic cooperation.

We must take note of that unpleasant fact on this anniversary date, this tenth anniversary of President Reagan's brave and important announcement of the SDI, because once again the time has come for similar bold initiatives.

This time the ball is in the lap of President Clinton; and one can hope that the President will listen to the advice of some of those who supported President Reagan in the making of the SDI announcement, that a similar brilliant, imaginative initiative will come from President Clinton even over the objections of some of his closest advisers and supporters.

We must change the situation as we attempted to change the situation with the SDI; and if President Clinton can follow and succeed President Reagan in that respect, he will have in history a successful presidency.

—Lyndon H. LaRouche, Jr., March 23, 1993

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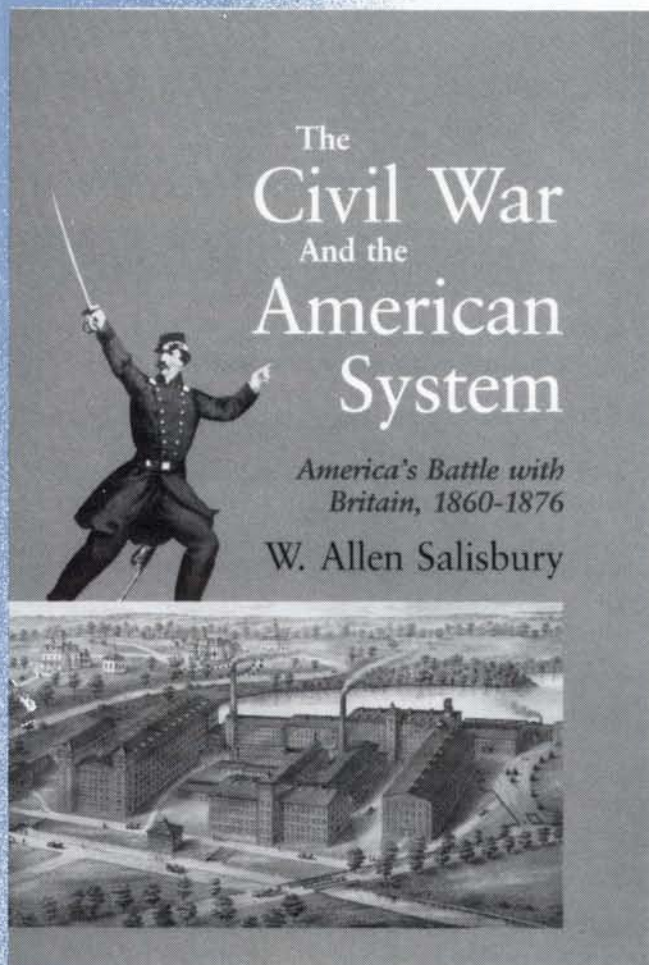
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